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# MONETARY POLICY STATEMENT FOR 2015-16

Fifth Bi-Monthly Monetary Policy Statement, 2015-16

# *Fifth Bi-monthly Monetary Policy Statement, 2015-16 by Dr. Raghuram G. Rajan, Governor**

**Monetary and Liquidity Measures**

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

- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.75 per cent;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liability (NDTL);
- continue to provide liquidity under overnight repos at 0.25 per cent of bank-wise NDTL at the LAF repo rate and liquidity under 14-day term repos as well as longer term repos of up to 0.75 per cent of NDTL of the banking system through auctions; and
- continue with daily variable rate repos and reverse repos to smooth liquidity.

Consequently, the reverse repo rate under the LAF will remain unchanged at 5.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 7.75 per cent.

**Assessment**

2. Since the fourth bi-monthly statement of September 2015, global growth continues to be weak. Global trade has slowed further with waning demand and oversupply in several primary commodities and industrial materials. In the United States, inventory accumulation is likely to hold down growth in Q4 of 2015. Industrial production slumped in October on cutbacks in oil drilling, while exports were undermined by the strengthening US dollar. Consumer confidence was, however, supported by the diminishing slack in the labour market. In the Euro area, high frequency indicators such as retail sales, purchasing managers' indices and unemployment point to an uptick in a still anaemic recovery, with monetary policy expected to be increasingly supportive as risks of undershooting the inflation target persist. In China, slowing nominal GDP growth and high debt continue to raise concerns, especially given the overcapacity in certain sectors. Other emerging market economies (EMEs) continue to face headwinds from domestic structural constraints, shrinking trade volumes and depressed commodity prices.

3. Global financial markets began Q4 on a calmer note after the Federal Open Market Committee stayed on hold in September. Stock markets recorded modest gains in October; major currencies recouped some ground against the US dollar and crude oil traded briefly above US $ 50 per barrel for the first time since July. Markets were also boosted by the easing of monetary policy in China and indications of further stimulus in the Euro area and Japan. Following the early November release of robust US jobs data which increased the likelihood of US monetary policy starting to normalise in December, the US dollar has appreciated significantly, and US yields have hardened. Bond markets in EMEs have generally been tracking the hardening of US yields. Currency markets in EMEs have experienced selling pressures as portfolio investors continue to exit them as an asset class. Unease in investor sentiment is likely to increase ahead of the imminent divergence in advanced economy monetary policy stances.

4. On the domestic front, provisional estimates of gross value added (GVA) at basic prices for Q2 of 2015-16 rose on the back of acceleration in industrial activity. Other indicators suggest the economy is in the early stages of a recovery, though with some areas of continued weakness.

* Released on December 01, 2015.

5. Value added in agriculture and allied activities picked up on the modest increase in kharif output and timely policy interventions to stem the effects of the deficient south-west monsoon. Turning to Q3, the north-east monsoon commenced on a listless note, but the subsequent cyclonic weather has improved precipitation and raised the probability of a normal monsoon as predicted by the Indian Meteorological Department. Nevertheless, the exceptionally dry start to the season affected sowing in all major rabi crops, while the excessive rains that followed may have reduced the prospects of coffee and paddy. Overall, the current outlook for agricultural growth in 2015-16 appears moderate at best at this juncture.

6. The Index of Industrial Production picked up in the second quarter. Early results of the Reserve Bank's order books, inventories and capacity utilisation survey indicate that there was robust growth in new manufacturing orders in the second quarter, and finished goods inventories declined while raw materials inventories increased. Not all indicators, however, are positive. While urban consumption is showing signs of a pick-up in some areas such as passenger vehicles sales, rural demand has been weakened by two consecutive deficient monsoons and slowing construction activity. Nevertheless, new project announcements as measured by the Centre for Monitoring Indian Economy grew more strongly in the second quarter. It remains to be seen whether growing public investment can crowd in private investment on a sustained basis, despite the still-low capacity utilisation.

7. Lead indicators of services sector are mixed. The services purchasing managers' index increased in October 2015 on account of improvement in new business orders. Commercial vehicle sales (reflecting transportation demand) and domestic civil aviation passenger traffic accelerated year-on-year. On the other hand, tourist arrivals, cargo handled at major ports, railway freight traffic, domestic and international air cargo traffic, and measures of construction such as steel consumption slowed. Recent policy initiatives relating to rail, port and road projects are likely to improve construction activity, as will the Reserve Bank's countercyclical reduction of capital charges on low income housing loans, *albeit* with gestation lags.

8. As anticipated in our previous policy, retail inflation measured by the consumer price index (CPI) increased for the third successive month in October 2015, pushed up by a surge in the monthly momentum. Food inflation rose sharply in October, driven especially by pulses.

9. CPI inflation excluding food, fuel, petrol and diesel also rose for three consecutive months on account of price increases in respect of housing, recreation and amusement, and personal care and effects. Within this broad category, education and health services contributed most to headline inflation. Households' inflation expectations remain elevated although they have edged lower recently, perhaps in response to lower prices of petrol and diesel. Rural wage growth, as also corporate staff costs, remain subdued.

10. Underlying liquidity conditions tightened in October-November with the festival season draining currency from the system and some slowdown in government expenditure. In response, the Reserve Bank conducted variable rate repo and reverse repo auctions of various tenors in addition to regular 14-day variable rate repo. As a result, average net daily liquidity absorptions of ₹119 billion in Q2 gave way to average daily net injection of ₹372 billion in October, which scaled up to ₹856 billion in November. Money market rates remained around the policy repo rate – only rising slightly in the second week of November at the height of festival currency demand. Bank credit in the form of personal loans grew strongly as did non-bank financing flows particularly through commercial paper, public equity issues and housing finance.

11. In the external sector, exports contracted for the eleventh month in a row to October, indicative of the

persisting weakness in global trade. Excluding petroleum products (PoL), however, the decline in exports was more moderate and early signs of a turnaround are visible in respect of readymade garments, drugs and pharmaceuticals and electronics. With global commodity prices, especially those of crude, softening further, both PoL and non-PoL exports continued to contract, with the latter shrinking for the fourth consecutive month. The decline in bullion imports despite the festival season helped narrow the trade deficit in October as well as over the financial year so far, moderating the current account deficit further. Net foreign direct investment (FDI), external commercial borrowings and accretions to non-resident deposits have risen in relation to last year; however, portfolio outflows from both debt and equity segments rose in November. During 2015-16 (up to November 20), there has been an accretion of US$ 10.8 billion to the foreign exchange reserves.

**Policy Stance and Rationale**

12. In the bi-monthly monetary policy statement of September, the Reserve Bank assessed that the inflation target for January 2016 at 6 per cent was within reach. Accordingly, it front-loaded its policy action in response to weak domestic and global demand that were holding back investment, while noting that structural reforms and productivity improvements would continue to provide the main impetus for sustainable growth.

13. Since then, inflation has turned up as anticipated, and is expected to rise further until December before plateauing. Although the seasonal moderation in prices of vegetables and fruits is expected to provide some respite, the *El Nino* induced shortening of winter may limit this effect. The early indications of rabi sowing together with low reservoir levels suggest that astute supply management by the central government, including close coordination with State governments, is necessary to minimise any shortfall in the rabi crop. While oil prices, barring geopolitical shocks, are expected to remain benign for a few quarters more, the uptick of CPI inflation excluding food and fuel for two months in succession warrants vigilance. Taking all this into consideration, inflation is expected to broadly follow the path set out in the September review with risks slightly to the downside (Chart 1).

14. The outlook for agriculture is subdued, in view of both rabi and kharif prospects being hit by monsoon vagaries. While there are areas of robust growth in

**Chart 1: Projection of CPI Inflation (y-o-y) for 2015-16**

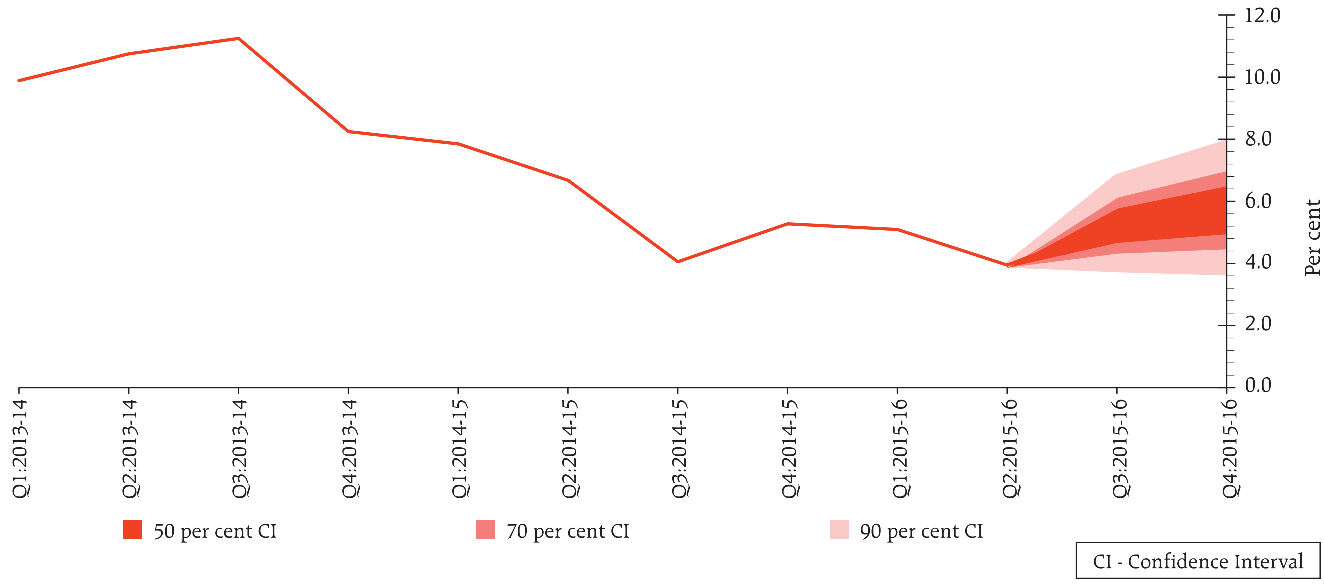
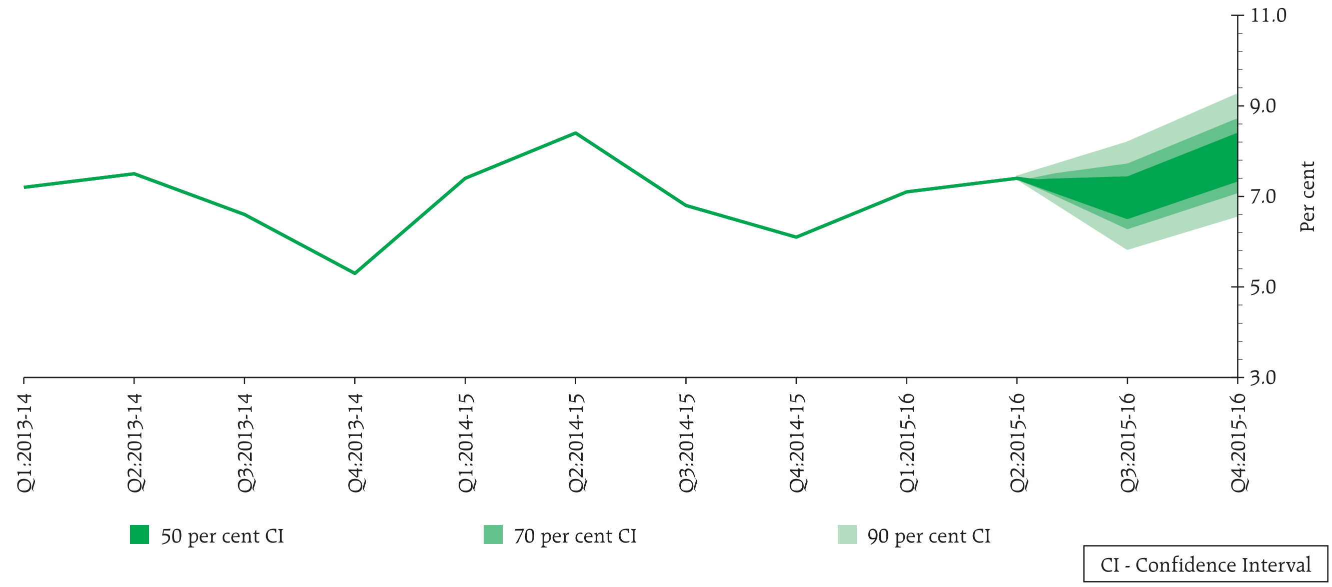


**Chart 2: Quarterly Projection of Growth in GVA at basic prices (y-o-y) for 2015-16**




manufacturing such as capital goods and passenger cars, weak rural and external demand holds back stronger overall growth. Similarly, while prospects for a revival in service sector activity have been boosted by optimism on new business, pockets of lacklustre activity such as construction weigh on the overall outlook. The step-up in public capital spending and the easing stance of monetary policy provide the enabling environment for a revival in private investment demand, supported by easing input prices and improving conditions for doing business. The growth projection for 2015-16 has accordingly been kept unchanged at 7.4 per cent with a mild downside bias (Chart 2).

15. The Reserve Bank will follow developments on commodity prices, especially food and oil, even while tracking inflationary expectations and external developments. The implementation of the Pay Commission proposals, and its effect on wages and rents, will also be a factor in the Reserve Bank's future deliberations, though its direct effect on aggregate demand is likely to be offset by appropriate budgetary tightening as the Government stays on the fiscal consolidation path. In the meantime, since the rate reduction cycle that commenced in January, less than half of the cumulative policy repo rate reduction of 125 bps has been transmitted by banks. The median base lending rate has declined only by 60 bps. The Reserve Bank will shortly finalise the methodology for determining the base rate based on the marginal cost of funds, which all banks will move to. The Government is examining linking small savings interest rates to market interest rates. These moves should further help transmission of policy rates into lending rates. In addition, the on-going clean-up of bank balance sheets will help create room for fresh lending. The Reserve Bank will use the space for further accommodation, when available, while keeping the economy anchored to the projected disinflation path that should take inflation down to 5 per cent by March 2017.

16. The sixth bi-monthly monetary policy statement will be announced on Tuesday, February 2, 2016.

# SPEECHES

# *Economy Unplugged**

## *Raghuram G. Rajan*

**NDTV**: Hello and welcome. It's seldom that am actually really honoured to have two people on the panel to question and to pick their brains. These are two people that I and I think all of us here, we have students from all over the country St Stephens, Delhi School of Economics, LSR, all the top colleges admire. Also it's the RBI Governor Dr Raghuram Rajan, thank you very much for being here with us. And his friend, who does not always agree with him, Arvind Subramanian, the Chief Economic Advisor of India. Round of applause for these two. I must say I don't normally say this but it is honestly great to have two great professionals, respected around the world, running the economy of this country. The fact that it is in a mess is not your fault. It's not in a mess, but do you always agree with each other on everything? You are friends but it's like church and state.

**Raghuram Rajan:** No, we do disagree.

**NDTV**: You do disagree?

**Rahguram Rajan:** Absolutely, absolutely on the economic policy

**Arvind Subramanian:** And sometimes even violently

**Raghuram Rajan:** But in a larger scheme of things not about current policy or, you know, broadly about, you know about way to growth in the long run and stuff like that

**Arvind Subramanian:** And if two quarters don't violently disagree on occasion I think the output is much the lesser for it

**NDTV**: We used to call it when we were young, dialectics and you make progress through dialectics, right? So in fact actually you have written quite a major paper together when you were in the IMF, which caused a lot of controversy and it was his fault, right?

**Raghuram Rajan:** Yes, he wrote the paper

**NDTV**: Are you disowning it now?

**Raghuram Rajan:** No, it is a very good paper

**NDTV**: You are co-authors though, right?

**Raghuram Rajan:** We are co-authors. We sort of wrote it together, but he did the bulk of the thinking and the work, but it was, well the story is it was on aid and how aid really doesn't work in terms of economic growth. It is useful in calamities and so on, but somehow for all the money that is poured in as aid you really don't see strong evidence that it helps economic growth

**NDTV**: That's pretty controversial when you are in the IMF and giving an interview

**Raghuram Rajan:** It's pretty controversial when you are in the IMF one week before the Gleneagle Summit, when all the rich countries in the world are getting together and being pushed to ramp up aid

**Arvind Subramanian:** The interesting story was that exactly the week before, I don't think Raghu remembers, firstly he is being very modest when he says it was a joint effort and so exactly 4 or 5 days before this major summit 2005 Gleneagles, the front page of the Financial Times which is what everyone reads in Washington, the front page said 'IMF says aid does not work' and Raghu doesn't remember this, he had actually left

**Raghuram Rajan:** I remember that

**Arvind Subramanian:** He had gone off on a tour and so the Managing Director summoned the authors, but one of them was missing. He was lucky and then I had to go and face the music

**Raghuram Rajan:** I think some 15 Finance Ministers from African countries called him that day to say what you are saying? You know the truth is the article reflected our views carefully but this is something that the people should know that the headlines are not written by the person who interviews you, but by some assistant editor who wants to make it look good

* Dr. Prannoy Roy in conversation with Governor Raghuram G. Rajan and CEA Arvind Subramanian – November 05, 2015 – Unedited Transcript – NDTV.

**Arvind Subramanian:** Prannoy should know

**NDTV**: Yes, I have always said never trust journalists

**Raghuram Rajan:** I mean the headlines went quiet, you got the gist we would not have put it as startling

**NDTV**: You nearly got sacked, the two of you

**Raghuram Rajan:** Let's say we had some interesting conversations

**Arvind Subramanian:** Actually I had to go and do a press conference to almost intellectually disown the paper, which I didn't, but we had to distance the IMF, the Institution from the authors and it is always a tough act to do. Raghu was the Chief Economist of the IMF. It's a bit difficult to say that

**Raghuram Rajan:** But the truth is actually the IMF management supported it, they had seen the paper and they had actually said this was right, we had to figure out a way to, the issue was the timing

**NDTV**: Perfect timing, from a journalist's point of view

**Arvind Subramanian:** Actually thinking about it now its 10 years exactly since we wrote that paper and I don't know, hopefully, it is going to survive. I don't know but really the reassuring and comforting thing was that the World Bank commissioned a report by experts on an evaluation of research done by the World Bank, and Angus Deaton was on that committee, and he then, I think, said basically that the best paper done on aid was what Raghu and I did, and he still stands by it and he teaches it in his class, so that's the vindication for that paper, for whatever it is worth

**NDTV**: Not bad, not bad at all, but there you both agreed on one thing, its never normal when you have got two economists, you will have twenty views and if you are a Bengali economist there will be 50 views, by and large none of you are Bengalis

**Arvind Subramanian:** Actually we are both from the same part of the world

**NDTV**: Right, exactly one area which has been, I am not sure who believes in what, I have a query in my mind about do we have inflation or do we have disinflation or deflation and it depends on which data you look at. Let's have a look at how bizarre the indices, the wholesale price index and the consumer price index, there is a crazy diversion. Wholesale price index says we have a minus 5 per cent inflation or deflation and the consumer price index says plus 5 per cent. Now only India can have two indices that can say exactly the opposite thing and you believe in the WPI and you believe in the CPI. One last thing the GDP deflators about zero half way it's like exactly if you average the two

**Arvind Subramanian:** That is almost by construction, the national income accounts office, which by the way they do a fantastic job in terms of procedure and institutions and credibility and so on, its really a top class operation and they are trying to upgrade it to world class standards. They actually only measure the wholesale and consumer prices, the GDP deflator is just constructed, I think, on this. It is not first of all, it is very striking, it is not completely unprecedented, but the magnitude to which it is unprecedented, it has happened on a couple of occasions before and I think it actually creates a very difficult problem for Raghu and the RBI because…

**NDTV**: They both suggest very different policies

**Arvind Subramanian:** Just for the record you know, it's not that I believe in WPI and Raghu believes in CPI. I think we both believe, Raghu correct me if I am wrong, that both are conveying information about the economy and the question is therefore, how do you from this takeout what is essential and then set interest rates and monetary policy, given this bewildering divergence in information that is coming through?

**NDTV**: Give me one example, if you take CPI as the authentic measure of inflation, you are worried about inflation, then, so you will not low interest rates and if you take WPI as authentic you will lower interest rates, you are not worried about inflation, a huge impact on policy?

**Raghuram Rajan:** We move to targeting CPI sometime back and I think that's the right thing what people see. So, what explains divergence? I think it is basically the difference in baskets. The WPI has a lot of traded goods, lot of commodities, which are declining in price and therefore it is negative. The CPI has services and food, food held down by the global prices, but services are unique. In India you can't get education services, abroad you have to get them. In India you can't get healthcare, abroad you have to get them. In India, so those have been inflating at a higher pace. So the difference I think is between the non-traded goods, which are a larger part of CPI and a smaller part of WPI

**NDTV**: In a nutshell what you are saying is CPI has about 45 per cent almost 50 per cent food items, food and beverages, while the Wholesale Pricing Index has 65 per cent manufactured items. So one is for industry and one is almost for the consumer

**Raghuram Rajan:** Absolutely

**NDTV**: One last thing, why go for CPI when it is all about food and nothing the RBI can do much about food more than the monsoon?

**Raghuram Rajan:** Well, it's not just about food, it's also, I mean this is the thing that has us, had us worried and has us worried, which is services. But, what's important is think of the wage price inflation issue. If we believe that people, seeing the basket of goods that they have to buy, see the basket higher in price; they want to have higher wages to be able to afford that

**NDTV**: Yes

**Raghuram Rajan:** So the spiral is not about commodities, which some firm buys, but it's about what you go out into the market and buy

**NDTV**: Right

**Raghuram Rajan:** That's what we have to combat, as you know, inflation focus Central Bank, one. Two, it is an issue that manufacturers might face, a different level of inflation, but remember it's not the negative five that you pointed to, because even though the output prices are not going up that much or may even be falling, the input prices, which are commodities, are falling even faster. So, their profits are actually increasing

**NDTV**: Right

**Raghuram Rajan:** So, if you look at, what they try to discount when they look at whether I should invest, it's the profitability, and that's you know, a little better than where the WPI is, probably not as good as the CPI. So, that's one, don't feel that sorry, for the producer, he's, he's not that well off certainly…

**NDTV**: I mean he must be worried, that the prices are going down because the lack of demand?

**Raghuram Rajan:** Exactly

**NDTV**: Kind of recessionary conditions, but that is so important for the RBI

**Raghuram Rajan:** Exactly. So, so what we have to do is continuously focus on that CPI, but say how do we get to that target that we have in mind, may be if conditions are weaker, we take a little longer. That's how we set our inflation process. We took one year to get from; the initial years were easy. One year from double digit to eight, another year from 8 to 6, but now we are going to take one year to get to five, and then another year to get to four; so it's going to taper off, the pace at which we are trying to hit the target

**Arvind Subramanian:** So, so, so, the way that I would, I mean, I think about this….

**NDTV**: The way you disagree?

**Arvind Subramanian:** The way I, marginal, a little bit disagree, is that…

**NDTV**: I love to hear your conversations in your room actually, they are much more violent.

**Arvind Subramanian:** You know, I think that firstly they do convey very different things and so in some sense, you know the consumer is facing one set of prices and the producer, even; I think the adjustment that Raghu is saying is right. His profits are going up, but he is facing, you know, if you are selling like steel for example, you know, your real interest rate is really very, very high today, because the output of the steel is plummeting and even discounting for the fact that your inputs are cheaper, you know you are really hurting. So, how should one, you know, digest all this information from, you know, conduct monetary policy. And I think that, I think Raghu is right that, you know, you have committed to the CPI, it's something that you know, you should think. And, by the way, I think that, you know the way I would defend the CPI, even, and you make a good point Prannoy, by saying, you know, so much is goods, you know, what you control. But actually…

**NDTV**: So much is agriculture based?

**Arvind Subramanian:** Agriculture based, so you don't control it very much. But, actually what you do control is, you know, if consumers are looking at this price and they say should I keep my money in the financial sector, in banks, or should I put it in this, they will look at the CPI. So by adjusting interest rates, you do affect consumer decisions in terms of you know, which can affect inflation. You know if they put money in the bank then it's good because inflation will come down, they are saving more. So, but the way I would, you know, I have been, you know, we have had this discussion, it's that you know, you have this inflation target, but it's a flexible inflation target, it's not that, you know you have to reach this thing at this time, that therefore what's extra information that we get, its conveying some more information about the economy. In this case, as you say, economy is very weak in some sense. Therefore, we should exploit the flexibility to design monetary policy, on account of this extra information

**NDTV**: So I mean that's the point. He must be putting to you a lot, that there is recession; that nobody is buying stuff from industry, cars are not, nobody is, the output is dropping, and you are looking at CPI and saying, prices are too high. So what about…

**Raghuram Rajan:** No, I am saying if we can't bring inflation down, under these circumstances, then we really will have an inflation problem when things get better. So the point is yes, we have given some leeway for the condition of the economy and clearly we are looking at the conditions of the economy when we determine interest rate policy. But, the point is with all these positives behind us, WPI negative 5 and so on…

**NDTV**: Yes, it's a shocker

**Raghuram Rajan:** We have to be able to bring inflation under control because over time things will just get tougher. If the world economy starts growing, there is inflation elsewhere. The other way of looking at this is, what WPI is saying, is the world has controlled inflation or in fact engendered deflation at negative 5, right? We can't sort of beat our chest and say, yay, we did it, negative five, it's all because of us, it's because of the world; what is because of us, that's six and seven, that's services. So, I would say…

**NDTV**: Wouldn't you say that the world has helped us to get to minus 5, and the monsoons made us go plus five in CPI; a bad monsoon will, I mean…

**Raghuram Rajan:** This, I think food prices, over the last have contributed some, but…

**NDTV**: They are about 45 per cent weight

**Raghuram Rajan:** Weight. But they are very contained. They have been very contained

**Arvind Subramanian:** I think the combination of the world and the government has helped keep, have helped keep food prices down as well. I think, there's a…

**Raghuram Rajan:** Food management has been very good.

**Arvind Subramanian:** So, I think the government should give up

**NDTV**: Except, I have just been on a…

**Arvind Subramanian:** Pulses

**NDTV**: … long trip, in Bihar. All, everybody is talking about is *dal* and that's affecting inflation expectations

**Raghuram Rajan:** Right

**NDTV**: Let's have a look at what inflationary expectations are right now. All this effort, but still we are not able to control inflation expectations. They are rising, is it that, is that the *dal* effect?

**Raghuram Rajan:** Salient goods, absolutely. When you ask the man on the street what do you think inflation is? He will pick a number, you know, which the, the average number is, number we haven't actually touched in terms of inflation in the last five years. The number that he or she picks is based on what they bought last, which typically are things like, as you said, *dal*, milk

**Arvind Subramanian:** Onions

**Raghuram Rajan:** Eggs, onions. So its salient stuff, that stays in their mind and they say, 'oh my God this has gone up so much'. Much of what they pick out, typically, has some fluctuation, they go up but they also come down, and they don't really seem to pick up the down phase, but when it's up, its, it really, really strikes them

**NDTV**: And, by the way, seasonality is huge in these. 20 per cent change from the lean months to the harvest months

**Arvind Subramaniyam:** I think on the *dal* effect, you know, link it to the onion effect, you know, I think it's kind of interesting and I think there is some kind of psychological salience behaviour going on. But, I think it also connects with, the point that you began with, divergence. Because the question is, why is there so much divergence? After all if wholesale prices are coming down, at some stage you should reflect that also, you know the ability of, you know that basically means that manufacturers don't have, producers don't have a lot of power, bargaining power. Which means, eventually even the consumer prices should come down. So, its saying something about the, you know, parts of the Indian economy, which is kind of a little bit, and then I think, it's also saying that in agriculture, like you know, certainly in the case of vegetable and fruits, that we are not a single market, that there are these rigidities of movements across things, therefore shortages at some place get magnified and distorted in other places, which I think we need to address. And, I think that the *dal* effect is something that, it relates to long term agricultural policy, you know, how are we going to address the fact that…

**NDTV**: Actually that's an important issue. Every year something pops up, onions, *dal*, could be tomatoes, could be anything, and we don't seem to be able to control that. It gets out of control and then it takes us long time to import, so how do we, can't we plan ahead for this?

**Raghuram Rajan:** When I said food management is better, one of the things, which we have managed to control, is grain. I mean, rice, wheat, and that's partly because of…

**NDTV**: Buffer stocks?

**Raghuram Rajan:** …of moderation in minimum support prices. Also, because world prices are relatively moderate, we can import, but it's important to control these, because these are things we procure most of. So when the farmer is thinking about what to plant, he says, well this is a sure-shot

**NDTV**: Yes

**Raghuram Rajan:** I can, I can plant it, and I can actually sell it to the government if need be. For the other stuff, we set prices, but we don't procure so much. And, as a result there is a greater focus on this and, the fact that we produce too much of this is reflected in our huge buffer stocks

**NDTV**: Yes, so, I mean, unnecessarily big, we don't need that kind of buffer stock?

**Raghuram Rajan:** Moving more towards…

**NDTV**: Affecting me, affect cropping pattern by making it less uncertain to produce, grow wheat or rice

**Raghuram Rajan:** Yes, right. And, by keeping those moderate, but increasing say the price of pulses, you give farmers more of an incentive to shift, which in the longer run we really need, in fact we need market forces to work, what does the public want, they should produce more of that

**NDTV**: Yes

**Raghuram Rajan:** The way to do that is to keep minimum support prices that are below the market price. They are really a support price rather than the market price, which is what they have become for some

**NDTV**: To make it across other commodities as well, which you want to encourage

**Arvind Subramanian:** Yes, I think that, you know, the way I think about agriculture and the you know, I think there are two distinct policy issues here, I think there is the cropping pattern, grains *versus* proteins, and remember Angus Deaton has this excellent research, which shows that in India, you know, incomes have risen, therefore the demands for protein has risen, and we actually consume much less cereals than we would have, had some historical pattern we follow. So, protein is going to become, and as vegetarians, pulses are going to become a weak point and so we need to plan for that

**NDTV**: Yes

**Arvind Subramanian:** So the pulses problem has to relate to prices, to technology and so on. But, then we have this fruit and vegetable problem, which is a slightly different problem. There it's not this, you know, long run, how do we boost supply kind of thing. It's about how we make India a common market, because you know, there are states that produce, but because of restriction across states, I think it can't, the stuff can't get to the markets on time. You know, I like to say, in the Economic Survey I said that, you know in agriculture we are not one, but we are like 5000 countries, 5000 agricultural markets

**NDTV**: Can I just ask both of you, one thing, one excuse which is, any individual prices of a commodity going up, which is ridiculous, is that it's the hoarders. I mean they are blamed you know, it's not our fault, but shall we just say that's rubbish once and for all

**Raghuram Rajan:** I'll let the government be answerable

**NDTV**: That answers the question

**Arvind Subramanian:** No, I think that you know…

**NDTV**: As an economist

**Arvind Subramanian:** As an economist and I think the thing to understand is you know, we have to understand what leads to…

**NDTV**: How to pass the blame to somebody else?

**Arvind Subramanian:** No, well, that's one way of looking at it. I think that, you know, we have to think about, what information of prices convey

**NDTV**: Sure

**Arvind Subramanian:** And therefore you know, if they convey that there are shortages, then it means something. There are different ways of approaching the problem. I think that we have to look at the long run impacts of these things as well

**NDTV**: That's very well put. Okay, any questions on inflation? Anybody who is from Delhi School of Economics and is a Bengali, gets priority. Anybody? No question on inflation? You know they don't suffer from price rise, there are just…

**Raghuram Rajan:** It's history now, history. Why would there be an inflation problem?

**NDTV**: There is a question? Yes please go ahead

**Arvind Subramanian:** Just speak loudly for the moment

**Student 1:** It's a well-known fact that inflation now is well under control, but is it still sustainable enough to survive another rate cut, if it happens anytime soon?

**Raghuram Rajan:** So this is an indirect way of telling, asking me whether we are going to cut rates?

**NDTV**: Not as dumb as I look

**Raghuram Rajan:** What, what we said in our monetary policy statement, it is essentially we have looked at all the room we had, and you know, taken full advantage. So, until more room builds up, and we said that we are dependent, I think we are comfortable with where we are

**Arvind Subramanian:** Actually, I have to remind Raghu, that he has forgotten his own monetary policy statement. And, let me remind him, that he also said that, the stance of policy is accommodative going forward. Which kind of, which speaks to the question that you asked, that what he is saying that you know, that he is open, I mean, RBI is open to more, and so it's not shut out, you know, for good or even for the near term. More interest rate cuts, but he is open as the data come along on prices and you know, how the economy is doing, he will consider it, but he is basically, accommodating. If I may remind you, Raghu…

**NDTV**: Accommodative…

**Raghuram Rajan:** I agree with the word accommodative

**NDTV**: I have one suggestion, this just occurred to me that you know, we do a lot of sampling and we add samples from different places and we do some econometrics, you can add both the indices together and their weights will automatically get adjusted, in a bigger sample of, so you get food plus manufactured goods. So, if you do CPI and WPI together, you may get a better overall picture of inflation

**Raghuram Rajan:** May be, but remember the CPI is based on what the consumer buys, right? So, if you are really interested in protecting the consumer, and thereby worrying about either his investment decisions or his consumption decisions, I think the CPI is probably what you should be looking at, rather than intermediate prices

**NDTV**: Another area which is worrying, industry of course, in terrible shape. They are crying out for something, they are not responding and it is really awful to hear politicians say, 'come on, do something. Get off your backsides industrialists!' It doesn't work like that, they need signals, they need incentives, and they are dying to do something. Part of the problem of course is the weakest ever that the global economy is since the crisis. The global economy is growing at 2.5 per cent, which is very, very weak, so our exports are plummeting. Let's have a look at our exports at the moment. Month after month exports are going more and more negative. In September they were -24 per cent and I think both of you again have slightly different views on this, what is this being about the exchange rate? Is the rupee too high? Let us have a look how the rupee has fallen against the dollar, but what is more important has it fallen against the other emerging markets? Just have a look at that. Versus South Africa the rupee has gone up by 30 per cent; versus Brazil up by 36 per cent; versus Russia up by 49 per cent. How do you compete versus Indonesia, it is up by 7 per cent; versus Turkey 19 per cent; versus Mexico 13 per cent. Should the rupee be lower? I hate to use devalue that's like a hangover from the past, a bad word make us more competitive

**Arvind Subramanian:** Can we go back to the previous chart?

**NDTV**: Yes, with the plummeting exports we can just have a look at that

**Arvind Subramanian:** I think this is important for this audience to know what headlines sensationalism that Prannoy indulges in and what the reality is

**NDTV**: What is the one they gave for you, aid does not work; exports are plummeting

**Arvind Subramanian:** Exactly, if you look at this thing and it really looks horrendous, disastrous, but they actually have to correct for two things. First of all this is all exports and you know we export a lot of oil related products as well. So the fact that oil prices have come down we benefit a lot

**NDTV**: We used to say we can't devalue because we import so much oil, now we are exporting oil

**Arvind Subramanian:** No, the point I am making is non-oil exports because we are benefiting from, the oil has come down by much less then what this is suggesting

**NDTV**: Okay

**Arvind Subramanian:** This is a huge correction; the second thing you have to remember is that in a sense, just as Raghu said earlier, the world prices are coming down enormously. So if you were to say, actually not value of non-oil imports, but actually in terms of actual volume how many cars, how many tons of steels, how much aluminum are going out, are very different. So the true measure of exports is much less forbidding than what you are. So that is just lesser than economics for whatever it is worth, but it is being said it is still true that world economy is still negative and that of course is hurting Indian industry. And therefore the question is to the extent it is a problem and we have to understand how much is beyond our control or within our control, and then we have to see what instruments do we have and I think we have a number of instruments. One is where I think this *Make in India* campaign of the Prime Minister is very important because I read that above all is how do we make economy competitive in the medium to long run, because that's fundamentally what's going to get our exports up. That's the medium term and the other thing I am coming on is the knee jerk, short term reaction, oh lets give favours to specific exporters, steel guys are hurting so give them subsidies or give them some protection and I think there we have to be a bit careful. We have to balance the benefits possible of giving protection against the cost

**Raghuram Rajan:** The cost would be, you could have industries that use that commodity as the input, put tariffs high and then your cars export fall off because now steel is very costly for car exporters so there is a balancing act

**NDTV**: Targeting individuals is little bit interfering with the market

**Arvind Subramaniam:** It also becomes discretionary and creates all the problem we know happens with these things. But then the third instrument we have is the exchange rate and I think to the extent possible we have to maintain a competitive exchange rate, that's the experience from what China and all the East Asian countries did

**NDTV**: Competitive exchange rate, we say our exchange rate is becoming less and less competitive with many other emerging markets. If you look at the overall emerging market index our exchange rate is becoming more and more noncompetitive. I know its politically very difficult to say that yes, the rupee should go down to 70-75-80, it sounds like its terrible, but if that keeps us in parity with the emerging markets shouldn't we do what's best?

**Arvind Subramanian:** But there I think Prannoy, Raghu will respond to this but I think on the one hand we have to maintain a competitive exchange rate, but I think how do you get it in the face of global economy we are a part of and in the face of these inflows that are coming in? If we can, by magic, over time maintain a gradual improvement in competitive, gradual appreciation it would be great, if suddenly markets say, oh my God this an economy where exchange is coming down, there are all these problems, lets exit panic and then you get these disruptive movements of the exchange rate which are very damaging so you have to balance it

**NDTV**: Bottom line should we try and be competitive with the, our competitors?

**Raghuram Rajan:** But first I think those numbers are a little misleading. I will take your nominal differences for granted but remember now Russia has a pretty serious inflation problem because the currency has depreciated so much. Similarly Brazil is combating a higher level of inflation, though they started at a very low inflation than we did. So what is that doing, offsetting any competitive advantage and that's the point to note that the industrial countries, because their Central Banks have credibility, because they don't have as many frictions in the economy, seem to able to depreciate their currency and get a competitive advantage that, which is significant. So the Euro area is one example where they seems to be doing better as a result of fall in the Euro, but for the emerging markets there is always the risk that whatever short term advantage you get is offset by seriously higher inflation over the medium term, which negates everything that you have done. This was an Italian issue, Italy used to have this history when it had the leaders doing a sharp depreciation, get an advantage for six months and see inflation coming back and negate that, so they had to continuously depreciate. So then the question is which do you prefer, inflation over the medium and the long run or do you try do that through all the other means and get compelled through the means that Arvind talked about, which is improve your *Make in India* capabilities, improve your business regulations?

**NDTV**: But you know somebody says we are dead in the long run, but what you say I totally agree with you, but it has taken an extreme position and a sharp depreciation. You, a professional, everybody knows can handle it slowly over time. Should we slowly control just keeping up our competitiveness?

**Raghuram Rajan:** But I think first there is another element to competitiveness, which is missing here, is productivity growth, so to the extent we have strong productivity growth we can stay with the nominal exchange rate, which would otherwise be overvalued, but put everything together. This goes back to Arvind's other point that when you look at the volume of exports, volume of exports hasn't fallen off tremendously and in fact compares to appear everybody is suffering on exports. Compares to appear it does not look like we are **an outlive**, so in a broader sense we are maintaining competitiveness

**NDTV**: So you say our exchange rate is fine as is at the right spot?

**Raghuram Rajan:** That's what I always say where ever it is, its in a fine place

**Arvind Subramanian:** Or the other way of saying is if you ask a industrialist what is the best level of the exchange rate, he will always say 20 per cent below the current level, because he will always want to compare. But I think one thing we all miss out on all this is, I think, is the micro economic point that I find very difficult to get across in India at all levels, hopefully not at your levels, is that when you talk about managing this and how you get it down wherever you want to, what complicates that considerably is that we are relatively open to capital. If capital starts flooding in what is it for Raghu to do? Because when capital comes in the pressure for the thing is to go up and up, and remember our systems seems to think more foreign capital always, at all times, in all forms, is an unambiguous good. But I think at some deep level there is a tension between saying let's get all the capital we want, because the more it comes in the more its going to…

**Raghuram Rajan:** It was another paper we wrote together

**Arvind Subramanian:** It's not easy and therefore you know, we should never forget that

**NDTV**: The kind of vibes I am getting that on interest rates you would like him to be accommodative, on exchange rates, he would like you to be a little accommodative

**Arvind Subramanian:** But, of course as all of you should say that interest rates and exchange rates are related you know

**NDTV**: I do. I have reported on China, since they used to wear tunics, and the factories were like Russian factories, I used to film them. Then I saw the first golf course; the first McDonalds, they had a big McDonalds, and across the road they had a big Deng Xiaoping blessing it, the piece to camera. And, I used to watch the amount of foreign capital that used to come in. In those days, 80 Billion dollars, 100 Billion dollars a year. We are nowhere near that, and many people say that it added 2-3 per cent of the gross rate

**Arvind Subramanian:** I'll let you…

**Raghuram Rajan:** We may not say the same thing, but the way they dealt with that was sending back out, they built 4 trillion dollars worth of reserves, low yielding reserves, so this is the Chinese, poor Chinese family, in effect building assets against industrial countries. Now, how much is that, say extra saving? It has sort of hurt their longer run consumption prospects. Now China is interestingly moving in a significant way, and enhancing domestic consumption

**NDTV**: Right, right

**Raghuram Rajan:** Because it used that as a more stable way of...

**Arvind Subramanian:** Undoubtedly, but he didn't say, what I was hoping he'd say. I want to, when you…

**NDTV**: He seems pleased that he didn't say what you wanted him to

**Arvind Subramanian:** The 80 Billion that came in you know, all that Raghu was talking about, the pushing out of things, it has happened in the last ten years. But you go back to '79, the kind of capital that China got, was not funny money and speculative capital, it was hardcore investment, in factories…

**NDTV**: Coca cola factories and all these kind of things

**Arvind Subramanian:** Yes, FDI you know. and, FDI is a good thing. What we are talking about is the other stuff, the borrowing that we do in foreign currency, you know, the speculative capital that comes in, you know, we have to be much more careful and China, even today, it does not allow these things. I think, allowing these things in, we are much more open than China is

**Raghuram Rajan:** But this is one place where he and I, I think, we differ a little. I am more open to the idea that foreign capital is beneficial. It's, especially in India, where risk capital is hard to find, and so there is a lot more money that has gone into the stock market over the years. Of course they expect a return, and they should. But, they are also providing that equity buffer, which we so desperately need in our companies; often you find that going to Indian sources, for that risk capital is very hard. Most Indian sources want debt, and so I think there is a valuable role that they play, private equities playing a valuable role, it's not just a TI but other forms of…

**Arvind Subramanian:** But, I think, just to finish the exchange rate, but Raghu also remember, you know in the go-go years of infrastructure, boom happened; lots of these infrastructure companies borrowed in foreign currency, they took dollar loans, which is I think, I think there we both agree, amongst the forms of capital, that's the most pernicious. They got this, so they had borrowings in dollars, they were selling power and everything, When the exchange rate went down, their borrowing cost ballooned, inflated

**NDTV**: And a lot of companies are suffering from that

**Arvind Subramanian:** Yes, exactly. Even today we have faced the hangover of that; we have to be very careful about what kinds of foreign capital…

**NDTV**: But both of you agree that foreign direct investment into factories, into creating assets, is unambiguously good and we are about 30, 40 Billion, and China used to be 20 years ago, 80 Billion. So, we should try and raise it from 30, 40 Billion to 100 Billion today?

**Arvind Subramanian:** Yes, absolutely

**NDTV**: In FDI?

**Arvind Subramaniam:** In FDI, exactly

**NDTV**: On the exchange rate there is a question, from Nicholas James, from St. Stephens

**Arvind Subramanian:** *Lal sitara jeetey ga*

**NDTV**: *Achha*

**Student 2:** So, my question to you is that, today the US Treasury has a lot of debt in the international market, in the order of trillions of Dollars, and China holds 20 per cent of this. However, it's public knowledge that they cannot back up what they have printed, and they still continue to print this. Right? So, today if everybody who holds a dollar note, goes to them and asks for it back, and I say everybody, I don't even mean a 100 per cent, they cannot back up half of that, so, my question to you is, with so many emerging markets coming up, and so many more players on the international level, will we see a paradigm shift from the dollar, as an international standard, to maybe other currencies, which are net exporters, which actually back up their debt?

**Raghuram Rajan:** You are asking a somewhat philosophical question, what it means to back debt. I mean technically, they can print dollars, and the Federal Reserve has a printing press, and they can print as many dollars as they want, to pay down the debt, and that would be legal. Because they are paying, what it says is, I will pay you back a dollar. Because they don't issue in Euros, they don't issue rupees. So that's a value of having a reserve country, that's also the value we have, because we can issue debt in rupees, and when somebody for that, their money, we print in rupees and give it to them. The key question you are asking is, should people be confident that they won't, in someway, inflate away their debt, because they don't have the resources, the underline resources and they are printing more than that they can actually produce in a sense? And, the answer is that, yes the US does enjoy that confidence today. So, it may not be running a current account surplus, but there is certainly no belief in world markets, that the US will deport on its debt through a higher inflation, that's what, why it's a reserve currency. Of course if the US fiscal situation went way out of whack, or there is a sense they would never get their entitlement under control, the bigger source of problem for the US, long term, is that they have obligations on healthcare and social security, not so much the public debt. The pensions and so, I think they have to bring that under control. There are many people in the United States who are worrying about that issue. But, so long as the world has confidence that someday they would bring that under control, there is no worry about the US defaulting on the debt. As far as other countries go, yes, over time as the markets become more liquid, as going in and out of the currency becomes easier, it will become more of a reserve currency. We are taking small steps along the way, of course, keeping in mind Arvind's point; we don't need a whole lot of foreign capital coming in today. But, rupee bonds, the so called *masala* bonds, now we issue abroad, we are fairly open to foreign investors coming into our equity markets, we have been a little more cautious about them coming into debt markets, so over time as we become more confident, as our own domestic markets deepen, we will almost surely become a reserve currency

**Arvind Subramanian:** Also, I think it's a great question, by the way

**NDTV**: Probably because he is from St. Stephens?

**Arvind Subramanian:** No, no, because there are many kinds of interesting issues that raises; so, one of my, I had done some work on China, and one of my predictions is that, you know, that by 2030, the Chinese currency will over take the dollar as the primary reserve currency. Maybe I'll be wrong on that

**NDTV**: So it's not safe to make long-term predictions?

**Arvind Subramanian:** But, I think the interesting question here is that, you know…

**NDTV**: But that's interesting

**Arvind Subramanian:** Yes, China actually really resents the fact the dollar is the reserve currency of the world, and they are doing everything to try and make their currency also attain that status. But, the irony is that, in the last 7-10 years, the country that's been most responsible in keeping the dollar as a reserve currency is the Chinese. They have been buying up all these dollars and topping it up. But the second irony is of course that in the world today, by acquiring all these reserves, Dollar, Dollar, in fact, I would say to that China has more dollars to throw around than even the US Federal, which, for all kinds of political reasons, you know, it can't print as much it would like to due to political reasons. But China has been using these four trillion dollars to gain a whole lot of geo political advantage. And, there are lots of ironies in this regard. And, hopefully at some stage we will also become a reserve currency, but by then, but you know, let's see

**NDTV**: You are not saying 2030

**Arvind Subramanian:** No, I am not saying 2030. I don't even want it to be a reserve currency by 2030. Because I think that it means that we will have to open in way that, you know, may not be always desirable for *Make in India*, for example

**NDTV**: Just one more thing on the exchange rates and in the old days nobody used to say, that you can't let the rupee slide, I hate the word slide, devalue, you know, become more competitive

**Raghuram Rajan:** Plummet

**NDTV**: Or plummet, because of oil, we import so much oil, we will die. Now, oil prices are ridiculously low and the criticism of the establishment is that, you are not making use of the oil dividend or the oil bonanza. That from 120 dollars, it is 50 dollars, and we are an oil importing country, this is the time to just boost industry, make the economy grow faster, we haven't seen any, no impact? Overall the biggest area facing a problem is the industry today. I know, you will look at consumers but industrialists are kind of like the, they are the signal; they are the early signs of a reviving economy. Let's have a look at the problems that industry is facing today. It is really serious, first of all, there are signs of a crisis, there's a headline. Latest quarter, two out of three companies miss their sales targets, that is two out of three, almost unprecedented. Growth rate of industry is 5 per cent, I am talking about China, those days 18 per cent, 19 per cent industrial growth rate. Extremely poor job creation, in the organised sector only 64,000 jobs in quarter one of 2015. Shockingly low it is, so there is no way out. Falling exports, we have talked about, may be 24 per cent and is a little too high, given that inflation differences. Competitiveness, we are now 130 out of 186, we have improved by 10. Wow, man we have gone from 142. You know what we are in football? I think we are about a 120, we are the 120th best footballing country. We are the 130th most competitive country, and the 56 below us are not very important countries. And, then of course the high debt that all the industry needs, the infrastructure. So, industry today is crying, and are we doing enough about it? Just look quickly at, and one thing you could do is, your interest rates of course. The other thing you could do is quantitative easing, more government expenditure. But, the data shows the government expenditure has been dropping, just look at the percentage of GDP, the government expenditure, which in a way contributes to slow growth and, by the way that graph could have been much more, they should learn to draw graphs, whether it looks as though its falling faster from about 17 per cent to 13.5 per cent of the GDP. We have done, no disinvestments targets this year? I think, the only area, which is doing reasonably well, is in construction. Government spending to boost the economy, which is your area, not only your area, many ministries, is not boosting the economy, so its not just interest rates

**Arvind Subramanian:** So, I think, you have asked two questions, one is on manufacturing and the other on government?

**NDTV**: Yes, yes

**Arvind Subramanian:** So, I don't know how you like to take it, which; let me talk about private manufacturing. I think, well identified problems, but I would see it slightly differently. I think one of the challenges of the Indian economy today is that why is the investment somewhat weak? And, I think there are many reasons for this. But, part of the problem is that balance sheets of the private sector are strained

**NDTV**: You mean a lot of debt?

**Arvind Subramanian:** Yes, a lot of debt. It also means, lot of debt, low profitability, yes? And it seems to be concentrated in a few sectors and in a few groups of companies. And I think that's important to note, So, what's happening is that because there is so much debt, because they are weak, they cannot invest. Part of the problem is, this is partly a legacy from the go-go years of the 2000s, when there was a lot of, you know, expectations of high growth, they over leveraged themselves. Now in some sense part of the chickens are coming home to roost. I think that the challenge is how do we clean up the balance sheets of the firms? And associate it? How we also clean up the balance sheet of the banks. I think unless we solve those twin problems, private investment going forward will remain weak. And, so you know, we can talk about that. But, then that leads to therefore, private investments going to be weak, how much would the government do to offset that?

**NDTV**: What should he do? Wake up and do something

**Raghuram Rajan:** I think the government is…

**NDTV**: I think he is telling you to lower interest rates and boost industry, what should you do?

**Raghuram Rajan:** Well, I think the government said it was going to do most of the spending, and certainly the road sector has been picked up; railways, there is some hope that it will, pick up very soon, so, these are the right things to be done. The pace at which it comes in is important, but it's underway. The point that Arvind made, is important, that there are certain sectors that really over levered, stopped investing, too much debt, and because they have enormous debt problems, they can't attract any new financing, and they can't invest, one. But, also remember we have had two bad monsoons, and so demand from the agricultural rural areas is also relatively weak. So, foreign demand weak, that's what you pointed to earlier. Rural demand weak, investment, at least private investments still to take off. So, overall when companies, even the regular companies not in infrastructure, not in the stuff that benefited from the go-go years looking at the demand, they say not enough, which is part of the reason we actually cut the interest rates as much as we did recently, when people expected a lower rate cut. But given that I think there are some signs of things starting to pick up, look at the auto sector, 22 per cent of growth year on year, so there are some signs that at least urban demand is starting to get more confident, perhaps on the basis of higher incomes lower out goes, because of fuel and so on

**NDTV**: Is it not a bit optimistic? Most of the industrialist say, man whatever you are doing you are not doing it right

**Raghuram Rajan:** Tell me this is off the record. I have been in the Finance Ministry myself

**NDTV**: When have they ever said you are doing great?

**Raghuram Rajan:** Not so much. I think they have been always fairly complimentary

**NDTV**: That's true they will be complimentary to you, but what do they say when you are not in the room?

**Raghuram Rajan:** No, they always talk about the difficulty of their situation of course and I think both of us are very sympathetic to the view that it is a very difficult situation and coming of a period when they were going gangbusters and suddenly hit with a, you know, a sudden stop in terms of what they, so it is a very difficult situation. I think government, RBI, all of us recognise it, but we have to operate within the tools that we have

**NDTV**: Couldn't the Finance Ministry or the government do something more?

**Arvind Subramanian:** I think…

**NDTV**: You, Sir, can't answer that question

**Arvind Subramanian:** No, I want to

**Raghuram Rajan:** The real question is, in terms of space, monetary and fiscal stimulus, I think, we are both doing as much as we can, given the need to maintain macro stability. So, what is left is, can we crank up the pace of structural reforms, in the financial sector, we are looking at that. All these new banks coming up, the Bandhan Bank for example is hiring a lot of people, IDFC is hiring a lot of people, to do what they are going to do. And similarly all these new payment banks, small finance banks, they will start hiring that will help economic growth. The…

**NDTV**: What should they do?

**Raghuram Rajan:** Well, as I said, the public investment that they are trying to crank up, is getting…

**NDTV**: It's not getting cranked up?

**Arvind Subramanian:** No, I think, remember that public investment, not just roads, but also, railways is picking up and both are contributing to, you know, in the six months actually growth has been like 18 per cent, roads, railways everything. And, we have spent about 53 per cent of our year budget and remember this, public investment is good for the private sector because it is creating the capacity, the infrastructure that will crowd in private investment. But Prannoy, I want to make a larger point. It is a corrective to your unremitting, little bit of gloom that you are trying to perpetrate

**NDTV**: I am just reflecting what the idea, and honestly I have heard industrialists, all, for many years, I have really not heard them and they don't say this to you, really, because they are scared. It is like, desperate…

**Arvind Subramanian:** I think we need a sense of perspective here. I mean, think about it right, despite the world is, you know, the demand is collapsing, despite the fact that private investment is like this, we are growing robustly. Think of it, when we grew at 10, 9.5 per cent in the go-go years, our exports were growing at 30 per cent, despite export growth being zero percent we, we are doing 7, 7.5, 8 whatever it is, it's going to be in 7.5, 8 rate, and we are doing the…

**NDTV**: The series, we are talking? Okay we will talk about that later

**Arvind Subramanian:** But we will come to that later. But we have to see this with an international perspective, the world is slowing down, everyone is slowing down and in that we are rightly seen as a haven of macro stability and a real haven of investment opportunity, because we represent you know…

**NDTV**: Because that's all very true, we are a haven of macro stability. Thanks to both of you, I think that the best thing any government's ever done is to appoint the two of you and I am not, I say that even if you are not in the room. But the issue is, they are also talking about, and they say this openly and one or two have said it openly on camera, even though they are a little scared. What people loved about India; while they liked investing, is the stability and the democracy, the tolerance, the acceptance of all different religions, castes, you know everybody is living together. It's very different from the rest of the world. Now, they are worried, I have heard foreign investors, they come see us all the time, they are worried about it, what's happening in India, in a sense that, change in the tolerance that India is known for is like, will it affect our economy?

**Raghuram Rajan:** I think sentiment is swayed by iconic acts and actions and may not reflect the larger reality. So, there is a sense in which we have to be careful about what we say, because it does get magnified and reflected all over the world

**Arvind Subramanian:** Including now

**Raghuram Rajan:** Including now, I think that's important to keep in mind. I think the Finance Minister has repeatedly said that this is something we should be careful about and I think that is reasonable advice

**NDTV**: But it's carrying on, I mean what India is known for. Now, suddenly become a country where there is, there is lack of tolerance, It's a terrible change, isn't it? And how does it, it's not stopping

**Raghuram Rajan:** Well, again, I think the issue is what, what you do about it. And, I think the advice from the senior member of the government, I am going to speak for him, because he won't, has been calm down and certainly I think, that is appropriate advice. That across the spectrum we should calm down and because I think it reflects, as you said, our history and legacy and our tolerance, our openness

**NDTV**: I mean it's a great positive with India, which would be terrible to lose

**Raghuram Rajan:** I think it continues to be a positive of the price of internal; is the price of civilisation; is the price of freedom and I think we just have to be careful that the extremes don't hijack the much more moderate and existing center

**NDTV**: Now you can speak as though you are not in the room

**Arvind Subramaniam:** Exactly. I just want to say two things, one is actually the kind of research both Raghu and I have done you know across the world, I think one of the regularities is how countries manage social cleavage; social discontent is a key determinant of long run development, I think that's the regularity

**NDTV**: Key determinant of long run development

**Arvind Subramanian:** I think this is very well understood in government and outside, everyone understands it is an essential prerequisite. As Raghu said the Finance Minister keep saying that we have a development agenda, we have to focus on that, let's not get distracted. And second thing I would say, again what both of you said, that these things we have, the good things we have, no doubt we can take them for granted, we have to nurture them as carefully as possible. But I also think one has faith in the essential resilience of what we have, that this is our strength, we will continue to have it, yes we have to work at it, but we will continue have it and that bodes well for the medium term

**NDTV**: But you condemn what's happening, do you?

**Arvind Subramanian:** Raghu, I mean anything that is extreme or intolerant no one has struck with, including people, this government or all governments

**NDTV**: Any questions on the intolerance?

**Audience 3**: My question is to Dr Subramanian. Sir we recently had a Moody's Report which also spoke about this issue and if you look at totally utilitarian perspective, regardless of the merits of the case, whether what is happening is correct or not, it will be very difficult for you to be able to pass the reforms like land acquisition, GST without being able to negotiate the Rajya Sabha and this is only going to give the Opposition a lot of fodder to disrupt the house. So what's the government strategy to navigate this prospective because this is far more important than looking as to whether whatever happened is true or not? Those investigations can go on. For the economy as a whole it is very important that what the government is planning as to how to negotiate the Rajya Sabha in the first place

**NDTV**: That's very practical. I just want to clarify one thing about Moody's. They have two parts of Moody, Moody Analytics and Moody Investment Reform. One does the rating, that is not that criticized, it's the Moody' Analytics, but I am sure Moody Investment listens to Moody Analytics in the long run or maybe they don't bother

**Arvind Subramanian:** But first I think what Moody's has said is the regularity from all the empirical research, so I think they are just echoing that. Your question is about political strategy and I don't do political strategy for anyone, but I think the broader point is...

**NDTV**: If you think the political strategy was good would you say it's okay to do all this?

**Audience 3**: No Sir, because ultimately there is going to be problems from the other side also, the industries are not going to come to your country

**Arvind Subramanian:** But the broader point is well taken and this is something that the Finance Minister has said as well, that we need to pass the legislative agenda and we need the support of everyone possible to pass that, so anything that needs to be done for that will be tried, attempted and done

**NDTV**: Finance Minister saying it, but is this being said with a loud enough voice? I know you are saying a lot of people do believe that it is a wrong thing that's happening, but us in the public, you are not hearing it enough. Do you think it should be louder?

**Raghuram Rajan:** Look I think we live in a world of 24 x7 Press and so the Press picks up some things and the Press does not pick other things. I think there has been a fair number of voices recently from government, which have been articulating this, but also the Environment Minister talked about having said this way back but it wasn't picked up

**NDTV**: Blaming the media?

**Raghuram Rajan:** Well I don't want to blame the media; I am just saying that it's not clear when you say have they said enough

**NDTV**: Has the signal gone out? Like we are talking about the signals for industry on various types, their signal to stop this intolerance and go back to India's most wonderful characteristic

**Raghuram Rajan:** It's important for all of us to keep saying this, we can't say it enough and if we keep saying it and keep the fringes out on every front, I think we will preserve what is vital to preserve in this country. And I have said it, others have said it, we just have to keep saying it drown out the other voices

**NDTV**: Talk about our growth rate and its 7 to 8 per cent, is that a credible, there is problem, the world is looking at, are you really growing at 7-8 per cent? The whole world is growing at 2.5 per cent; China is coming down and frankly I don't see 7 to 8 per cent when I look around your towns and countryside. Just have a look at the some of the facts behind the credibility of the new GDP. First we have got the industry at a very slow growth, under 5 per cent. We know also you talked about two bad monsoons, exports are falling, global growth is the weakest and are we totally out of line since the crisis? And we have talked about the bad monsoons. So how, in the midst of all this gloom, can we claim 7 per cent-8 per cent growth and change? And I have got to give you a real headline, slightly tabloid. We go to the change that basically shook the world and shook a little confidence, our central statistical organisation is a great organisation, but when we had, by the earlier series, a 5 per cent growth rate in 2013-14, then they revised it and when you revise, you revise is to 6.9 per cent? I mean you can revise from 5 to 5.2 per cent or 4.8 per cent or 5.3 per cent to 6.9 per cent, that's like a 40 per cent change, that's like saying our statistical methods are terrible and there is no real justification. So beyond the marketing advantages of going at 6.9 to 7.8 per cent there is a credibility problem with the data. When are we going to crack that credibility problem? Because we are not doing it, everybody is talking these figures are all; China does all that, but India?

**Raghuram Rajan:** We take the figures, what the government gives us…

**NDTV**: And then you don't believe them?

**Arvind Subramanian:** So having it put on the spot very nicely by my friend, I think the comparison with China, my view is that the establishment and the institution we have for measuring GDP, the whole statistical thing, is of impeccable, unimpeachable integrity. Processes are top notch and in fact the irony is all this revision happened in order to get our standards up to the world class, and exploit blitz of new information that has become available, and that was the revision. And I say sometimes that processes can be great but the outcomes may not always be sure about. My favorite example is the United States, did manage to re-elect Mr Bush, but when we assess the stature, I think this is the first level of revision, in order to get a handle on whether this makes sense or not, they're going to work at the data, I think they have to produce a historical series to validate it against...

**NDTV**: It's like so many years have gone by, so the central statistical organisation is a great organisation, but always has been great, so 5 per cent was like okay, not bad, but now it was all wrong

**Raghuram Rajan:** Prannoy, as Arvind says we will know over time what we are missing out or whether we are over estimating. I mean this is the best we have to work with right now. That said, are we at 2 or 1? No, I think most analysts would say there is discrepancy this way, that way, of about 1 per cent in terms of growth at this point and some of it has to do with what we think 7 per cent looks like, given the old numbers and what industry feels 7 per cent looks like now. And so it may be that the old numbers were wrong, right? And we were perhaps going maybe a little better, but let's put all this aside

**NDTV**: But you know all those disaggregated, the industry growth slow, bad monsoons two in a row, low exports and then 7 per cent to 8 per cent that doesn't add up

**Raghuram Rajan:** The truth is the equation between the new numbers and the old numbers. I think Mr Pranav Sen has said this also is not one to one. We are probably, if we were to say what does this mean in terms of the old growth numbers, we will go down a little bit from where we are, so that I think most statisticians would say now which one is right? As Arvind has said the newer numbers involve better techniques, but in GDP calculations there is always heroic assumptions made and when you students go into details, the entrails and this is something that sensible economists should do and go and find out how exactly the stuff is calculated. And you will see there are places where you really don't have any data and you have to make assumptions, estimates, so in that sense there is room for improvement and over time we will do it

**Arvind Subramanian:** I just have couple of things to add to that

**NDTV**: Raise your hands if you got any questions, I will come to you after this

**Arvind Subramanian:** In addition to what Raghu has said about, broadly are we in book or they may be plus minus years, which comes with all estimate by the way, because of all the assumption that you have to make...

**NDTV**: I have to correct you, plus minus is normal, there is no plus here, you are not above 8 per cent. It's still minus here

**Arvind Subramanian:** Okay, so maybe its asymmetric confidence band as you would say, but what we need to look at also is that how are things changing over time and is 2014-15 better than 2013-14? The data shows that 2015-16 better than 2014-15; data shows that when we look at numbers, don't just look at levels, which are sub judice but also look at the change and there the data are pointing at the right direction

**Raghuram Rajan:** Bare as you say, the industrialists say the conditions are, we are a recovering economy

**Arvind Subramanian:** And the last thing is that one number I look at, I pay lot of attention to, because it is actually a dollar in a sense or rupees in. But for the government that indirect tax revenue growth in the first six months is actually the hard money that the government collects, which it can only collect if underlying activities doing well. And that number, even if you take away all the new things, new taxes have been added, that number is growing at a robust about 11.5 -12 per cent and if that number is right, that means that the underlined economy is recovering

**NDTV**: But that's nominal right?

**Arvind Subramanian:** But remember the nominal GDP, we are trying to infer nominal GDP there, because inflation is down. That means a lot of that is real GDP

**NDTV**: Inflation down or up, I am still not 100 per cent sure. The other thing is that a lot of people are talking about, but before I ask that I interrupted you, I think it's a little bit open, you can ask any question now. You were going to ask a question I interrupted you go ahead

**Audience 4**: Sir, it was about the investor's sentiments, so you talked about openness to investments, you talked about *Make in India*, but there is a lot of pessimism around the world about investing and doing business in India. So I want to know what the take of our Governor on this is?

**Raghuram Rajan:** Key concept in economics and finance is risk and return and people will complain about some difficulties of doing business in India. We all know there is more bureaucracy than probably we need. Government is trying to bring it down but it is there. But at the same time if you do evict your factory, you do make a lot of money, a lot of our foreign investors who have put factories into the ground here are very happy with their experience in terms of profitability over time, right? Look at success like Maruti Suzuki, Hindustan Lever and so on. So what is key, yes it is difficult, it's not Scandinavia, the way can you get 7, 8, 6, whatever, some high number

**Arvind Subramanian:** Don't go too much below 7

**Raghuram Rajan:** Where can you get that kind of a growth in the world today; so they are really attracted by those things and once they learn how to do, how to put the factory into the ground, this, that many of them are very happy to expand. So I think the answer is a little more difficult, but the opportunities are also greater. There is some risk, but there is also a lot of return and one of the things we have to sell about India is, people have, in fact, made money even when our growth rates were moderate

**NDTV**: Probably more than China, a lot of people have lost money in China, but they make money here

**Arvind Subramanian:** I would say a couple of things. I think that at this stage, on balance, my sense is and I may be wrong, foreign investors are more kind of optimistic, can go about India at least in a relative sense across the world, than most other places. The second thing I think in all this, Prannoy, I accuse you of this, is that we forget that there is this whole new part of India, this technology, dynamism, startup, that energy and may be we are too much enthralled to the old economy of manufacturing

**NDTV**: Fantastic, but again will we get an *Alibaba* over here? Was it a 300 billion dollar company?

**Raghuram Rajan:** This is so appropriate to India right, I mean look at the cost of setting up a huge shop in one of the metros, enormous today because of land prices *etc.* But having a warehouse, servicing many towns, E-commerce, it's the ideal solution. So in a small town somebody looking at the net, at the all these goods and they get the access to them today, which they never had before

**NDTV**: I will give you an example of a lady in Surat, middle-aged lady who designs sarees. She used to work for years, going to one wholesaler after the other, to retailers saying, please put my saree, put it here. They treated her badly. She was really finding it tough. You know nobody can see my saree. She has put it on one these E commerce sites, she makes 20 crores a year now without asking anybody for favours, so it does affect an ordinary person, the entrepreneur

**Arvind Subramanian:** So let's not lose sight of this really dynamic part of India. I mean I am not saying that this is the answer to all of India's challenges. I think manufacturing and *Make in India* have an important role to play. But I think there is also this huge wealth of dynamism, talent, technology, exploitation; Raghu and I wrote something long ago, *The Churn of India;* this exemplifies *The Churn of India*

**NDTV**: But I hate to say even here there is little bit of structural problems, rules, regulations; people, you can't only have a market place, a warehouse; that needs to be sorted out. We have to learn from other countries, just copy or we inspire

**Raghuram Rajan:** I think both the regulators, the Central Bank and the Government, have the ears open and are working on this. For example we have spent time with entrepreneurs trying to figure out, what do you say, that makes you go to Singapore and incorporate there as opposed to incorporating here? What are the things we can fix? And some of them we can fix them directly and some of them will take a little bit of time, because they are tied to everything else. But my sense is we are well and truly convinced that we need to make the business environment easier and have better regulators, not no regulations, better, what is appropriate, lighter but well enforced. Whatever we have on the books we have to enforce and one of our so called tiffs was with the company that was violating FEMA rules, and in order to give an easier sort of service to the customer, we said stop violating the rules. We figure out a way either to change a rule or find new ways of meeting the rules

**NDTV**: That's a wonderful refreshing way to look at something

**Arvind Subramaniam:** Just to add to that I would say that regulation, lighter better, but in all these new Swedes of the Indian economy maybe there is a huge role for Government inaction, as much as there is for action

**NDTV**: That's generally true by the way. Every day the Parliament, we lose a day of work in the Parliament, many people say it's a game for the country

**NDTV**: There is one other issue, which a lot of other people are raising, there is a saying even if broke don't fix it. The RBI has beautifully for years, we have a great RBI Governor right now, the world admires him, why do you want to create this MPC, the Monetary Policy Committee, starts interfering in his work? It isn't broke

**Raghuram Rajan:** Actually let me interrupt there

**NDTV**: No, no

**Raghuram Rajan:** I will interrupt because I actually want the MPCs

**Arvind Subramanian:** That's what he is going to say

**NDTV**: Now you are being so politically correct. Even he is laughing

**Raghuram Rajan:** I have been saying this for a long time. It is actually something, which I actually think is important to establish, the independence of the RBI beyond personalities, into a sort of the future. And the reason is only three, four. One, when you have a Committee, first you get multiple views, so it is not me, it is a bunch of people who have thought and you get a collective view. Hopefully the collective view over the time will be better than individual views possibly could be. Second, of course if you get the right individual this is always the problem

**NDTV**: That is the problem, the government appointing 4 out of 7

**Raghuram Rajan:** The government has always appointed the RBI Governor

**Arvind Subramanian:** Good choices, you must say always

**NDTV**: Not always, but certainly now

**Raghuram Rajan:** It has been a reasonably good set of…

**Arvind Subramanian:** He is being modest

**NDTV**: I don't think that bureaucrats should not be given such an important technical post. They will take five years to figure it out

**Raghuram Rajan:** Dr YB Reddy was a great Governor

**NDTV**: There are of course many

**Raghuram Rajan:** The point is to get multiple views. Second what you have is six people, one goes off, six, twelve, whatever the number is…

**NDTV**: Is it six? I thought it is seven

**Raghuram Rajan:** Whatever the number is the government has to announce the number

**Arvind Subramanian:** The number is being discussed

**Raghuram Rajan:** It is being discussed

**NDTV**: I am getting a scoop

**Raghuram Rajan:** No, you are not

**NDTV**: One little scoop

**Raghuram Rajan:** Let us take whatever the number is, those people are going to be, one guy gets off, there are still n-1 left who are going to be the source of continuity in monetary policy. It is very important you understand what the Central Bank is up to

**NDTV**: The independence of the Governor is crucial

**Raghuram Rajan:** No, no, I am coming to the third point. Putting pressure on 6 people is much harder than putting pressure on one person. So you just told me the plight of the industrialists, so I will just go home and think about it and how to I address this *etc.* So different people may have different views. So the point I am trying to make here is that this will actually secure the independence. Now the point, who appoints *etc.* is for continuity and I think we need to work out and we have broadly a consensus with the government that how this should go. This has to go through the Cabinet and then through legislation and there could be modifications, but I think there is broad agreement and the government is very supportive of this process.

**Arvind Subramanian:** I just want to say that from the Government's point of view think there is no question the RBI is one of our really great and incredible institutions, we intend to keep it that way and anything we do will be done jointly together and this is how we are proceeding

**NDTV**: But you will be able to overrule the government, right?

**Arvind Subramanian:** There is no opposition. There will be a Monetary Policy Committee

**NDTV**: This is church and state. It is a worry overall because it was functioning so well and you know, I just feel independence of the Governor is so crucial

**Raghuram Rajan:** I think the Governor will still be independent. But I believe that if it is structured as broadly discussed, that it will be an independent entity and remember again and again you see people appointed by the Government, but appointed to an institution, if they are people with integrity, typically they are, they adopt the interest of the institution because they have been appointed to run that institution according to its own objective. So it's not that there will be a string tying the person who is appointed, Deputy Governor in charge of the monetary is appointed by the Government, the Governor is appointed by the Government, but there have been differences between the Government and the RBI

**NDTV**: It is not just that you were irritated that you were lowering rates and said now let us put a whole lot of people there?

**Arvind Subramanian:** I think the way to think about this is the following you know, Francis Fukuyama, the guy who wrote *End of History*, he has a very nice phrase, the China good Emperor, the bad Emperor problem, so when you have individuals you do not know good or bad right? I think what we are trying to do is…

**NDTV**: When you have the Government involved you know the truth

**Arvind Subramanian:** What we are trying to do with the RBI is preserve the good Emperor thing, but also try and build the institution so we get the best of an institutional view and an independent Governor

**NDTV**: Does it remind you bit of a judiciary versus the governments, where they tried to just kind of change the appointment of judges and there was interference and they were struck down? Are you trying to interfere in the law? Maybe a good government now, good people work for another 10 years and then the rogue government comes in and then the Governor is hampered?

**Raghuram Rajan:** That is precisely I think this new structure will be more independent of whatever Government is

**NDTV**: The Government does

**Raghuram Rajan:** Because you can't overnight change the entire structure. People will have terms and so on, so there will be continuity in policy, both when people leave and both when new Governments come in. So having a target is of semi sort of which is stable, having a Committee, which is stable, all this are institutionalising; it is the change which I think is very important for us

**NDTV**: Last question

**Audience 5:** Broadly speaking it is unprecedented that the Government and the RBI are seen to be so friendly with each other. Now take this step a little further, it is not just about monetary policy, there have been previous Government committee recommendations such as the Rangarajan Committee, which has actually recommended the RBI should consult the Government re the budget, re matters also. Why aren't we seeing more of this synthesis later? Why aren't we seeing a dilution of financial policy or fiscal policy and monetary policy in general?

**NDTV**: Basically you should write the budget with him

**Raghuram Rajan:** First I think the differences between the RBI and the Government, I hate to say this again, but sometimes our two good Press sort of paper over, and so small differences or general differences in opinion or personality clash turn into a deeper sort of juicy problem

**NDTV**: Not on NDTV

**Raghuram Rajan:** We have regular discussions not just ones before the monetary policy. We have regular discussions with the Government at all levels and I think there is a very cordial understanding, you know, for the most part and sometimes there are differences; they have to be there, have to be differences, because we are appointed to be different, because it could be run from government block

**Arvind Subramaniam**: This is exactly, I would say of course you should be very worried if we disagree on substandard terms, you should perhaps be equally worried if we agree about everything and don't disagree about things. The second thing I would say is that even what you want, just as we have views on them, as they have views on what they do, you know we have a process, we have processes. In fact these get a chance to get, in fact aired, reviewed, discussed and so on. So I think that process in that case, in any case I have Raghu's number and he has mine

**NDTV**: And they never pick up

**Raghuram Rajan:** I think the important thing is Government, of course, has the right to replace whoever it wants in institutions that are with it, but it also continuously says, here is what I think but the decision is yours. So the Government can make its views heard but it is important to let the entity, to whom it is speaking, make the decision. And I think that culture, that decision has built up in our country, it is an important tradition

**Arvind Subramaniam:** The Government has no intention of changing it at all

**NDTV**: I think we have completely, we have done our 20 minutes; we are running out of time. There is one question which everybody asked me to ask you, what in the Budget he should do and one thing in the monetary policy you would like to see that he should do and then we will end, then the 20 minutes will be over

**Raghuram Rajan:** Oh God, look I have to think about it

**NDTV**: Let him think, you fire first

**Arvind Subramaniam:** Maybe things are too harmonious, now I can't think of it, but I think this is an institution that the government values

**NDTV**: One thing he may advise you, he may not tell you to go and jump in the…

**Arvind Subramaniam:** This is something Raghu is not doing, that is being watchful over the Indian competitive of the Indian economy and the exchange rate, which you raised as a concern

**Raghuram Rajan:** This is something the Government is trying very hard and I am not saying this, just it is already doing it, but I think passing GST would be such a strong signal, not just to the domestic economy but to the global economy, that we are willing to overcome difficulties, you know, whatever differences there are

**NDTV**: This is way beyond politics

**Raghuram Rajan:** This is beyond politics. This is about stabilising and ensuring growth going forward, so I think GST is trying that…

**NDTV**: Something they are not trying which they should try?

**Raghuram Rajan:** Well I think this is plenty. To this if they can do GST I think it would send a huge signal and also buy us enormous protection against any volatility that comes from the external. As you said we are passing through difficult times, we are a recovering economy, but times are great to send a signal like this would be fantastic

**Arvind Subramanian:** Just to add to that, just say that's the message, that is not true for Government, but for all sections and all parties in the spirit of true inclusiveness, and putting the national interest above narrow things, so I would endorse what he said

**NDTV**: Wonderful to hear the two of you, thank you very much

**(Unedited Transcript)**

# Corporate Bond Markets in India: A Framework for Further Action*

Harun R. Khan

Speaking at this event – in this panel – leaves me with a sense of *déjà vu*. The fact that I spoke about the same issue at the same forum three years back in 2012 – and many other fora earlier – reflects the deep-rooted inertial nature of underlying factors. At least for more than 10 years now development of corporate bond markets in India has been the focus of all stakeholders but the arduous pursuit of the 'holy grail' has not delivered desired results. In the process, this has unfortunately become a convenient stick to flag the policy and regulatory intent. Every set of stakeholders has its own views on what needs to be done but much of the prognosis ends up giving a limited perspective.

2. Maybe it is time to dispassionately understand the big picture and acknowledge ten fundamental facts about the financial ecosystem as it exists today:

i. Bond markets globally are institutional in nature – that too buy and hold kind of investors;

ii. A sound bankruptcy regime is a pre-requisite for deep bond markets;

iii. Development of bond markets needs sustained participation of long-term institutional investors across the credit curve;

iv. Tax regime for financial instruments remains one of the key drivers of investor interest;

v. Development of the market mechanisms and infrastructure can at best be an enabling factor – not the driving factor;

vi. Fiscal consolidation leading to lower sovereign borrowings can enhance the demand for corporate bonds;

vii. High indebtedness of major corporates both from domestic and external sources is not conducive for issuance of corporate bonds;

viii. The centrality of banks in the financial system is a given at our stage of economic development. The corporate debt market, therefore, cannot play a predominant role in financing in the near future;

ix. Predominant reliance on the banking system to support development of corporate bond market, directly or indirectly, militates against the very idea of the bond market de-risking the banking sector; and

x. The corporate debt market cannot be looked as totally detached from the sovereign bond market. Corporate bond market may get a fillip as the interest rates come down and the fiscal deficit targets are achieved. The play on spreads across the credit curve will become more attractive.

3. Alongwith recognising the hard facts comes the realisation that there are not many low hanging fruits remaining to be plucked – work forward is contingent on multifarious factors and some hard policy choices.

4. There have been a number of reports on the corporate bond markets, *viz.*, R. H. Patil Committee report (December 2005), Report of the High Powered Expert Committee on Making Mumbai an International Financial Centre in 2007 (Percy Mistry Committee) and A Hundred Small Steps [Report of the Committee on Financial Sector Reforms (CFSR)] in 2009 (Raghuram Rajan Committee), Reports of the City of London, which have examined in detail various aspects related to the development of corporate bond market and have made useful recommendations. It has been recently decided by the Financial Stability and Development Council (FSDC) and its Sub-Committee that the issue needs to

* Remarks by Shri Harun R. Khan, Deputy Governor, Reserve Bank of India at FICCI CAPAM - 2015 at Mumbai on October 27, 2015. The speaker acknowledges the contributions of Shri Vaibhav Chaturvedi and Shri Vivek Singh of the Reserve Bank of India.

be looked into its entirety. An inter-regulatory group has already started work in this direction. The focus of this group will be to distill key actionable recommendations made by all earlier committees and suggest a time bound plan for implementation of the same.

**Measures taken to develop the corporate debt market**

5. Taking into account the recommendations made by various expert committees, several measures have been taken by the Government of India, the Reserve Bank of India and the Securities and Exchange Board of India (SEBI) for the development of corporate debt market in India. The success of these measures in achieving the intended outcomes has, however, been varied. Impact of some of the measures taken is captured below:

6. The measures taken by the Reserve Bank of India, SEBI and the Government have resulted in considerable

| **Intended outcomes mostly achieved** | **Intended outcomes partially achieved/too early to say** | **Intended outcomes not achieved** |
|---|---|---|
| • Setting up of reporting platform for post-trade transparency<br>• Introduction of DvP in settlement of OTC trades in corporate bonds to eliminate settlement risk<br>• Issue of long-term bonds by banks allowed with a minimum maturity of seven years to raise resources for lending to (a) long term projects in infrastructure sub-sectors, and (b) affordable housing. These bonds have been exempted from computation of net demand and time liabilities (NDTL) and are therefore not been subjected to CRR/SLR requirements<br>• The investment limit for Foreign Portfolio Investors (FPI) has been increased to USD 51 billion during the last few years. Limit allocation methodology have been rationalised and withholding tax rate has been reduced from 20 per cent to 5 per cent<br>• FPIs have been permitted to invest only in corporate debts of at least 3 years of residual maturity<br>• International financial institutions like IFC were permitted to float a rupee linked bond overseas to deepen the off-shore rupee bond market so that IFC and other investors can raise rupees to invest in India. This has facilitated development of benchmark yield for long term corporate bonds<br>• SEBI has allowed setting up of dedicated debt segment on the exchanges | • Banks and PDs allowed to become members of stock exchanges to trade in corporate bonds<br>• Investment norms for banks and PDs relaxed to facilitate investment in corporate bonds<br>• Final guidelines issued for partial credit enhancements by banks to corporate bonds<br>• Measures taken to encourage investor interest/participation in the corporate bond market in terms of liberalising the listing requirements; simplification in procedures and processes; simplified disclosure norms; and standardisation of market conventions<br>• Rationalisation of FPI regulations has been put in place for easier registration process and operating framework for overseas entities seeking to invest in Indian capital markets | • Introduction of Repo in corporate bonds to meet the funding needs<br>• Introduction of Credit Default Swaps to facilitate hedging of credit risk by the holders of corporate bonds<br>• Reissuance of bonds permitted by SEBI |

**Table 1: Issues and Total outstanding Corporate Debt**

(amount in Rupee billion)

| Financial Year | Issuance details | | % change in issuance | Net outstanding (As at end-March) | No. of outstanding instruments | % change in outstanding amount |
|---|---|---|---|---|---|---|
| | No. of issues | Amount | | | | |
| 2010-11 | 4,280 | 2,709.46 | | 8,895.09 | 12,155 | |
| 2011-12 | 5,565 | 3,100.69 | 14.44 | 10,516.38 | 13,721 | 18.23 |
| 2012-13 | 5,578 | 3,880.25 | 25.14 | 12,901.46 | 15,874 | 22.68 |
| 2013-14 | 4,911 | 3,881.51 | 0.03 | 14,673.96 | 13,104 | 13.74 |
| 2014-15 | 10,941 | 4,789.62 | 23.40 | 17,503.20 | 19,439 | 19.28 |
| 2015-16 (up to Sept 2015) | 4,358 | 1,442.48 | 69.88 | 18,660.59 | 21,035 | 6.61 |

Source: Securities and Exchange Board of India

increase in issuance as well as secondary market trading of corporate bonds. Total corporate bond issuance has increased by around 155 per cent from ₹2,709.46 billion in 2010-11 to ₹4,789.62 billion in 2014-15. Similarly, the number of issuances increased by almost 77 per cent from 4,280 in 2010-11 to 10,941 in 2014-15 (Table 1).

7. In comparison to other economies, the size of the bond market in India, however, remains moderate as a percentage of GDP (Table 2)

**Table 2: Size of the local currency corporate bond market in other Asian economies**

(as a % of GDP)

| | Q2 2014 | Q2 2015 |
|---|---|---|
| China | 17.8 | 18.8 |
| Hong Kong | 29.3 | 29 |
| Indonesia | 2.2 | 2.2 |
| South Korea | 74 | 76.4 |
| Malaysia | 41.3 | 41.5 |
| Philippines | 5.6 | 5.8 |
| Singapore | 30.6 | 32.4 |
| Thailand | 16.7 | 17.4 |
| Japan | 16.9 | 16.2 |

{Source: Asia Bond Monitor, Sept 2015}

8. It, however, needs to be noted that the development of a corporate bond market in India has lagged behind in comparison with other financial market segments due to certain structural issues. Some of these issues include:

- The corporate bond issuance is dominated by private placements as these account for more than 95 per cent of the total issuance of corporate debt (2014-15);
- Issuances are concentrated in the AA or above rating, largely by public sector entities and financial institutions
- A majority of the issuances are concentrated in the 2-5 year tenor;
- Limited/narrow investor base. Investment mandates of institutional investors such as insurance companies, pension funds and provident funds do not permit large investment in corporate bonds;
- Reissuance of bonds has not picked up;
- Lack of functional trading platform with CCP facility like NDS-OM (as available in Government securities market) impedes the growth of secondary market;
- Market for credit risk protection instruments like CDS has not yet developed; and
- Non-standardised stamp duties on corporate bonds across various states affects issuances.

**Way forward**

9. Activating the corporate bond market will require a number of regulatory measures to address both the macro issues as well as the market micro-structure issues. While creating an efficient market infrastructure will create conditions for issuers and investors, the structural issues can be addressed over the longer term as the market evolves and the financial system gets more integrated with international markets. It would be convenient to look at the set of issues in a comprehensive manner. I would like to classify some of the possible measures in the *'7I'* framework which I had talked about in one of my earlier speeches.

**Issuer**

*Reissuance of bonds*

10. Corporates may be encouraged to re-issue existing bonds under the same ISIN code. This will augment market liquidity and potentially reduce the cost of borrowings. Though SEBI has recently allowed reissuances by the corporates, there has not been any reissue of bonds by any corporate. In order to encourage reissuances, there may be a need for some incentives in the form reduced documentation formalities, less issuance fees, *etc.*

*Issuance of municipal bonds*

11. An active corporate bond market would enable market for municipal bonds issued by the Urban Local Bodies (ULBs). The potential for issuing municipal bonds assumes importance in the context of the proposal to set up 100 smart cities. However, the size of the municipal bond market in India is rather limited and is distributed over a few strong municipalities of Ahmadabad, Nasik, Nagpur, *etc.* The possible reasons could be overlapping jurisdiction on municipal bodies leading to plethora of rules; perceived lack of specialised project management support in ULBs; non-transparent budgeting and accounting systems in many of the ULBs; and limited exit route for investors due to lack of secondary market trading.

12. To address these issues some of the measures which could be considered, are strengthening the governance structure of the municipal issuers by ring fencing the municipal bond funds; providing partial or full guarantee by the Central/State government; mandating Escrow account for debt servicing of bond proceeds, *etc.* SEBI has since issued the regulations for issue and listing of securities by municipalities.

**Investor**

*Liberalising the investment guidelines for long term players*

13. In order to encourage demand, investment norms for regulated entities may be reviewed to facilitate their active participation in corporate debt market. The current investment guidelines for pension and other retirement benefit funds may be reviewed from ownership criteria (public sector/private sector) to ratings based criteria. They may also be permitted to use interest rate swaps, repos and credit default swaps.

*Encouraging Retail Participation*

14. Participation of retail investors in corporate bonds continues to be limited. In order to increase retail investors' participation in corporate bonds, we need to encourage issuance of zero coupon bonds, provide clarity on taxation issues, include provision of special quota for retail investors in debt issues and provide reduced transactions costs for retail investors.

**Intermediaries**

*Introduction of a market making scheme*

15. A market making scheme in corporate bond could potentially improve market liquidity. But market making in an illiquid market is challenging and not many intermediaries will be ready to take on the risks of making two-way quotes. A viable market making

scheme may have to be formulated with suitable incentives to encourage market participants to provide two way quotes. Stock exchanges may have to come out with market making scheme in consultation with the regulators. Perhaps the role of debenture trustees in this regard may also need to be explored.

**Infrastructure**

*Efficient trading platforms for corporate bonds*

16. NSE has developed a dedicated trading platform for privately placed corporate bonds. There is, however, negligible activity on the trading platform. Although the system provides for DVP-III guaranteed settlement, it is learnt that the system has some issues, *viz.*, high margin, high penalty for default, non-availability of all the issued bonds on the platform, *etc.* According to some market participants, there is a need for combined settlement for corporate bond repo and outright market under DVP-III mechanism at par with the G-Sec market in order to increase the traders' participation.

17. Stock exchanges could discuss with the market participants and make suitable changes in the existing platform to encourage trading. If required, they may adopt a calibrated approach in the matter and explore introduction of DVP-II settlement in initial stages and then move to DVP-III depending on development of the market.

18. An electronic trading platform similar to the CROMS platform for G-sec has been announced for repo in corporate debt. This needs to be taken forward quickly. Legal framework for recognising and regulating such platforms may have to be put in place.

*Rating Agencies*

19. Rating Agencies play an important role by way of providing credit evaluation of the instruments like bonds issued by corporates. Their role came into focus internationally after the Global Financial Crisis and certain principles for reform of the rating agencies had been agreed internationally. In India also, SEBI had come out with certain transparency and disclosure norms for the Credit Rating Agencies ('CRAs') in 2010. CRAs. Based on the experience, the guidelines may need to be reviewed.

*Bankruptcy laws*

20. A robust and effective bankruptcy regime is essential to development of corporate debt market from investors' point of view. Steps, such as, reforming bankruptcy law, early resolution of bankruptcy cases and streamlining the procedures relating to insolvency would go a long way in achieving the same. The issue of insolvency of financial institutions established under statutes and bi-lateral netting among them during bankruptcy also need resolution. One of the most significant steps in this direction was the setting up of the Bankruptcy Law Reform Committee under Shri T. K. Viswanathan which has just submitted its report. The Committee has come out with the draft legal framework for resolving matters of insolvency and bankruptcy which, when fully implemented, will have far reaching impact. Early enactment of this proposed legislation and the follow-up action will be a game changer for development of corporate bond markets.

**Incentives**

*Cap on borrowings of corporate from banks for capital purpose*

21. Restricting the proportion of borrowings by large corporates from banks and making such corporates use the market mechanism (such as, corporate bonds, commercial papers and other instruments) to meet a part of their short term as well as long term financing needs will help in the development of corporate bonds markets. The Reserve Bank has already issued a Discussion Paper on 'Large Exposures Framework and Enhancing Credit Supply through Market Mechanism' on March 27, 2015.

*Resolving distribution tax related issue for securitisation*

22. Securitisation of the corporate debt instruments would provide a big fillip to the market as it would improve risk transference and diversification and provide liquidity to the issuers. Subjecting income of SPV to tax hampers the growth of securitised debt. Market participants have been demanding that the taxation structure in securitised debt needs to be changed from distribution tax at SPV level to taxation in the hands of investors.

*Rationalisation of stamp duty norms*

23. In terms of the provisions of entry 91 of Union List, the Central Government has the power to levy stamp duty on issue of debentures. However, some state stamp laws also provide for duty on issue/transfer of debentures. Stamp duty laws need to be rationalised to provide an incentive to issuers and work is already on in this direction.

*Use of corporate bonds as collateral*

24. Post Global Financial Crisis has seen large scale use of non-sovereign papers as collateral by the central banks for providing liquidity during periods of stress. Similar enabling arrangement in India, subject of course to appropriate haircuts and other safeguards, could be examined. This will enhance the demand for good quality corporate paper.

**Instruments**

*Activating the repo market*

25. The reasons cited for lack of interest in corporate bond repo include non-signing of the Global Master Repo Agreement (GMRA), lack of lenders such as mutual funds and insurance companies in repo market, *etc.* The Reserve Bank is engaging with other regulators to address these issues. It is also envisaged to widen the participation base in corporate debt repo by allowing more investors in repo market.

26. Internationally, GMRA is the standard document used by the market participants to undertake repo transactions. In India also, we have adopted the same document. Market participants need to highlight the specific issues in GMRA which need to be addressed.

*Kickstarting CDS market*

27. Unavailability of credit risk transfer mechanism in the corporate bond market works as a deterrent. Though CDS has been introduced in India, there is no activity in the market. One of the major constraints is restriction on netting of MTM position against the same counterparty for capital adequacy and exposure norms. Without netting, the trades in CDS have become capital intensive as banks and PDs have to provide higher capital charge on gross basis even if they are acting as market makers and having positive and negative position against the same counterparty. Netting has not been allowed due to lack of legal clarity. To provide clarity on the enforceability of netting including close-out netting, suitable amendments to provisions in the RBI Act are being proposed.

28. Regulators are also examining the possibility of allowing more entities to buy/sell protection through CDS. Availability of more number of protection sellers will encourage activity in the CDS market. In this connection, it may be necessary that financially sound insurance companies and other long term investors may be permitted to sell CDS protection subject to prudential norms prescribed by the regulators.

*Rated Municipal Securities*

29. As discussed earlier, a new asset class may be included for rated municipal securities under the IRDA & PFRDA investment guidelines.

**Innovation**

*Use of banks' PCE facility by corporates*

30. Partial credit enhancements (PCE) by banks may give a boost to the corporate bond market in its

evolution phase. Taking into account the feedback received, The RBI has now issued the final guidelines under which the banks may provide PCE to support (senior) project bonds issued by companies/SPVs, and thereby improve the credit rating of the bond issue making them more attractive to certain specific set of investors, such as the institutional and long term investors. It is expected that issuers will take advantage of the scheme to issue long term bonds.

*Bond Index*

31. Though indices, such as, Nifty 50 and the BSE Sensex index serve as popular benchmarks for equities, designing debt indices has posed challenges in India as the market lacks breadth and depth. Market participants, however, need a debt index to compare the performance in corporate debt *vis-a-vis* the performance of different asset classes. More work needs to be done in this area by benchmark and index companies.

**Concluding Thoughts**

32. A well-developed corporate bond market can truly address some of the travails of the existing bank-based financial system. Development of efficient and robust bond markets is a challenge globally and only a few jurisdictions can claim to have genuine local currency bond markets. Even in those markets, the concerns relating to market illiquidity are increasingly being highlighted. The recent IMF Global Financial Stability Report has discussed these factors at length. While many of the factors may not be of immediate relevance to our market, the experience may hold important lessons as the regulatory regimes and market systems across jurisdictions which are increasingly becoming homogenised. While regulatory changes are likely to have had mixed effects on market liquidity, several structural drivers, such as, concentrated holdings by institutional investors, growth of electronic platforms and high frequency trading, reduced market making, *etc.* have also played a part.

33. We will have to assess the implications of these factors, including the emerging regulatory regime, on corporate bond market development. While it is recognised that the regulatory regime may need to respond positively to some of the critical issues unless the structural factors mentioned earlier are addressed, it would be difficult to have a deep corporate bond market. Early implementation of the draft bankruptcy code submitted by the Viswanathan Committee alongwith providing legal certainty to close-out netting for certain transactions would address the two key issues for enabling a credit market. Work is already underway in addressing some of the market infrastructure issues, including development of an electronic platform for repo in corporate bonds. Market making in corporate bonds has proved to be a challenging issue, particularly the funding of brokers. Banks are explicitly permitted to fund market making activities but at the end of day, it will be their call based on commercial judgement. Separate structure for market making with direct/indirect support of the Government could be a possible way out.

34. It is also important to recognise that the path towards creating an enabling environment may be fraught with event-specific hurdles which may take the process a few steps back. The recent case of default on a top rated bond is a case in point. More than the fact of default, some of the market practices that have come to light through media reports can dent the confidence of investors in the market. This particular instance reiterates the importance of strong market practices and institutional frameworks in development of healthy markets.

35. While there is a continuing, concerted effort to identify the constraints and address them in right earnest, we must, however, be careful that our pursuit

of perfect bond markets does not end up as an endless chimerical chase. Bond markets are part of a broader ecosystem and it would be best if these markets evolve organically. As a regulator, our endeavor is to continually facilitate an enabling framework. The group set up under the aegis of the FSDC is expected to look into the whole gamut of issues, mostly focusing on the recommendations of all the earlier committees. One can expect more exciting times ahead for the development of the corporate bond market in India.

# ARTICLES

# *Flow of Funds Accounts of the Indian Economy: 2013-14**

*The overall resource balance of the economy, measured by the saving-investment correspondence, improved considerably in 2013-14 in relation to the preceding two years, mainly reflecting the sizable reduction in the net resource gap of private non-financial corporations as well as the significant cutback in investment in valuables (largely gold). Investments became the most preferred financial instrument in 2013-14. Measures of financial interconnectedness corroborated the systemic importance of banking and household sectors.*

## I. Introduction

Flow of Funds (FoF) accounts show transactions in financial instruments in an economy on a 'from-whom-to-whom basis' in a three dimensional plane. By tracking interactions between the real and financial sectors, the FoF sheds light on the financial development of the economy. International standards for compiling FoF have evolved around the System of National Accounts (SNA) of the United Nations Statistical Commission. The SNA 2008 is its fifth and latest version. Globally, there is an intensified focus on the implementation of the SNA 2008, largely as a result of the G-20's Data Gaps Initiative. Australia was the first country to implement the SNA 2008 in 2009. Currently, all OECD countries have adopted it except Turkey (which plans to implement it in 2015), Japan and Chile (which will adopt it by 2016).[1] For several countries, it is their central banks – the Federal Reserve Board, the European Central Bank, the Bank of Japan, the People's Bank of China, and the South African Reserve Bank, to name a few – that compile the FoF.

Drawing on the recommendations of a Working Group[2], the Reserve Bank which has been compiling the FoF for India since the early 1960s, is engaged in aligning these accounts with the SNA 2008. Under the existing framework, the Indian economy is divided into six major sectors – Banking, Other Financial Institutions (OFI), Private Corporate Business (PCB), Government, Rest of the World (ROW) and Households.[3] Transactions between these sectors are classified under nine categories of financial instruments *viz.*, currency and deposits, investments, loans and advances, small savings, life funds, provident funds, trade debts, foreign claims not elsewhere classified (NEC) and other claims NEC.

This article analyses the FoF accounts of India for the fiscal year 2013-14 along with revised data for 2012-13. The rest of the article is organised into five sections. Section II sets out an overview of the sectoral resource gaps between saving and physical investment. Sectoral and instrument-wise movements in flow of funds are discussed in Section III. Select indicators of financial development and measures of financial interconnectedness are profiled in Section IV. Section V sums up and concludes the article.

## II. Evolution of Sectoral Saving-Investment Gaps[4]

The overall resource balance of the economy, measured by the saving-investment gap and mirrored

* Prepared in the National Accounts Analysis Division of the Department of Economic and Policy Research, Reserve Bank of India, Mumbai. The detailed statements 1 to 9 relating to FoF have been released separately on www.rbi.org.in; the hyperlinks to these statements are provided in the Press Release on the December 2015 issue of the RBI Bulletin in which this article appears.

[1] http://www.oecd.org/std/na/sna-2008-main-changes.htm

[2] Reserve Bank of India, 2015, Report of the Working Group on Compilation of Flow of Funds Accounts for the Indian Economy, https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=34789

[3] As part of the transition to a new base year (2011-12) for national accounts data in January 2015, the Central Statistics Office (CSO) modified the sectoral classification to five sectors viz., non-financial corporations, financial corporations, general government, households and the ROW. Public sector departmental and non-departmental non-financial enterprises have been shifted from the erstwhile public sector to the non-financial corporations sector. Public sector departmental and non-departmental financial enterprises now form part of the financial corporations sector. Financial accounts published by the CSO and the FoF data brought out along with this article are not strictly comparable because of differences in sectoral classification, coverage, methodology and the treatment of intra-sector transactions. Efforts are underway to ensure consistency between the two accounts.

[4] Conceptually, the gap between the real investment (capital formation) and saving of a sector, as given by the national accounts, corresponds to the changes in its net financial assets/liabilities, as given in the FoF; a sector with a resource deficit borrows financial resources from other sectors and *vice versa*.

**Table 1: Net Saving and Net Investment of Different Sectors[5] [As percentage of Net National Income (NNI) at current market prices]**

(per cent)

| | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|
| **1. Public Non-Financial Corporations** | | | |
| (i) Net Saving | 0.1 | 0.3 | 0.1 |
| (ii) Net Capital Formation | 2.9 | 2.6 | 2.7 |
| (iii) Resource Gap [(i) - ii)] | -2.7 | -2.3 | -2.6 |
| **2. Private Non-Financial Corporations** | | | |
| (i) Net Saving | 5.3 | 5.5 | 6.2 |
| (ii) Net Capital Formation | 9.9 | 10.3 | 9.5 |
| (iii) Resource Gap [(i) - ii)] | -4.6 | -4.8 | -3.2 |
| **3. Public Financial Corporations** | | | |
| (i) Net Saving | 2.4 | 2.1 | 1.9 |
| (ii) Net Capital Formation | 0.1 | 0.1 | 0.1 |
| (iii) Surplus [(i) - ii)] | 2.3 | 2.0 | 1.8 |
| **4. Private Financial Corporations** | | | |
| (i) Net Saving | 1.3 | 1.5 | 1.8 |
| (ii) Net Capital Formation | 0.4 | 0.3 | 0.2 |
| (iii) Surplus [(i) - ii)] | 0.8 | 1.1 | 1.6 |
| **5. General Government** | | | |
| (i) Net Saving | -4.1 | -3.5 | -3.2 |
| (ii) Net Capital Formation | 2.8 | 2.7 | 3.5 |
| (iii) Resource Gap [(i) - ii)] | -6.9 | -6.2 | -6.6 |
| **6. Household Sector** | | | |
| (i) Net Saving | 21.6 | 18.6 | 16.3 |
| (ii) Net Capital Formation | 13.4 | 10.7 | 8.2 |
| (iii) Surplus [(i) - ii)] | 8.2 | 7.9 | 8.1 |
| **7. Total (1 to 6)** | | | |
| (i) Net Saving | 26.6 | 24.3 | 23.2 |
| (ii) Net Capital Formation | 29.5 | 26.7 | 24.2 |
| (iii) Resource Gap [(i) - ii)] | -2.9 | -2.3 | -1.0 |
| **8. Valuables** | 2.8 | 2.7 | 1.1 |
| **9. Errors and Omissions** | -0.9 | 0.4 | -0.3 |
| **10. Overall Resource Gap [7(iii)-8-9]** | -4.8 | -5.4 | -1.8 |
| ***Memo** Items:* | | | |
| **11. Surplus/Resource Gap of:** | | | |
| (i) Financial Corporations [3(iii) + 4(iii)] | 3.2 | 3.1 | 3.4 |
| (ii) Non-Financial Corporations [1(iii) + 2(iii)] | -7.3 | -7.1 | -5.9 |
| (iii) Private Financial and Non-Financial Corporations [2(iii) + 4(iii)] | -3.8 | -3.7 | -1.6 |
| (iv) Public Financial and Non-Financial Corporations [1(iii) + 3(iii)] | -0.4 | -0.3 | -0.8 |
| (v) Public Sector [1(iii) + 3(iii) + 5(iii)] | -7.3 | -6.5 | -7.5 |

**Source**: CSO.

[5] The sectoral data on net saving are adjusted for net capital transfers receivable/payable. Over the three-year period shown in Table 1, the bulk of net capital transfers were payable by the general government sector. The major recipients were public non-financial corporations and public financial corporations. Sectoral data on valuables are reported only for households and public non-financial corporations. The remaining data on valuables are aggregated separately under item 8 in Table 1.

in the current account deficit (CAD), improved considerably in 2013-14 in relation to the preceding two years. Driving this consolidation was the sizable reduction in the net resource gap of private non-financial corporations and the significant cutback in investment in valuables (largely gold), following tax and administrative curbs imposed towards the end of 2012-13. The financial surplus (or financial saving) of the household sector increased during 2013-14, while the improvement in the net resource position of private financial corporations was supported by substantial capital transfers. On the other hand, the resource gap of the general government sector widened, reflecting increase in its investment; net saving of public financial and non-financial corporations deteriorated somewhat (Table 1).

In the aggregate, the reduction in the overall resource gap in 2013-14, and hence in the reliance on foreign saving, resulted from a sharper reduction in domestic investment than in overall domestic saving. Households and financial corporations (both public and private) continued to remain the surplus sectors, providing funds to the other domestic sectors.

## III. Sectoral Movements in FoF

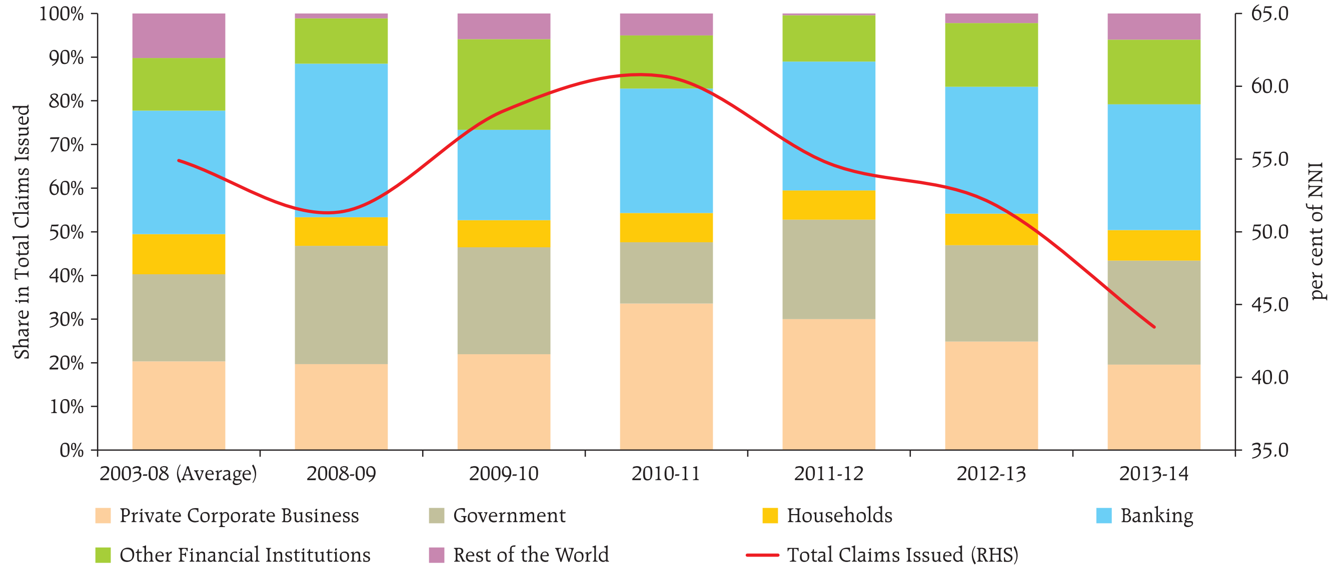
Total claims issued by all sectors (including the ROW) declined for the third consecutive year in 2013-14, a fall of over 8 percentage points of net national income (NNI) and by over 17 percentage points from their recent peak in 2010-11 (Chart 1). The reduction in claims issued in 2013-14 was evident across all domestic non-financial sectors except the Government sector.

### *III.1 Private Corporate Business Sector*[6]

The private corporate business (PCB) sector's saving improved during 2013-14 with the deceleration in operating expenses offsetting the slowdown in sales.

[6] For expositional convenience, the analysis in respect of the domestic non-financial sectors *viz.*, the PCB, Government and Household sectors is framed in terms of financing the resource gaps whereas the discussion in the case of the ROW and the domestic financial sector *viz.*, Banking and OFI sectors is focused on the composition of financial sources and uses.

**Chart 1: Financial Claims by Sectors**




The physical investment rate of the sector also declined during the year in an uncertain domestic policy environment and volatility in foreign exchange and capital markets. Consequently, the resource gap of the PCB sector was lower than in the previous year as a proportion to NNI. This was reflected in a larger decline in the sector's financial claims (as a proportion to NNI) relative to its financial investment. Specifically, commercial borrowings from the ROW sector as well as foreign institutional investment (FII) in equity (paid-up capital) slackened during the year (Chart 2). Furthermore, these companies reduced their loans to other sectors and continued to liquidate their fixed deposits in commercial banks. The banking and the ROW sectors predominantly financed the resource gap of the PCB sector.

**Chart 2: Financing the Resource Gap of PCB Sector**

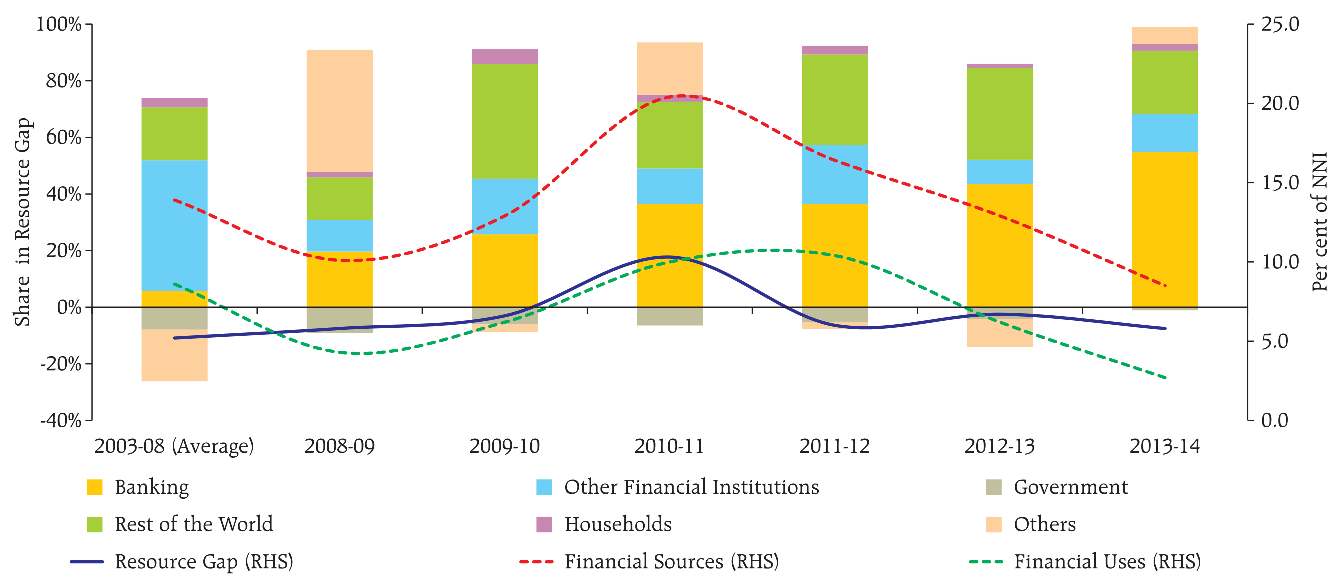
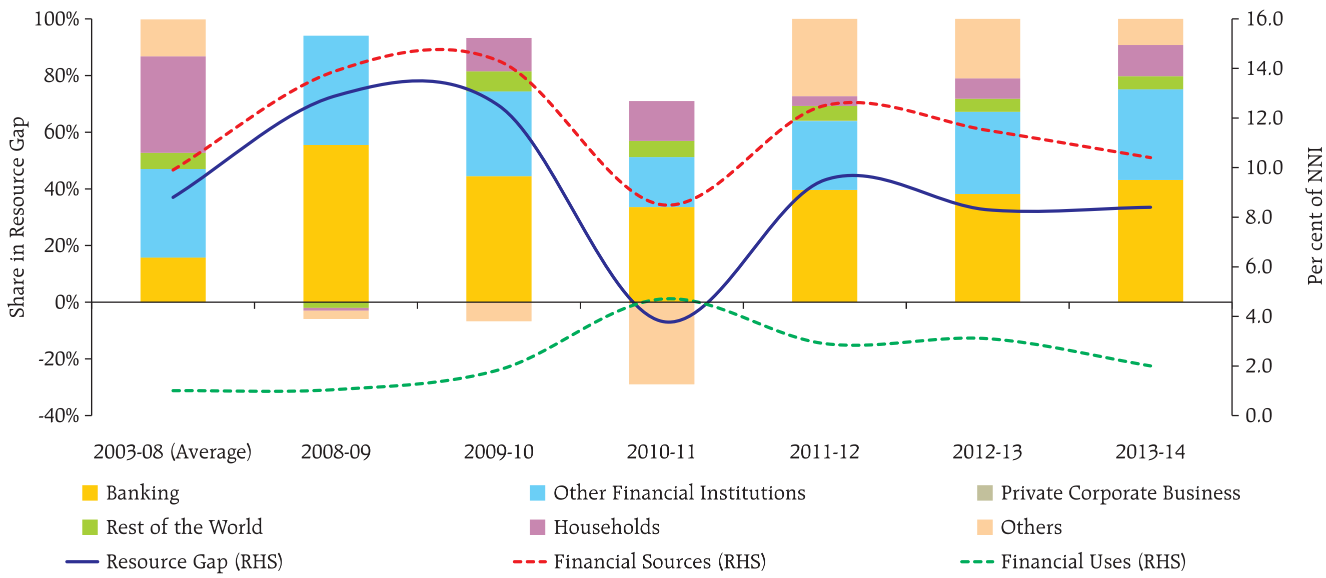


**Chart 3: Financing the Resource Gap of Government Sector**




## *III.2 Government Sector*

The financing pattern of the resource gap of the government sector has shown significant changes over the years (Chart 3). The widening of the resource gap of the government sector in 2013-14 was mirrored in higher issuances of Government dated securities (largely subscribed by commercial banks and insurance companies) as also higher borrowings by non-departmental commercial undertakings (NDCUs) from commercial banks and other financial institutions (OFI) sector. Financial investments by the government sector dipped during the year, reflecting a much lower order of build-up of cash balances of the Central and State Governments with the banking system than in the preceding two years. The NDCU sub-sector (which includes public sector enterprises and power companies) drew down its cash balances with commercial banks and expanded its lending to other entities. The banking sector, followed by the OFI sector, remained the predominant sources of financing the Government sector's resource gap. Investments in provident funds boosted households' funding of the government sector.

## *III.3 Rest of the World Sector*

Net financial claims issued by the rest of the world (ROW) sector picked up in 2013-14, largely reflecting the build-up of foreign currency assets of the Reserve Bank during the second half of the year (Chart 4). This mainly reflected the impact of policy measures for enhancing foreign inflows to manage the effects of the

**Chart 4: Sectoral Composition of the Net Financial Claims of the ROW Sector**

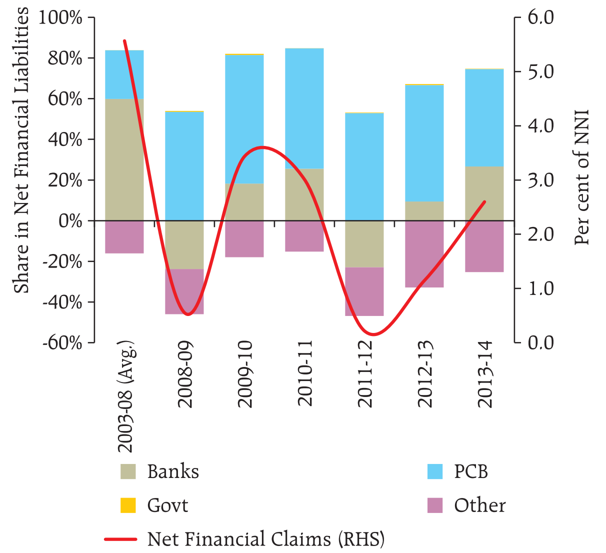
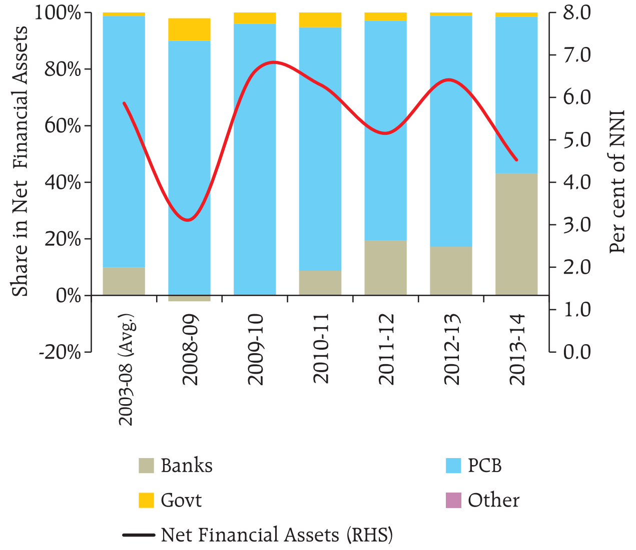


Chart 5: Sectoral Composition of the Net Financial Assets of the ROW Sector




US Federal Reserve's 'taper talk' - particularly *via* the swap window for fresh Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits of commercial banks – which more than recouped the outflows from the reserves in the first half of the year. Consequently, the share of the banking sector in net financial claims of the ROW sector increased substantially in 2013-14, even as those of the PCB sector remained predominant.

These developments notwithstanding, net financial assets (increase in assets *minus* decrease in assets) of the ROW sector declined in 2013-14, largely mirroring the sharp reduction in (i) external commercial borrowings (particularly via short-term trade credits) of the PCB sector and (ii) foreign investment (both FDI and FII) (Chart 5).

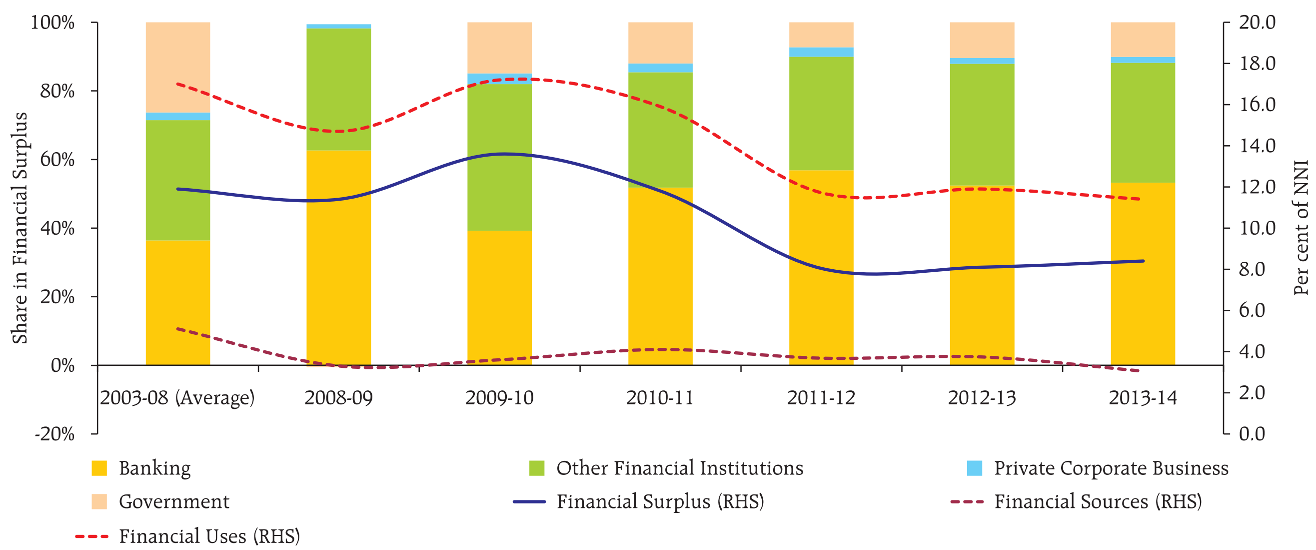
### *III.4 Household Sector*

The financial surplus of the household sector (*i.e.*, financial uses *minus* sources) improved during 2013-14, as real financial returns turned positive with the moderation in inflation. The composition of the financial surplus changed only slightly from the previous year, with banks accounting for the predominant share (55 per cent), followed by the OFI sector (largely reflecting life insurance premium, provident and pension funds) and the Government sector (Chart 6).

### *III.5 Banking Sector*

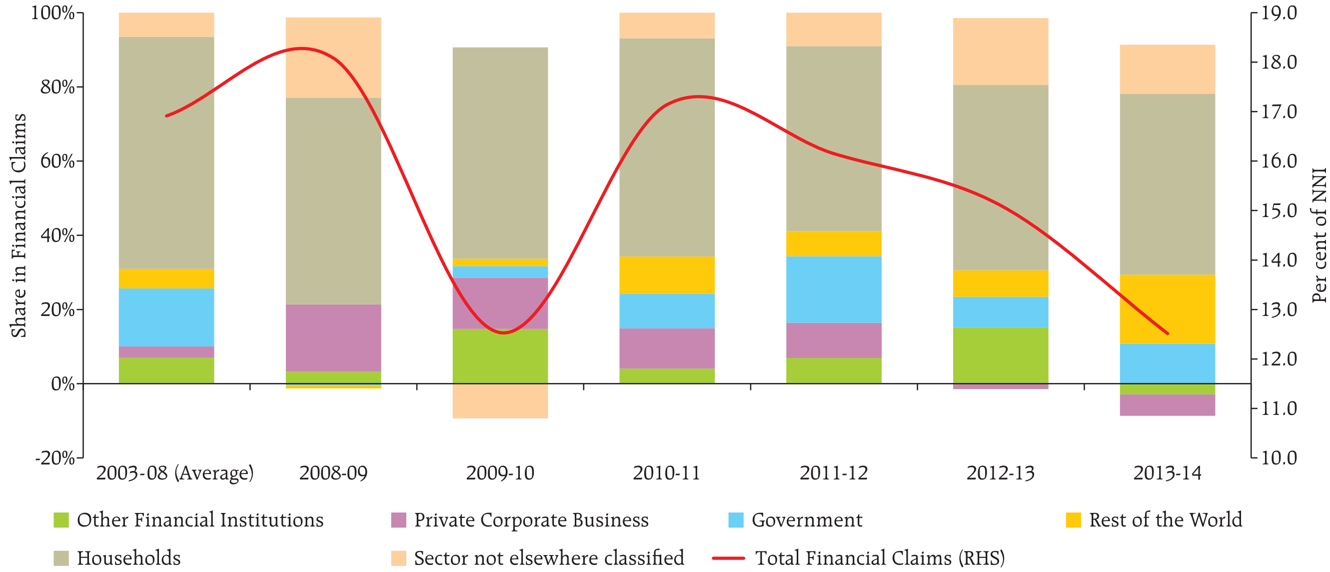
Financial claims issued by the banking sector remained more or less unchanged during 2013-14, although sharp changes in composition were evident (Chart 7). Sizable accretions to (i) households deposits (ii) FCNR(B) deposits from the ROW sector, (iii) deposits

Chart 6: Financial Surplus of the Household Sector




**Note:** Financial surplus of the household sector is the difference between its financial uses and financial sources.

Chart 7: Sectoral Composition of Financial Claims of the Banking Sector




of government commercial undertakings and (iv) the 'currency and the gold revaluation account'(CGRA) ('other liabilities') of the RBI were offset by outflows of deposits of the PCB and the OFI sectors. Furthermore, borrowings from the OFI sector contracted during the year. In the aggregate, while households continued to account for the predominant share of the sources of funds of the banking sector, the share of the ROW sector increased sharply during the year.

Financial uses of the banking sector also increased during the year, largely reflecting accretions to the RBI's foreign currency assets, as stated earlier (Chart 8).

Chart 8: Sectoral Composition of Financial Uses of the Banking Sector

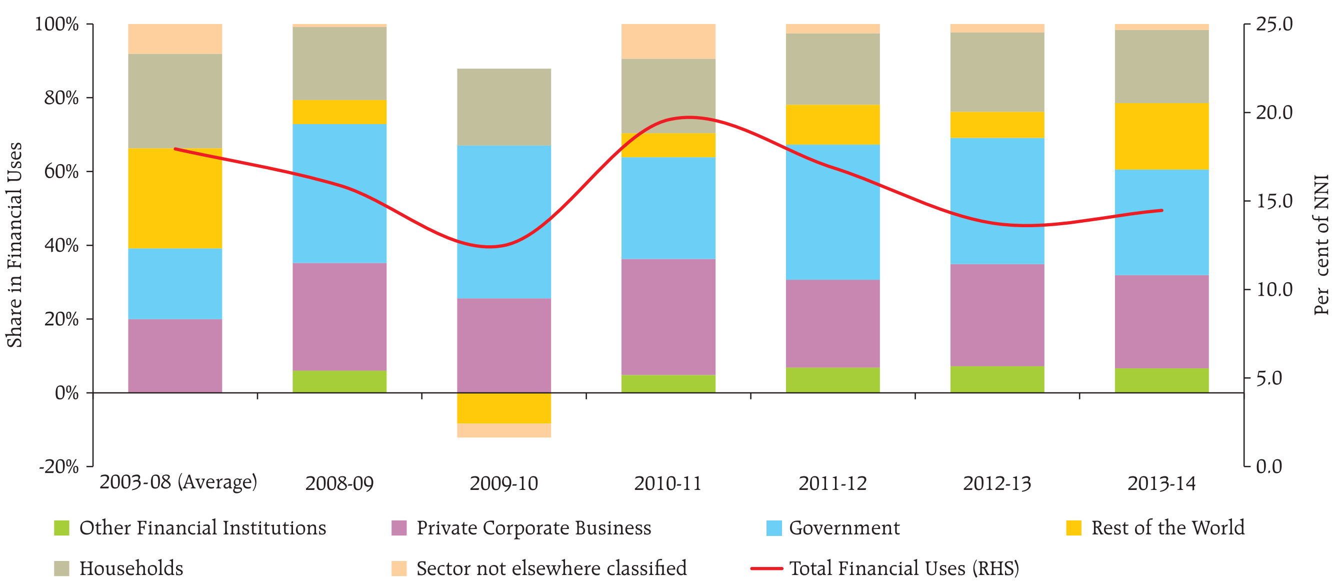
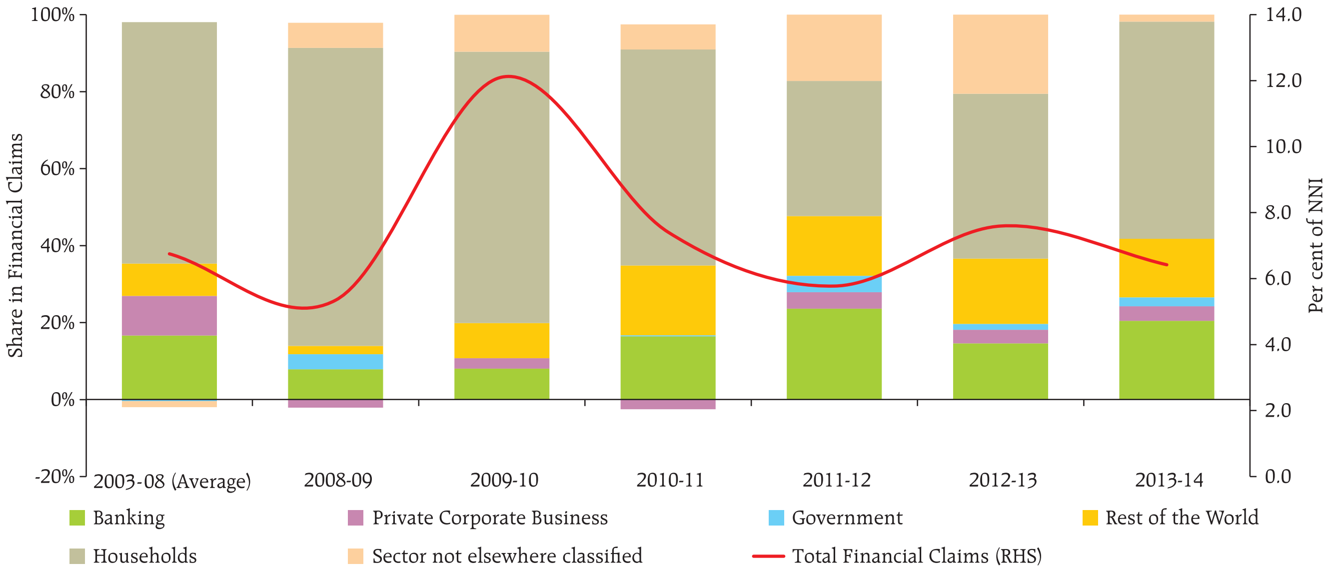


Chart 9: Sectoral Composition of Financial Claims of the OFI Sector




### *III.6 Other Financial Institutions Sector*

Financial claims issued by the other financial institutions (OFI) sector dipped during 2013-14, mainly reflecting a sharp contraction in the issuance of bonds and debentures by financial corporations, and in particular by NBFCs (Chart 9). At the same time, robust accretions under life insurance funds and provident and pension funds boosted the share of the household sector in the total claims of the OFI sector.

Financial uses of the OFI sector increased *pari passu* with their investment in Central Government securities and debentures of private companies even as their deposits with and loans to commercial banks declined (Chart 10).

Chart 10: Sectoral Composition of Financial Uses of the OFI Sector

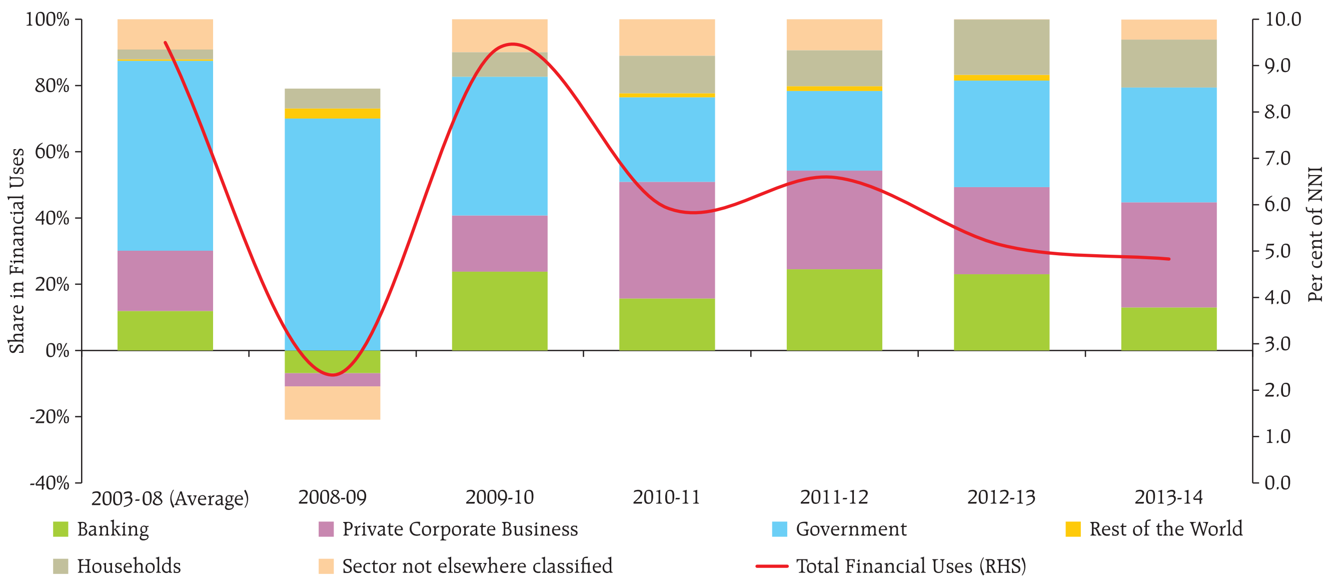
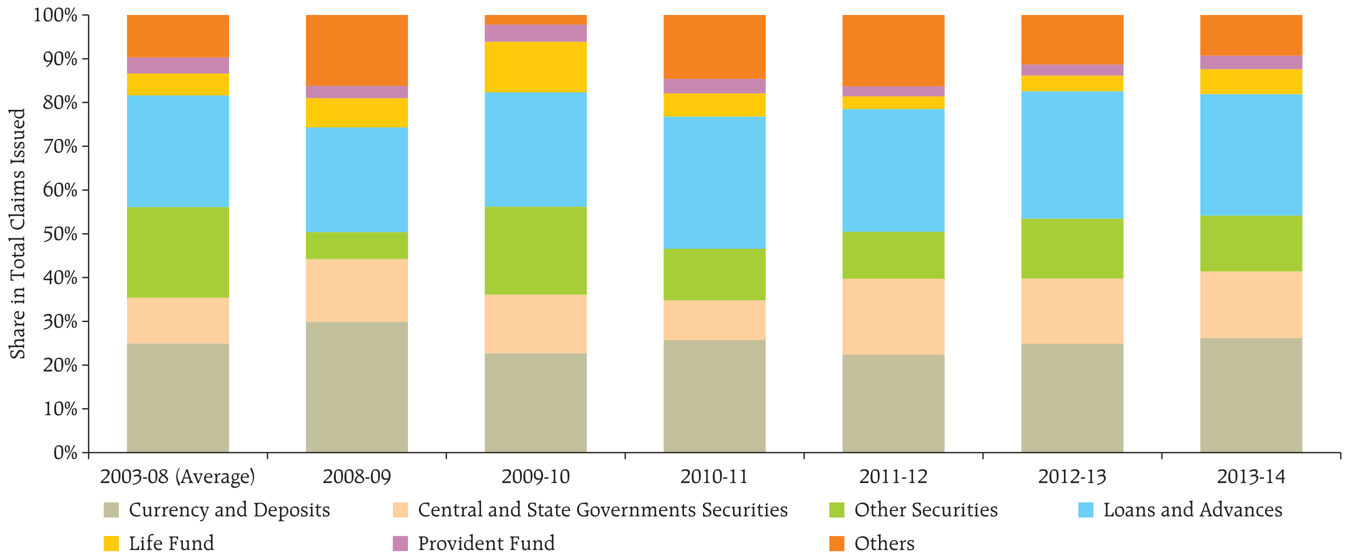


Chart 11: Financial Flows by Type of Instruments




**III.7 Financial Flows by Instruments**

Currency and deposits continued to gain ground as instruments of inter-sectoral financial flows, boosted by the robust increase in FCNR (B) deposits during 2013-14 (Chart 11). Notwithstanding a reduction in their share in total claims, investments became the most preferred financial instrument in 2013-14 relegating loans and advances to the second position. Investment in private securities (including mutual funds) dampened during the year, which offset the slight increase in flows into Government securities. The shares of life funds and provident funds in total claims issued, however, improved.

**IV. Select Indicators of Financial Development**

With the evolution of overall and sectoral resource balances as a backdrop, it is useful to explore the speed and quality of financial development with the help of the FoF (Table 2). The finance ratio, which measures the proportion of total financial claims issued to national income, is the broadest indicator of the rate of financial development. This ratio declined in 2013-14 to its lowest level in the years following the global financial crisis and well below the pre-crisis period average, mainly reflecting the slowing pace of domestic primary issues in the wake of declining investment rates of corporates. On the other hand, the intermediation ratio (which depicts the ratio of financial claims issued by the financial sector to those issued by the non-financial sector) and the financial inter-relation ratio (measuring the importance of total issues in net domestic capital formation) showed some decline in 2013-14. However, the new issue ratio (primary issues to net domestic capital formation) remained unchanged (Table 2).

***Financial Interconnectedness***

The application of the input-output framework to the FoF sectors and, in particular, the concepts of backward and forward linkages between industries/sectors provides insights into financial interconnectedness across the sectors of the economy.[7] In the context of FoF, the power of dispersion index (PDI) measures the direct and indirect financing demand in the aggregate induced by a unit shock

[7] Hyun, S (2010), "*Analysis of the Inter-institutional Flow of Funds Matrix and Systemically Important Financial Institutions*", Capital Market Perspective Vol. 2(4), Korean Capital Market Institute.

**Table 2: Financial Ratios: 2003-04 to 2013-14**

(Amount in ₹ billion)

| | 2003-04 to 2007-08 (Average) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1. Secondary Issues# | 7,711 | 11,545 | 13,671 | 16,796 | 17,203 | 19,870 | 18,838 |
| 2. Primary Issues## | 11,586 | 13,777 | 19,346 | 24,450 | 25,715 | 25,893 | 24,667 |
| 2.1 Domestic Sectors | 9,642 | 13,505 | 17,401 | 22,404 | 25,546 | 24,878 | 22,055 |
| 2.2 Rest of the World | 1,944 | 272 | 1,945 | 2,046 | 169 | 1,015 | 2,612 |
| 3. Total Issues (1+2) | 19,297 | 25,322 | 33,017 | 41,246 | 42,917 | 45,958 | 43,705 |
| 4. Net Domestic Capital Formation@ | 9,873 | 14,414 | 17,971 | 21,958 | 24,614 | 26,291 | 25,138 |
| 5. Net National Income at current market prices (Base year 2011-12) | 33,452 | 49,286 | 56,613 | 67,995 | 78,465 | 88,417 | 1,00,565 |
| **6. Finance Ratio (Ratio of 3 to 5)** | **0.55** | **0.51** | **0.58** | **0.61** | **0.55** | **0.52** | **0.43** |
| **7. Financial Inter-relations Ratio (Ratio of 3 to 4)** | **1.91** | **1.76** | **1.84** | **1.88** | **1.74** | **1.74** | **1.73** |
| **8. New Issue Ratio ( Ratio of 2 to 4)** | **1.14** | **0.96** | **1.08** | **1.11** | **1.04** | **0.98** | **0.98** |
| **9. Intermediation Ratio (Ratio of 1 to 2)** | **0.68** | **0.84** | **0.71** | **0.69** | **0.67** | **0.77** | **0.76** |

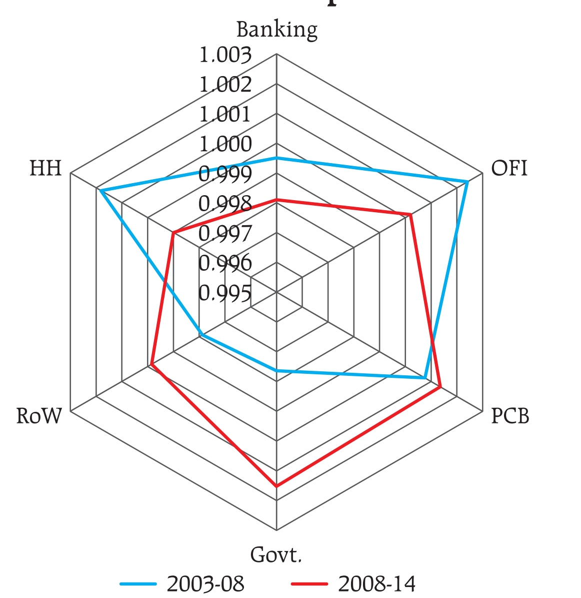
#: Refers to issues by financial intermediaries (*i.e.*, Banks and Other Financial Institutions).
##: Refers to issues by all sectors other than financial intermediaries.
@: At Current Prices.

(additional financing demand) from a certain sector[8]. On the other hand, the sensitivity of dispersion index (SDI) measures the direct and indirect financing demand from a certain sector induced by a unit shock (additional financing demand) from all sectors.

In order to detract from year-to-year changes, average PDIs and SDIs are calculated for different sectors for two periods *viz.*, 2003-04 to 2007-08 (pre-global crisis and high growth phase) and 2008-09 to 2013-14 (post-global crisis period) [Charts 12 and 13].

The PDIs for different FoF sectors have hovered around unity in the two periods. Between the two periods, however, there has been an increase in financial claims of the government and the ROW sectors in the more recent period at the cost of a reduction of

**Chart 12: Power-of-Dispersion Index**




[8] If A is the inter-industry technical coefficient matrix and B = [I - A]$^{-1}$ is the Leontief inverse matrix,

PDI for industry j is defined as:

$$\frac{\frac{1}{n}\sum_i B_{ij}}{\frac{1}{n^2}\sum_{ij} B_{ij}}$$

where Bij is an element of matrix B.

The numerator in the PDI is the average of all the row coefficients of column (industry) j in matrix B while the denominator is the average of the sum of all the coefficients of matrix B.

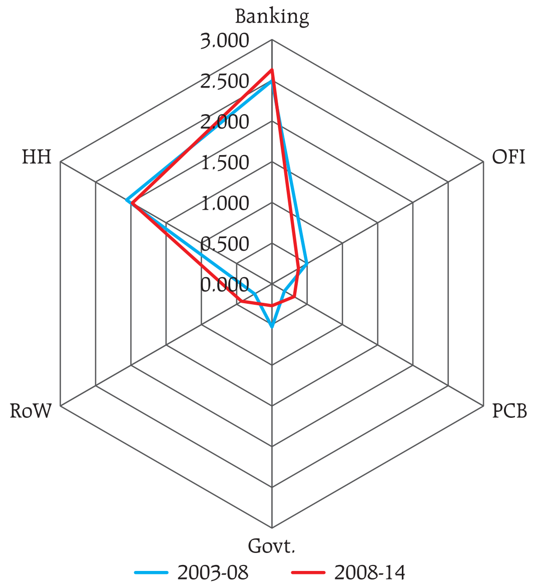
Similarly, SDI is defined as:

$$\frac{\frac{1}{n}\sum_j B_{ij}}{\frac{1}{n^2}\sum_{ij} B_{ij}}$$

While the denominator in the SDI is the same as in the PDI, the numerator is the average of all the column coefficients of row (industry) i in matrix B.

Since the compilation of FoF by the RBI nets out intra-sectoral financial flows, the 'diagonal' elements in the A matrix are zero. PDIs and SDIs greater than unity indicate that the particular sector has a relatively large impact on the financial system.

**Chart 13: Sensitivity of Dispersion Index**




financial claims in respect of households, banking and other financial institutions.

On the other hand, the SDIs of the banking and household sectors have remained substantially above unity, on average, during both the pre-and post-global crisis periods. The high value of SDI for the banking sector is on expected lines, given that the financial system in India is bank-dependent. The high value of SDI of the household sector follows from the fact that over half of household financial saving is invested in bank deposits. The SDIs of the OFI, Government, ROW and PCB sectors were each less than unity during pre- and post-global crisis periods. The increase in SDIs of the PCB and ROW sectors in the post-crisis period has systemic implications: the relatively large exposure of the PCB sector to the ROW sector, particularly *via* external commercial borrowings and foreign investment, exposes the former to external vulnerabilities.

**V. Conclusions**

Despite continued pressure from public sector budgets, financial resource mobilisation decelerated for the third consecutive year in 2013-14, as reflected in a general decline in aggregate claims issued by all sectors. Decelerating private sector investment as well as administrative curbs on the import of valuables obviated the need for mobilising large-scale financial resources in 2013-14. Nonetheless, the increase in financial claims relative to capital formation suggests that financial resources were absorbed into uses other than physical investment. The banking sector continued to account for the predominant share of total claims in 2013-14, attesting to its central role in financial intermediation in the Indian economy. The Government sector, though primarily funded by the banking sector, progressively increased its reliance on the OFI sector. The household sector remained the main financial surplus sector, with banking followed by the OFI sector being the predominant recipients of its resource transfers.

Investments became the most preferred financial instrument in 2013-14. The share of currency and deposits continued to increase, buoyed by the substantial increase in FCNR (B) deposits during 2013-14.

Measures of financial interconnectedness corroborated the fact that the banking and household sectors are critical suppliers of financial resources and therefore, disruptions to these supply sources would have systemic implications.

# *Finances of Foreign Direct Investment Companies, 2013-14**

*An analysis of financial performance of select 957 non-government non-financial foreign direct investment companies for the year 2013-14, based on their audited annual accounts showed that the sales growth and operating expenses decelerated during 2013-14 vis-à-vis the previous year. However, the growth in Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) and net profits (PAT) increased during 2013-14 mainly due to decline in the growth of manufacturing and interest expenses aided by the decline in imports growth and increase in exports growth. The performance of both manufacturing and services sectors had slowed down in terms of sales growth in 2013-14 vis-à-vis the previous year. The growth in total net assets increased marginally during the year. The leverage ratio remained unchanged in 2013-14 as compared to the previous year. EBITDA margin increased, whereas, return on equity (RoE) declined marginally in 2013-14. The select FDI companies relied mainly on external sources of funds for expanding their business and these funds were predominantly used for assets formation mainly in capital work-in-progress as well as in intangible assets and long-term investments in equity shares.*

This article presents an analysis of the financial performance of non-government non-financial (NGNF) foreign direct investment (FDI)[1] companies for the financial year 2013-14 based on the audited annual accounts of select 957 FDI companies which closed their accounts during the period April 2013 to March 2014[2]. These companies consist of 547 public limited companies and 410 private limited companies. These companies are classified into 11 major countries and 9 major industry groups. A company is classified into a country depending upon the country of origin with the largest FDI shareholder in the company. The industry group of the company is determined on the basis of the industry from which the company has reported more than 50 per cent of its total income.

The article also assesses the performance of these companies during the period 2011-12 and 2012-13 based on the same set of companies' data compiled for relevant financial years. Further, the performance of these select 957 FDI companies were also compared with those of 4,578 select non-FDI companies. Reference may be made to the detailed data of FDI companies for the year 2013-14 released on the website of the Reserve Bank of India along with explanatory notes in December 2015.

Industrial composition of these FDI companies, showed that 'Computer and related activities' (84),'Motor Vehicles and other Transport' (68), 'Machinery and machine tools' (66),'Chemicals and chemical products' (63), and 'Transport, storage and communication' (45) were the predominant industries for foreign direct investment. While, among the countries of origin of foreign direct investment, Mauritius has the highest number of companies of FDI origin (215), followed by USA (148), Singapore (84), UK (74) and Germany (59)[3].

**1. Growth: Sales growth moderated but operating profits increased**

1.1 The sales of FDI companies grew at a slower rate of 10.2 per cent in 2013-14 as against 14.0 per cent

* Prepared in the Company Finances Division of the Department of Statistics and Information Management, Reserve Bank of India. Reference may be made to the January 2015 issue of the RBI Bulletin for the previous year's study.

[1] As per the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6) of the International Monetary Fund (IMF), Foreign Direct Investment (FDI) is a 'category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy.' The BPM6 suggests that 'immediate direct investment relationships arise when a direct investor directly owns equity that entitles it to 10 per cent or more of the voting power in the direct investment enterprise.'

[2] The paid-up capital (PUC) of select 957 NGNF FDI companies in the year 2013-14 accounted for 18.5 per cent of total PUC of Non-Financial FDI companies reported in the Reserve Bank's Census on Foreign Liability and Assets of Indian Companies 2013-14.

[3] Figures in braces indicates the number of companies.

recorded in 2012-13. As a result, the growth in inventories of FDI companies increased marginally to 9.8 per cent in 2013-14 as compared to 8.3 per cent in 2012-13. The growth in the value of production as well as operating expenses decreased to 0.1 per cent and 9.8 per cent in 2013-14 respectively, from 13.3 per cent and 13.8 per cent witnessed in 2012-13 (Chart 1).

1.2 The growth in operating profits (EBITDA) of FDI companies increased to 12.1 per cent in 2013-14 as compared to10.4 per cent in 2012-13 mainly due to the moderation in manufacturing expenses during the year (Chart 1 and Statement 1).

1.3 As a result of increased operating profits and significant lower growth in interest expenses during the year, the net profits increased to 9.2 per cent in 2013-14 as compared to 6.3 per cent in 2012-13 (Chart 1).

1.4 The sales growth of both manufacturing as well as services sector of FDI companies declined in 2013-14 as compared to the previous year. In the manufacturing sector, the sales growth of all the industry groups declined in 2013-14 except for 'Rubber and plastic products', whereas in the services sector, the sales growth declined for 'Transports, storage and communication' (Statement 1).

1.5 Eventhough growth rate in operating profit increased at aggregate level, both manufacturing and service sector companies witnessed a decline in 2013-14. In the manufacturing sector, all the industry groups registered decrease in the growth rate of operating profits except in 'Chemicals and chemical products', 'Motor vehicles and other transport equipments' and 'Rubber and plastic products'. In the services sector, all the industries groups witnessed decline in the growth rate of operating profit except for 'Computer and related activities' in 2013-14 as compared to the previous year (Statement 1).

1.6 The pattern of sales growth for non-FDI companies was similar to the sales growth of FDI companies, which recorded a decline from 8.7 per cent in 2012-13 to 6.2 per cent in 2013-14. The non-FDI companies witnessed moderate growth in operating expenses in 2013-14 *vis-à-vis* the previous year. The growth rate in operating profits of manufacturing and services sector in non-FDI

**Chart 1: Major Growth rates of FDI companies**

companies decreased in 2013-14 as compared to the previous year (Statement 1).

**2. Growth in earnings in foreign currencies improved whereas expenditure declined**

2.1 The growth in total earnings in foreign currencies of select FDI companies increased to 17.6 per cent in 2013-14 as against 16.3 per cent in 2012-13. However, total expenditure in foreign currencies decreased significantly to13.4 per cent in 2013-14 from 18.2 per cent recorded in 2012-13 (Chart 1).

2.2 Growth in merchandise exports increased significantly to 22.0 per cent in 2013-14 as against 15.3 per cent in 2012-13. Also the exports intensity of sales (measured as exports to sales ratio) of FDI companies improved to 13.6 per cent in 2013-14 from 12.3 per cent witnessed in the previous year. Among the FDI share classes, sharp increase in exports growth was observed for the companies categorized in FDI share class of '50 per cent and above'. The manufacturing sector witnessed decline in the exports growth, whereas services sector registered significant growth in exports during 2013-14, mainly driven by exports in 'Wholesale and retail trade' and 'Transports, storage and communication' (Statement 1 and Statement 2).

2.3 In contrast, the imports growth had declined to 10.2 per cent in 2013-14[4] from 16.2 per cent in 2012-13. For manufacturing sector, imports growth dropped significantly to 1.0 per cent in 2013-14 from 15.7 per cent recorded in 2012-13. The decrease in imports growth was observed among all the manufacturing industry groups except for 'Rubber and plastic products'. In Manufacturing Sector, import growth contracted for 'Food products and beverages', 'Motor vehicles and other transport equipments' and Electrical machinery and apparatus in 2013-14 as compared to the previous year. Services sector also witnessed sharp decline in imports growth during 2013-14, largely driven by 'Wholesale and retail trade' industry group, which declined to 3.4 per cent in 2013-14 from 42.9 per cent in the previous year (Statement 1).

2.4 For non-FDI companies, both exports and imports growth declined in 2013-14 as compared to the previous year. The exports growth declined to 11.2 per cent in 2013-14 from 12.9 per cent in 2012-13, whereas, growth in imports contracted by 1.0 per cent in 2013-14 from a growth rate of 7.9 per cent reported in 2012-13. The exports intensity of non-FDI companies increased marginally to 20.2 per cent in 2013-14 from 19.3 per cent in 2012-13. The significant decline in imports was observed in both the manufacturing sector and services sector of non-FDI companies (Statement 1 and Statement 2).

2.5 The share of earnings in foreign currencies in the total income of both FDI and non-FDI companies increased in 2013-14, but this was higher for non-FDI companies as compared to the FDI companies. As regards the merchandise exports of goods, the share in total income for FDI and non-FDI companies increased gradually over the three years period (Table 1).

**Table 1: Share of expenditure and earnings in foreign currencies in total expenditure and income of select FDI and non-FDI companies**

(Per cent)

| Item | FDI companies | | | Non-FDI companies | | |
|---|---|---|---|---|---|---|
| | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 |
| Expenditure in foreign currencies | 27.8 | 28.7 | 29.4 | 28.8 | 28.9 | 27.6 |
| *Of which,* Value of imports (C.I.F basis) | 21.8 | 22.1 | 22.0 | 25.4 | 25.1 | 23.3 |
| **Total Expenditure** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |
| Total earnings in foreign currencies | 20.9 | 21.3 | 22.7 | 23.1 | 24.4 | 26.5 |
| *Of which,* Export of goods (FOB basis) | 11.9 | 12.0 | 13.3 | 18.0 | 18.7 | 19.6 |
| **Total Income** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

[4] The growth in imports of FDI companies during 2013-14 was mainly on account of sudden increase in imports in 'Mining and Quarrying' in 2013-14 as compared to the previous year. Imports for 'Mining and Quarrying' increased to ₹191.4 million in 2013-14 from ₹5.7 million in 2012-13.

2.6 The share of expenditure in foreign currencies in the total expenditure of FDI companies increased in 2013-14. However, for non-FDI companies, share of total expenditure in foreign currencies in total expenditure declined in 2013-14 as compared to the previous years. As regards the value of imports, the share in total expenditure for FDI and non-FDI companies declined marginally in the 2013-14 as compared to the previous years (Table 1).

**3. Growth in Research and Development expenditure contracted**

3.1 The Research and Development (R&D) expenditure of FDI companies contracted by 0.2 per cent in 2013-14 from a growth rate of 3.2 per cent registered in 2012-13. The royalty payment grew significantly by 35.9 per cent in 2013-14 as compared to 8.9 per cent in 2012-13 (Chart 2).

3.2 R&D expenditure to sales ratio exhibited declining trend during 2011-12 to 2013-14. Royalty payments to sales ratio, however, increased in 2013-14 as compared to the previous year (Chart 3).

3.3 Among the FDI share classes, R&D expenditure contracted by 12.6 per cent for companies categorized in FDI share class of '50 per cent and above' in 2013-14 as compared to the previous year. The manufacturing sector witnessed marginal increase in R&D expenditure during 2013-14 as compared to the previous year. While for services sector, the growth in R&D expenditure contracted by 44.2 per in 2013-14 as compared to 51.7 per cent growth registered in 2012-13 (Statement 1).

3.4 The growth in royalty payment for manufacturing sector decreased significantly to 11.3 per cent in 2013-14 from 22.0 per cent in the previous year. Services sector, however, witnessed significant increase in royalty payment by 55.3 per cent in 2013-14 as compared to a growth rate of 4.7 per cent in 2012-13 (Statement 1).

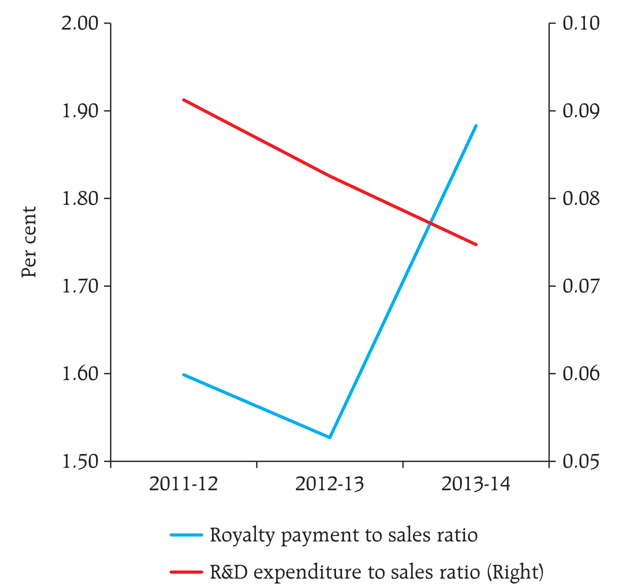
3.5 For non-FDI companies, growth in R&D expenditure increased in 2013-14, whereas, growth in royalty payment decreased in 2013-14 as compared to the previous year (Statement 1).

**4. Growth in total net assets increased marginally**

4.1 The growth in total net assets of FDI companies increased to 13.8 per cent in 2013-14 from 11.3 per cent in the previous year. However, companies categorized in the FDI share class of '25 to 50 per cent' witnessed

**Chart 2: Growth in Royalty and R&D expenditure**


**Chart 3: Royalty and R&D expenditure to sales ratio**



a marginal decline in growth rate in total net assets (Statement 1).

4.2 All industry groups in the manufacturing sector registered a growth in total net assets during 2013-14. In the services sector, the growth in total net assets increased to 12.0 per cent in 2013-14 from 8.7 per cent in 2012-13, which was mainly contributed by higher growth in 'Computer and related activities' and 'Transport, storage and communication' industry groups (Statement 1).

4.3 In contrast with FDI companies, the growth in total net assets for non-FDI companies declined to 8.9 per cent in 2013-14 as against 10.6 per cent in 2012-13. The moderation in growth of total net assets was observed for the manufacturing sector, whereas, for service sector the growth in total net assets increased in 2013-14, largely driven by 'Computer and related activities' and 'Transport, storage and communication' industries (Statement 1).

**5. Profitability ratios declined marginally**

5.1 The profitability of FDI companies as measured by return on equity (measured as a ratio of PAT to net worth) witnessed a marginal decline in 2013-14 *vis-à-vis* the previous year, whereas EBITDA margin increased marginally in 2013-14 (Chart 4).

5.2 Marginal increase in EBITDA margin with decline in RoE was observed in all the FDI-share classes. Marginal increase in EBITDA margin with decrease in RoE was observed for manufacturing sector in 2013-14. However, in contrast with the manufacturing sector, EBITDA margin of services sector declined marginally with increase in RoE during 2013-14 as compared to the previous year (Statement 2).

**6. Interest coverage ratio declined**

6.1 The leverage ratio (measured as a ratio of total borrowings to equity) of FDI companies remained unchanged at 60.9 per cent in 2013-14 as compared to the previous year. On the other hand, the interest coverage ratio (measured as a ratio of earnings before interest and tax to interest expenses) declined gradually from 4.1 per cent in 2011-12 to 3.2 per cent in 2013-14 (Chart 5).

6.2 Decrease in leverage ratio was observed among all FDI share classes except for the companies categorized in '50 per cent and above'. The leverage ratio for manufacturing sector increased marginally in 2013-14,

**Chart 4: Profit margins of FDI companies**

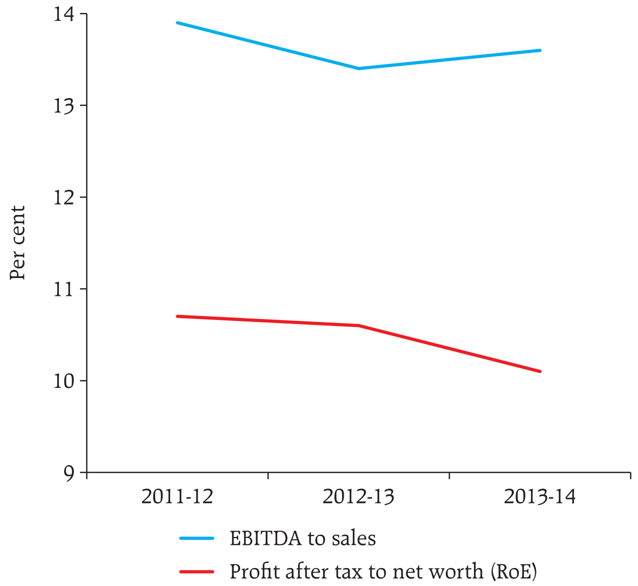



**Chart 5: Leverage and debt servicibility of FDI companies**

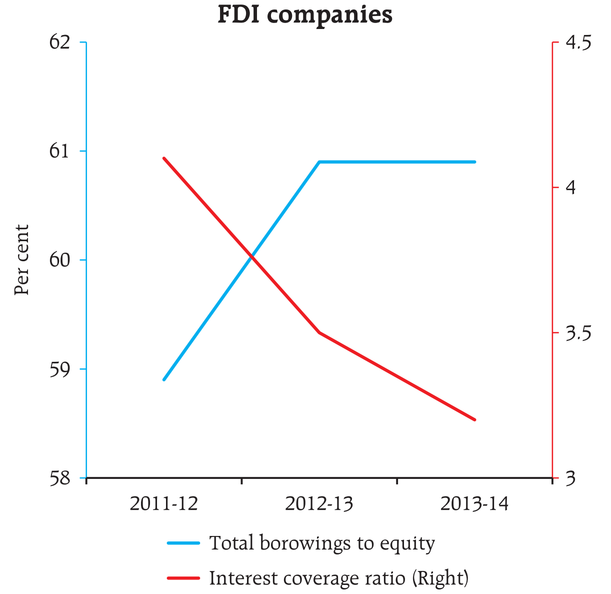


**Table 2: Composition of Liabilities of FDI and non-FDI companies**

(Per cent)

| Capital and Liabilities | Composition of liabilities of select FDI companies | | | Composition of liabilities of select non-FDI companies | | |
|---|---|---|---|---|---|---|
| Year | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 |
| **A. Shareholders' Funds** | **44.4** | **43.7** | **43.7** | **43.6** | **43.0** | **43.0** |
| *Of which,* (i) Share Capital | 5.1 | 4.9 | 4.8 | 4.6 | 4.7 | 5.0 |
| *Of which,* Ordinary | 4.7 | 4.6 | 4.3 | 4.1 | 4.2 | 4.5 |
| (ii) Reserves and Surplus | 39.3 | 38.8 | 38.9 | 38.9 | 38.2 | 37.9 |
| *Of which,* Capital reserve | 12.7 | 13.2 | 14.5 | 14.4 | 13.8 | 13.3 |
| **B. Non-current liabilities** | **21.4** | **21.5** | **21.0** | **23.1** | **23.3** | **23.5** |
| *Of which,* (i) Long-term borrowings (debt) | 17.5 | 17.6 | 17.7 | 18.6 | 19.0 | 19.3 |
| *Of which,* Term loans | 12.4 | 11.9 | 10.2 | 13.0 | 13.1 | 13.5 |
| *Of which,* Term loans from banks | 10.0 | 10.3 | 9.1 | 11.0 | 11.2 | 11.7 |
| **C. Current liabilities** | **34.0** | **34.6** | **35.2** | **33.0** | **33.4** | **33.3** |
| *Of which,* (i) Short-term borrowings | 8.6 | 8.9 | 8.8 | 10.2 | 10.6 | 10.6 |
| *Of which,* Loans repayable on demand | 3.4 | 3.0 | 2.5 | 3.1 | 3.1 | 3.0 |
| *Of which,* from banks | 3.3 | 3.0 | 2.4 | 3.1 | 3.0 | 2.9 |
| (ii) Trade payables | 12.4 | 12.5 | 12.3 | 10.9 | 11.0 | 11.1 |

whereas, it witnessed a decline for services sector. In manufacturing sector, increase in leverage ratio was observed for 'Chemicals and chemical products' and 'Motor vehicles and other transport equipments' industries. In the services sector, leverage ratio declined for 'Wholesale and retail trade' industry (Statement 2).

6.3 For the non-FDI companies, the leverage ratio had increased marginally to 69.9 per cent in 2013-14 from 69.1 per cent in the previous year. The leverage ratio of manufacturing sector increased in 2013-14, whereas it decreased for services sector (Statement 2).

## 7. Liabilities Structure: Share of long-term borrowings in total liabilities increased marginally

7.1 The share of long-term borrowings in total liabilities of FDI companies increased marginally to 17.7 per cent in 2013-14 from 17.6 per cent in 2012-13. In contrast, the share of term loans decreased in 2013-14 as compared to the previous year, mainly contributed by lower share of borrowings from banks. However, the share of shareholders' funds remained unchanged at 43.7 per cent in the year 2013-14 as compared to the previous year (Table 2).

7.2 In line with FDI companies, the share of long-term borrowings in total liabilities for non-FDI companies increased marginally in 2013-14 and that of shareholders' funds remained unchanged in 2013-14 *vis-à-vis* the previous year. However, in contrast to FDI companies, the share of term loans in total liabilities for non-FDI companies increased marginally in 2013-14 mainly due to marginal increase in the share of borrowings from banks (Table 2).

7.3 The share of current liabilities (includes short-term borrowings, trade payables, *etc.*) in total liabilities for FDI companies increased marginally in 2013-14 *vis-à-vis* the previous year, whereas, the share of current liabilities for non-FDI companies decreased marginally.

## 8. Asset Structure: Share of gross fixed assets in total assets decreased marginally

8.1 The share of gross fixed assets, which is a major component of the total assets of FDI companies, decreased marginally to 59.7 per cent in 2013-14 from 59.9 per cent in 2012-13. However, the share of long-term investments in total assets witnessed a marginal increase in 2013-14 as compared to the previous year (Table 3).

**Table 3: Composition of Assets of FDI and non-FDI companies**

(Per cent)

| Assets | Composition of assets of select FDI companies | | | Composition of assets of select non-FDI companies | | |
|---|---|---|---|---|---|---|
| **Year** | **2011-12** | **2012-13** | **2013-14** | **2011-12** | **2012-13** | **2013-14** |
| **D. Non-Current Assets** | **59.4** | **59.6** | **61.5** | **58.2** | **58.0** | **58.8** |
| *Of which,* (i) Gross Fixed Assets | 58.7 | 59.9 | 59.7 | 50.6 | 51.3 | 51.4 |
| *Of which,* Tangible assets | 46.4 | 48.0 | 46.4 | 39.2 | 40.0 | 40.0 |
| (ii) Non-current investments | 11.9 | 12.6 | 12.8 | 15.4 | 14.7 | 15.9 |
| *Of which,* Equity instruments/shares | 9.5 | 10.0 | 11.3 | 12.6 | 11.9 | 11.9 |
| (iii) Long term loans and advances | 5.1 | 5.0 | 5.7 | 5.7 | 6.2 | 6.1 |
| **E. Current Assets** | **40.6** | **40.4** | **38.5** | **41.8** | **42.0** | **41.2** |
| *Of which,* (i) Current investments | 2.8 | 3.0 | 3.1 | 3.6 | 3.7 | 4.0 |
| (ii) Inventories | 10.5 | 10.3 | 9.9 | 12.1 | 12.3 | 11.9 |
| (iii) Trade receivables | 10.7 | 11.1 | 10.4 | 11.3 | 11.4 | 11.4 |
| (iv) Short Term Loans and Advances | 6.3 | 5.7 | 5.4 | 6.5 | 6.2 | 6.0 |
| (v) Cash and cash equivalents | 8.2 | 7.6 | 7.0 | 5.5 | 5.2 | 4.5 |

8.2 The share of inventories and trade receivables in total assets declined marginally in 2013-14. The share of trade receivables in total assets declined to 10.4 per cent in 2013-14 from 11.1 per cent in 2012-13 (Table 3).

8.3 Similar to FDI companies, the share of long-term investments in total assets for non-FDI companies had increased to 15.9 per cent in 2013-14 from 14.7 per cent in 2012-13. However, the share of gross fixed assets in total assets increased marginally in 2013-14 *vis-à-vis* the previous year (Table 3).

**9. Sources of Funds: External sources continued to dominate in business expansion and its share in total sources of funds increased**

9.1 The external sources of funds (*i.e.*, other than internally generated funds) continued to play a major role in expanding business of FDI companies during 2013-14. Their share in total sources of funds increased to 66.8 per cent in 2013-14 from 54.3 per cent in 2012-13, mainly contributed by significant increase in the funds raised through 'share capital and premium' and the long-term borrowings. The share of long-term borrowings in total sources of funds increased to 15.8 per cent in 2013-14 from 13.0 per cent in 2012-13 (Table 4).

9.2 The share of internal sources of funds in total sources of funds declined significantly to 33.2 per cent in 2013-14 from 45.7 per cent in 2012-13 (Table 4).

9.3 For non-FDI companies also, the external sources of funds continued to dominate for business expansion in 2013-14. However, the share of external sources of funds in total sources of funds for non-FDI companies declined to 52.8 per cent in 2013-14 from 58.0 per cent in 2012-13, largely due to significant decline in the funds raised through short-term borrowings. The share of internal sources of funds in total sources of funds increased significantly from 42.0 per cent in 2012-13 to 47.2 per cent in 2013-14 (Table 4).

**10. Uses of Funds: Share of gross fixed assets formation and long-term investments in total uses of funds declined**

10.1 The overall share of gross fixed assets formation and long-term investment in total uses of funds for FDI companies declined to 49.7 per cent and 12.2 per cent in 2013-14, respectively, *vis-à-vis* 52.4 per cent and 14.3 per cent in 2012-13. A larger share of capital formation was reported as work-in-progress and also as intangible assets. Similarly, the share of equity instruments in non-current investments increased significantly in 2013-14. Further, the share of long-term loans and advances in total uses of funds also went up in 2013-14 (Table 4).

**Table 4: Composition of sources and uses of funds of select FDI and non-FDI companies**

(per cent)

| Sources of Funds | Composition of sources of funds of select FDI companies | | Composition of sources of funds of select non-FDI companies | |
|---|---|---|---|---|
| **Year** | **2012-13** | **2013-14** | **2012-13** | **2013-14** |
| **Internal Sources** | **45.7** | **33.2** | **42.0** | **47.2** |
| *Of which,* (i) Reserves and Surplus | 12.7 | 16.1 | 21.1 | 23.9 |
| (ii) Provisions | 32.5 | 16.9 | 20.2 | 21.7 |
| **External Sources** | **54.3** | **66.8** | **58.0** | **52.8** |
| *Of which,* (i) Share Capital and premium | 13.3 | 21.3 | 8.8 | 10.0 |
| (ii) Long-term borrowings | 13.0 | 15.8 | 18.2 | 19.0 |
| (iii) Short-term borrowings | 9.2 | 6.4 | 11.8 | 7.9 |
| (iv) Trade payables | 9.8 | 9.4 | 9.7 | 9.9 |

| Uses of Funds | Composition of uses of funds of select FDI companies | | Composition of uses of funds of select non-FDI companies | |
|---|---|---|---|---|
| **Year** | **2012-13** | **2013-14** | **2012-13** | **2013-14** |
| **Non-Current assets** | **72.6** | **78.1** | **64.1** | **74.1** |
| *Of which,* | | | | |
| (i) Gross Fixed Assets | 52.4 | 49.7 | 47.4 | 42.2 |
| *Of which,* (a) Tangible assets | 47.3 | 29.8 | 38.6 | 33.2 |
| (b) Capital Work-in-progress | 0.4 | 12.6 | 5.9 | 2.4 |
| (c) Intangible assets | 4.7 | 7.4 | 2.9 | 6.6 |
| (ii) Non-current investments | 14.3 | 12.2 | 6.1 | 24.4 |
| *Of which,* | | | | |
| Equity instruments / shares | 10.5 | 17.6 | 4.1 | 10.3 |
| (iii) Long-term loans and advances | 2.6 | 9.3 | 8.7 | 3.8 |
| **Current assets** | **27.4** | **21.9** | **35.9** | **25.9** |
| *Of which,* | | | | |
| (i) Inventories | 6.5 | 6.0 | 11.5 | 5.9 |
| (ii) Trade receivables | 11.1 | 4.7 | 9.9 | 9.0 |

10.2 The share of 'Inventories' in the total uses of funds was lower in 2013-14 as compared to the previous year. Also, the share of funds in the form of 'Trade receivables' in total uses of funds declined significantly to 4.7 per cent in 2013-14 from 11.1 per cent registered in 2012-13 (Table 4).

10.3 Similar to FDI companies, the share of gross fixed assets formation in total uses of funds for non-FDI companies also declined in 2013-14 as compared to the previous year. However, the share of long-term investments in total uses of funds had increased significantly to 24.4 per cent in 2013-14 from 6.1 per cent in 2013-14 (Table 4).

## 11. Conclusion

11.1 The sales of FDI companies grew at a slower rate in 2013-14 as compared to the previous year. However, the growth in operating profits and net profit increased as compared to the previous year mainly due to decline in the manufacturing and interest expenses aided by the decline in imports growth and increase in exports growth. Royalty payments, especially for the companies in services sector, however, witnessed significant increase.

11.2 EBITDA margin of FDI companies increased, whereas, return on equity declined in 2013-14.

11.3 The performance of both manufacturing and services sectors for FDI companies slowed down in terms of sales growth in 2013-14 *vis-à-vis* the previous year.

11.4 The growth in total net assets of FDI companies increased during the year. The leverage ratio remained unchanged in 2013-14 as compared to the previous year.

11.5 The select FDI companies relied mainly on external sources of funds for expanding their business and these funds were predominantly used for assets formation - capital work-in-progress as well as intangible assets and also for long-term investments in equity shares.

**Statement 1: Growth rates of select parameters of FDI and non-FDI companies** *(Contd.)*

(Per cent)

| | Growth in Sales | | Growth in Operating Expenses | | Growth in EBITDA | | Growth in net worth | |
|---|---|---|---|---|---|---|---|---|
| | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 |
| **FDI Companies** | | | | | | | | |
| *Number of sample cos* | *957* | *957* | *957* | *957* | *957* | *957* | *957* | *957* |
| **Aggregate (All Companies)** | **14.0** | **10.2** | **13.8** | **9.8** | **10.4** | **12.1** | **7.9** | **14.1** |
| **FDI-share-wise** | | | | | | | | |
| 10 per cent-25 per cent | 11.8 | 10.0 | 11.2 | 9.0 | 12.8 | 14.7 | 2.3 | 7.8 |
| 25 per cent-50 per cent | 12.4 | 7.3 | 12.2 | 6.0 | 7.4 | 9.7 | 8.7 | 12.7 |
| 50 percent and above | 16.4 | 11.7 | 12.2 | 6.0 | 10.4 | 11.1 | 14.1 | 22.2 |
| **Countries of Origin** | | | | | | | | |
| France | 17.0 | 10.0 | 15.7 | 13.9 | 4.8 | -0.8 | 37.8 | 2.9 |
| Germany | 8.4 | *-1.8* | 10.4 | -0.5 | -12.7 | -11.9 | 10.1 | 9.1 |
| Japan | 16.7 | *14.1* | 15.8 | 11.6 | 23.5 | 34.6 | 12.9 | 15.1 |
| Mauritius | 18.8 | *20.1* | 20.3 | 18.0 | 4.9 | 31.1 | 7.4 | 27.2 |
| Netherlands | 13.2 | *8.4* | 13.1 | 8.3 | 6.7 | 13.6 | 18.8 | 4.4 |
| Singapore | 7.4 | *-1.8* | 7.5 | 0.6 | 10.1 | -28.0 | 21.8 | 2.7 |
| Switzerland | 11.3 | *9.3* | 11.2 | 10.3 | 17.2 | -11.2 | 11.4 | 11.0 |
| UAE | 14.6 | *5.3* | 11.2 | 12.8 | 67.5 | -100.1 | -6.0 | -76.6 |
| UK | 10.5 | *5.0* | 9.6 | 4.0 | 10.7 | 10.3 | 9.1 | 16.4 |
| USA | 16.7 | *12.1* | 17.9 | 13.0 | 13.0 | 8.6 | 16.3 | 11.8 |
| Other | 8.7 | *-1.7* | 5.7 | -0.6 | 12.9 | -6.7 | -4.2 | -1.0 |
| **Industry-wise** | | | | | | | | |
| **Manufacturing** | **14.3** | **5.3** | **13.8** | **4.6** | **10.1** | **9.2** | **11.6** | **8.0** |
| Food products and beverages | 8.0 | 3.4 | 6.2 | 2.0 | 16.2 | 12.1 | 18.8 | 14.9 |
| Chemicals and chemical products | 11.6 | 11.1 | 11.4 | 10.9 | 5.2 | 18.6 | 12.7 | 10.1 |
| Rubber and plastic products | 8.0 | 13.2 | 11.8 | 12.2 | -6.8 | 10.6 | 15.7 | 9.6 |
| Motor vehicles and other transport equipment's | 11.3 | 1.0 | 10.5 | 0.5 | 8.8 | 11.4 | 15.9 | 11.0 |
| Machinery and machine tools | 4.3 | -0.4 | 2.0 | 0.5 | 3.6 | -8.4 | 9.7 | 4.8 |
| Electrical machinery and apparatus | 10.8 | -3.5 | 13.1 | -3.8 | -5.3 | -6.7 | 8.9 | 5.9 |
| **Services** | **15.4** | **14.1** | **14.7** | **15.0** | **18.3** | **11.1** | **5.6** | **13.3** |
| Wholesale and retail trade | 17.9 | 25.9 | 16.7 | 28.4 | 71.2 | 19.2 | 6.0 | 20.1 |
| Computer and related activities | 17.7 | 19.6 | 18.6 | 18.8 | 14.0 | 21.6 | 17.7 | 17.3 |
| Transport, storage and communication | 23.5 | 9.5 | 19.3 | 19.7 | 78.8 | -78.0 | 7.0 | -27.5 |
| **Mining & Quarrying** | **-34.2** | **342.6** | **-23.5** | **#** | **-51.7** | **104.5** | **-0.4** | **111.5** |
| **Electricity Gas Steam and AC Supply** | **43.0** | **61.6** | **65.8** | **34.0** | **200.3** | **-8.6** | **27.7** | **7.5** |
| **Non-FDI companies** | | | | | | | | |
| *Number of sample cos* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* |
| **Aggregate (All Companies)** | **8.7** | **6.2** | **9.0** | **6.1** | **5.0** | **2.9** | **9.2** | **8.6** |
| **Industry-wise** | | | | | | | | |
| **Manufacturing** | **8.1** | **5.1** | **8.8** | **5.0** | **2.1** | **1.1** | **9.2** | **7.9** |
| Food products and beverages | 16.0 | 6.2 | 15.7 | 9.8 | 14.0 | -28.4 | 12.1 | -5.7 |
| Chemicals and chemical products | 6.9 | 8.3 | 7.2 | 8.6 | -1.2 | -0.1 | 10.2 | 7.9 |
| Rubber and plastic products | 10.7 | -2.6 | 7.9 | -1.5 | 37.4 | -15.5 | 8.0 | 8.4 |
| Motor vehicles and other transport equipment's | -7.1 | 6.3 | -7.1 | 5.5 | -11.7 | 14.6 | 6.5 | 10.9 |
| Machinery and machine tools | 10.3 | 2.5 | 9.6 | 2.6 | 4.9 | 5.9 | 11.9 | 10.9 |
| Electrical machinery and apparatus | -2.7 | 10.4 | 1.9 | 7.2 | -34.9 | 22.1 | -3.5 | 6.2 |
| **Services** | **16.0** | **16.8** | **13.8** | **17.8** | **18.4** | **15.1** | **8.6** | **13.6** |
| Wholesale and retail trade | 20.1 | 18.7 | 16.3 | 24.6 | 32.6 | -97.6 | 14.6 | -3.6 |
| Computer and related activities | 15.3 | 28.8 | 13.5 | 25.1 | 22.2 | 40.4 | 14.5 | 37.6 |
| Transport, storage and communication | 13.9 | -11.7 | 16.0 | -12.9 | 0.1 | -4.4 | -6.0 | -0.2 |
| **Mining & Quarrying** | **6.9** | **-30.4** | **8.1** | **-26.0** | **1.1** | **-49.2** | **9.1** | **-1.5** |
| **Electricity Gas Steam and AC Supply** | **17.9** | **3.0** | **16.2** | **2.2** | **22.8** | **8.9** | **8.6** | **6.6** |

# Denominator is negative, nil or negligible
- nil or negligible

**Statement 1: Growth rates of select parameters of FDI and non-FDI companies** *(Contd.)*

(Per cent)

| | Growth in total borrowings | | Growth in total net assets | | Growth in exports | | Growth in imports | |
|---|---|---|---|---|---|---|---|---|
| | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 |
| **FDI Companies** | | | | | | | | |
| *Number of sample cos* | *957* | *957* | *957* | *957* | *957* | *957* | *957* | *957* |
| **Aggregate (All Companies)** | **11.2** | **14.3** | **11.3** | **13.8** | **15.3** | **22.0** | **16.2** | **10.2** |
| **FDI-share-wise** | | | | | | | | |
| 10 per cent-25 per cent | 8.9 | 8.0 | 5.9 | 9.0 | 18.7 | 11.0 | 0.6 | 0.8 |
| 25 per cent-50 per cent | 7.3 | 6.7 | 10.4 | 9.4 | 23.5 | -8.6 | 6.6 | -1.0 |
| 50 percent and above | 20.6 | 34.2 | 13.7 | 25.2 | 10.1 | 42.1 | 27.8 | 17.1 |
| **Countries of Origin** | | | | | | | | |
| France | 10.7 | -0.4 | 16.5 | 5.7 | 222.1 | 10.8 | 71.4 | 21.1 |
| Germany | 22.8 | *11.4* | 10.0 | 6.6 | 5.2 | 28.5 | 7.2 | 1.1 |
| Japan | 25.8 | *34.3* | 12.0 | 18.4 | 26.2 | 8.4 | 3.1 | 14.1 |
| Mauritius | 11.1 | *20.4* | 11.0 | 25.0 | 27.7 | 42.4 | 30.3 | 18.8 |
| Netherlands | 7.6 | *22.3* | 15.1 | 8.5 | -7.8 | -25.2 | 0.2 | 5.8 |
| Singapore | 37.3 | *13.2* | 13.4 | 4.3 | -29.3 | 41.9 | 7.1 | -18.8 |
| Switzerland | 56.9 | *9.3* | 11.4 | 9.5 | -17.3 | 56.4 | -6.4 | 4.4 |
| UAE | -10.9 | *16.1* | 5.5 | 1.8 | 16.6 | -16.4 | 25.6 | 11.9 |
| UK | 25.7 | *3.2* | 11.3 | 11.9 | 21.0 | 12.3 | 9.2 | -4.3 |
| USA | 3.8 | *7.1* | 15.2 | 15.2 | 10.9 | 11.7 | 14.5 | 2.4 |
| Other | 6.0 | *-2.2* | 2.0 | 1.8 | 5.6 | 0.5 | -6.8 | -6.3 |
| **Industry-wise** | | | | | | | | |
| **Manufacturing** | **16.8** | **9.6** | **11.1** | **7.9** | **24.0** | **10.4** | **15.7** | **1.0** |
| Food products and beverages | 13.6 | -26.5 | 12.9 | 3.1 | 33.8 | 0.1 | 10.7 | -14.9 |
| Chemicals and chemical products | 5.1 | 14.0 | 12.0 | 11.6 | -7.7 | 36.3 | 8.1 | 7.2 |
| Rubber and plastic products | 5.3 | 4.2 | 8.1 | 6.5 | 4.7 | 28.4 | -6.2 | 21.4 |
| Motor vehicles and other transport equipment's | 14.8 | 15.4 | 13.0 | 9.7 | 7.3 | 6.5 | 12.0 | -9.4 |
| Machinery and machine tools | 16.0 | 5.5 | 9.6 | 3.6 | 24.7 | 10.9 | 7.1 | 0.8 |
| Electrical machinery and apparatus | 23.2 | 2.7 | 8.8 | 3.2 | 10.9 | 1.5 | 8.2 | -0.1 |
| **Services** | **7.7** | **2.7** | **8.7** | **12.0** | **-33.7** | **50.5** | **32.0** | **-8.5** |
| Wholesale and retail trade | 93.4 | 3.9 | 23.9 | 16.0 | -50.4 | 80.0 | 42.9 | 3.4 |
| Computer and related activities | 30.1 | 24.4 | 18.0 | 21.5 | 29.2 | 16.2 | -2.8 | 1.0 |
| Transport, storage and communication | -11.8 | 7.2 | 4.7 | 7.6 | -32.2 | 56.0 | -15.5 | -21.7 |
| **Mining & Quarrying** | **6.5** | **301.5** | **0.6** | **210.6** | **-76.2** | **#** | **-31.9** | **#** |
| **Electricity Gas Steam and AC Supply** | **-8.9** | **18.3** | **2.0** | **11.6** | **#** | **86.4** | **38.9** | **-3.8** |
| **Non-FDI companies** | | | | | | | | |
| *Number of sample cos* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* | *4578* | *4578* |
| **Aggregate (All Companies)** | **13.7** | **9.8** | **10.6** | **8.9** | **12.9** | **11.2** | **7.9** | **-1.0** |
| **Industry-wise** | | | | | | | | |
| **Manufacturing** | **13.1** | **8.9** | **10.4** | **7.8** | **12.6** | **11.6** | **8.2** | **0.3** |
| Food products and beverages | 2.4 | 10.9 | 10.0 | 4.7 | 38.6 | -3.4 | 31.1 | 3.1 |
| Chemicals and chemical products | 16.5 | -6.3 | 11.6 | 5.2 | 7.3 | 11.4 | -3.0 | 6.2 |
| Rubber and plastic products | 8.9 | 17.2 | 7.4 | 7.0 | 18.7 | -2.6 | 44.3 | 4.7 |
| Motor vehicles and other transport equipment's | 14.7 | -0.1 | 6.3 | 8.5 | 17.1 | 7.8 | -17.8 | -27.6 |
| Machinery and machine tools | 9.9 | 11.8 | 8.5 | 9.9 | 11.1 | 6.2 | -15.9 | 4.7 |
| Electrical machinery and apparatus | 16.6 | 10.5 | 4.0 | 9.3 | 23.6 | 2.6 | -12.7 | 7.0 |
| **Services** | **15.3** | **10.0** | **11.1** | **13.4** | **24.1** | **3.0** | **28.9** | **-5.0** |
| Wholesale and retail trade | 44.8 | 6.4 | 29.4 | 5.5 | 20.0 | 9.8 | 57.0 | -2.6 |
| Computer and related activities | 2.8 | 14.6 | 12.3 | 31.9 | -12.3 | -8.5 | -15.7 | -9.4 |
| Transport, storage and communication | 16.0 | 9.1 | -1.0 | 2.9 | # | -79.9 | -6.4 | -51.4 |
| **Mining & Quarrying** | **12.9** | **30.3** | **10.6** | **10.1** | **-38.5** | **1.0** | **28.4** | **-38.6** |
| **Electricity Gas Steam and AC Supply** | **17.9** | **14.0** | **12.3** | **9.2** | **-15.5** | **-13.3** | **-13.2** | **-19.8** |

# Denominator is negative, nil or negligible
- nil or negligible

**Statement 1: Growth rates of select parameters of FDI companies** *(Concld.)*

(Per cent)

| | Growth in R and D expenditure | | Growth in royalty payment | |
|---|---|---|---|---|
| | 2012-13 | 2013-14 | 2012-13 | 2013-14 |
| **FDI Companies** | | | | |
| *Number of sample cos* | *957* | *957* | *957* | *957* |
| **Aggregate (All Companies)** | **3.2** | **-0.2** | **8.9** | **35.9** |
| **FDI-share-wise** | | | | |
| 10 per cent-25 per cent | 16.8 | 35.3 | 3.3 | 127.6 |
| 25 per cent-50 per cent | 3.9 | 24.2 | 3.7 | 11.6 |
| 50 percent and above | -0.1 | -12.6 | 17.5 | 2.2 |
| **Countries of Origin** | | | | |
| France | 33.8 | -27.3 | 57.8 | -37.4 |
| Germany | 7.3 | *221.0* | 15.9 | -1.8 |
| Japan | 36.1 | *33.5* | 29.9 | 4.8 |
| Mauritius | 12.1 | *39.4* | 1.3 | 11.5 |
| Netherlands | 24.0 | *-75.7* | 38.0 | 9.7 |
| Singapore | 33.6 | *6.2* | 45.4 | -11.8 |
| Switzerland | 0.8 | *-2.6* | 7.5 | 28.8 |
| UAE | -49.8 | *12.1* | -1.1 | -1.5 |
| UK | -31.7 | *-8.2* | 10.6 | 0.8 |
| USA | 29.2 | *13.4* | 21.6 | 6.2 |
| Other | -7.5 | *-15.1* | 0.5 | 280.0 |
| **Industry-wise** | | | | |
| **Manufacturing** | **1.1** | **3.0** | **22.0** | **11.3** |
| Food products and beverages | 36.2 | -1.6 | 15.8 | 19.0 |
| Chemicals and chemical products | -35.5 | -14.3 | 25.2 | 23.3 |
| Rubber and plastic products | 4.5 | 74.5 | 8.8 | 33.6 |
| Motor vehicles and other transport equipment's | -23.5 | 48.8 | 24.2 | 6.6 |
| Machinery and machine tools | 373.6 | 43.3 | 19.5 | 6.4 |
| Electrical machinery and apparatus | -3.2 | 8.2 | 17.2 | 4.1 |
| **Services** | **51.7** | **-44.2** | **4.7** | **55.3** |
| Wholesale and retail trade | -76.2 | 95.7 | -5.8 | # |
| Computer and related activities | 210.1 | -9.7 | 24.9 | -100.0 |
| Transport, storage and communication | 25.2 | -19.3 | -20.0 | -93.3 |
| **Mining & Quarrying** | **-44.3** | **-78.5** | **-69.4** | **-50.1** |
| **Electricity Gas Steam and AC Supply** | **#** | **31.4** | **21.2** | **-6.8** |
| **Non-FDI companies** | | | | |
| *Number of sample cos* | *4,578* | *4,578* | *4,578* | *4,578* |
| **Aggregate (All Companies)** | **11.4** | **20.0** | **15.5** | **4.3** |
| **Industry-wise** | | | | |
| **Manufacturing** | **11.5** | **21.3** | **12.8** | **3.9** |
| Food products and beverages | -47.5 | 77.8 | 20.6 | 49.6 |
| Chemicals and chemical products | 28.4 | -11.6 | 11.2 | 15.7 |
| Rubber and plastic products | 10.4 | 22.8 | 13.0 | 52.0 |
| Motor vehicles and other transport equipment's | 0.3 | 90.7 | 49.3 | -23.5 |
| Machinery and machine tools | 11.8 | 13.5 | -2.1 | 11.3 |
| Electrical machinery and apparatus | 15.8 | -17.9 | -69.7 | -1.6 |
| **Services** | **3.1** | **6.7** | **16.2** | **13.0** |
| Wholesale and retail trade | 9.4 | 61.4 | 10.5 | -18.1 |
| Computer and related activities | 25.8 | 32.1 | -52.6 | 10.4 |
| Transport, storage and communication | - | - | 41.4 | -76.9 |
| **Mining & Quarrying** | **129.6** | **219** | **61.0** | **-23.5** |
| **Electricity Gas Steam and AC Supply** | **12.9** | **-13.5** | **#** | **#** |

\# Denominator is negative, nil or negligible
- nil or negligible

**Statement 2: Ratios of select parameters of FDI and non-FDI companies** *(Contd.)*

(Per cent)

| | EBITDA to Sales | | | Return on equity | | |
|---|---|---|---|---|---|---|
| | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 |
| **FDI Companies** | | | | | | |
| *Number of sample cos* | *957* | *957* | *957* | *957* | *957* | *957* |
| **Aggregate (All Companies)** | **13.9** | **13.4** | **13.6** | **10.7** | **10.6** | **10.1** |
| **FDI-share-wise** | | | | | | |
| 10 per cent-25 per cent | 15.0 | 15.1 | 15.8 | 8.6 | 9.4 | 8.8 |
| 25 per cent-50 per cent | 20.0 | 19.1 | 19.5 | 12.6 | 11.3 | 10.3 |
| 50 percent and above | 10.3 | 9.7 | 9.7 | 11.8 | 11.3 | 11.3 |
| **Countries of Origin** | | | | | | |
| France | 15.3 | 13.7 | 12.3 | 9.5 | 21.9 | 6.0 |
| Germany | 12.1 | *9.8* | *8.7* | 16.5 | *10.8* | 8.5 |
| Japan | 10.8 | *11.5* | *13.5* | 7.2 | *7.2* | 7.5 |
| Mauritius | 15.5 | *13.7* | *14.9* | 8.0 | *5.9* | 8.4 |
| Netherlands | 9.9 | *9.3* | *9.8* | 10.7 | *8.3* | 6.5 |
| Singapore | 7.7 | *7.9* | *5.8* | 4.4 | *11.6* | 2.9 |
| Switzerland | 14.9 | *15.6* | *12.7* | 19.7 | *17.8* | 16.5 |
| UAE | 5.3 | *7.7* | - | -19.3 | *-10.8* | # |
| UK | 18.8 | *18.8* | *19.8* | 28.2 | *29.1* | 28.5 |
| USA | 21.4 | *20.7* | *20.0* | 23.2 | *22.2* | 21.4 |
| Other | 9.9 | *10.3* | *9.8* | 1.3 | *1.9* | 1.7 |
| **Industry-wise** | | | | | | |
| **Manufacturing** | **11.1** | **10.7** | **11.1** | **14.4** | **14.1** | **12.5** |
| Food products and beverages | 7.8 | 8.4 | 9.2 | 21.3 | 19.6 | 19.1 |
| Chemicals and chemical products | 12.5 | 11.8 | 12.6 | 24.5 | 33.1 | 25.5 |
| Rubber and plastic products | 13.0 | 11.2 | 11.0 | 13.2 | 4.9 | 4.7 |
| Motor vehicles and other transport equipment's | 9.0 | 8.8 | 9.7 | 14.2 | 11.8 | 12.0 |
| Machinery and machine tools | 10.9 | 10.8 | 9.9 | 14.5 | 13.2 | 9.4 |
| Electrical machinery and apparatus | 9.3 | 7.9 | 7.7 | 13.3 | 10.4 | 9.6 |
| **Services** | **20.4** | **20.9** | **20.3** | **7.8** | **9.4** | **9.7** |
| Wholesale and retail trade | 2.9 | 4.2 | 3.9 | 0.7 | 5.5 | 7.2 |
| Computer and related activities | 29.0 | 28.1 | 28.5 | 22.9 | 21.5 | 21.9 |
| Transport, storage and communication | 7.3 | 10.6 | 2.1 | -7.5 | 13.0 | -50.1 |
| **Mining & Quarrying** | **32.3** | **23.7** | **11.0** | **10.2** | **0.2** | **3.7** |
| **Electricity Gas Steam and AC Supply** | **28.0** | **16.6** | **30.8** | **-0.5** | **-14.5** | **5.1** |
| **Non-FDI companies** | | | | | | |
| *Number of sample cos* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* |
| **Aggregate (All Companies)** | **12.9** | **12.5** | **12.1** | **10.1** | **9.0** | **7.9** |
| **Industry-wise** | | | | | | |
| **Manufacturing** | **11.9** | **11.3** | **10.8** | **11.2** | **9.9** | **8.4** |
| Food products and beverages | 8.5 | 8.4 | 5.6 | 8.2 | 7.7 | -8.8 |
| Chemicals and chemical products | 12.8 | 11.8 | 10.9 | 15.9 | 13.1 | 11.4 |
| Rubber and plastic products | 9.4 | 11.6 | 12.5 | 8.4 | 10.7 | 10.0 |
| Motor vehicles and other transport equipment's | 11.2 | 9.7 | 9.2 | 16.6 | 12.3 | 10.7 |
| Machinery and machine tools | 10.6 | 10.1 | 10.4 | 17.0 | 15.6 | 16.0 |
| Electrical machinery and apparatus | 9.2 | 6.1 | 6.8 | 8.6 | -3.2 | 3.1 |
| **Services** | **16.1** | **16.4** | **16.2** | **9.5** | **9.3** | **10.0** |
| Wholesale and retail trade | 3.8 | 4.2 | 0.1 | 2.2 | 2.6 | -3.7 |
| Computer and related activities | 22.3 | 23.6 | 25.7 | 21.7 | 20.6 | 22.6 |
| Transport, storage and communication | 23.7 | 20.8 | 22.5 | 5.6 | 3.3 | 1.3 |
| **Mining & Quarrying** | **21.8** | **20.6** | **15.1** | **9.1** | **8.0** | **-0.3** |
| **Electricity Gas Steam and AC Supply** | **19.2** | **20.0** | **21.1** | **5.4** | **5.5** | **4.2** |

# Denominator is negative, nil or negligible
- nil or negligible

**Statement 2: Ratios of select parameters of FDI and non-FDI companies** *(Concld.)*

(Per cent)

| | Total borrowing to equity | | | Exports intensity of sales | | |
|---|---|---|---|---|---|---|
| | 2011-12 | 2012-13 | 2013-14 | 2011-12 | 2012-13 | 2013-14 |
| **FDI Companies** | | | | | | |
| *Number of sample cos* | *957* | *957* | *957* | *957* | *957* | *957* |
| **Aggregate (All Companies)** | **58.9** | **60.9** | **60.9** | **12.2** | **12.3** | **13.6** |
| **FDI-share-wise** | | | | | | |
| 10 per cent-25 per cent | 78.4 | 83.9 | 83.5 | 10.3 | 10.9 | 11.0 |
| 25 per cent-50 per cent | 51.1 | 50.5 | 47.8 | 12.0 | 13.2 | 11.2 |
| 50 percent and above | 42.0 | 44.5 | 48.9 | 13.7 | 13.0 | 16.5 |
| **Countries of Origin** | | | | | | |
| France | 26.0 | 20.9 | 20.2 | 6.0 | 16.4 | 16.5 |
| Germany | 17.8 | *19.8* | *20.3* | 8.3 | *8.1* | 10.5 |
| Japan | 58.9 | *65.7* | *76.6* | 10.7 | *11.6* | 11.0 |
| Mauritius | 76.6 | *79.4* | *75.2* | 14.9 | *16.1* | 19.0 |
| Netherlands | 62.6 | *56.6* | *66.4* | 8.1 | *6.6* | 4.5 |
| Singapore | 51.3 | *57.8* | *63.7* | 13.8 | *9.1* | 13.1 |
| Switzerland | 14.6 | *20.5* | *20.2* | 10.1 | *7.5* | 10.7 |
| UAE | 397.4 | *#* | *#* | 26.6 | *27.0* | 21.4 |
| UK | 17.7 | *20.4* | *18.1* | 6.4 | *7.0* | 7.5 |
| USA | 14.1 | *12.6* | *12.0* | 6.8 | *6.5* | 6.4 |
| Other | 77.4 | *85.8* | *84.3* | 14.6 | *14.2* | 14.5 |
| **Industry-wise** | | | | | | |
| **Manufacturing** | **56.9** | **59.6** | **60.5** | **15.1** | **16.4** | **17.1** |
| Food products and beverages | 110.3 | 105.5 | 67.5 | 11.0 | 13.6 | 13.2 |
| Chemicals and chemical products | 43.4 | 40.5 | 41.9 | 6.6 | 5.4 | 6.7 |
| Rubber and plastic products | 97.9 | 89.1 | 84.6 | 21.2 | 20.5 | 23.3 |
| Motor vehicles and other transport equipment's | 25.4 | 25.1 | 26.2 | 6.8 | 6.6 | 6.9 |
| Machinery and machine tools | 18.2 | 19.2 | 18.8 | 12.5 | 15.0 | 16.7 |
| Electrical machinery and apparatus | 22.8 | 25.8 | 25.1 | 13.2 | 13.2 | 13.9 |
| **Services** | **53.3** | **54.8** | **49.5** | **3.6** | **2.1** | **2.7** |
| Wholesale and retail trade | 63.5 | 111.8 | 100.9 | 25.1 | 10.6 | 15.1 |
| Computer and related activities | 4.5 | 5.0 | 5.3 | 0.8 | 0.9 | 0.9 |
| Transport, storage and communication | 218.5 | 206.9 | 281.4 | 0.3 | 0.2 | 0.2 |
| **Mining & Quarrying** | **47.0** | **50.2** | **95.4** | **44.7** | **16.1** | **38.0** |
| **Electricity Gas Steam and AC Supply** | **212.4** | **227.8** | **162.4** | **-** | **-** | **-** |
| **Non-FDI companies** | | | | | | |
| *Number of sample cos* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* | *4,578* |
| **Aggregate (All Companies)** | **66.3** | **69.1** | **69.9** | **18.6** | **19.3** | **20.2** |
| **Industry-wise** | | | | | | |
| **Manufacturing** | **67.3** | **69.8** | **70.4** | **23.5** | **24.5** | **26.0** |
| Food products and beverages | 113.0 | 103.0 | 121.6 | 7.7 | 9.3 | 8.4 |
| Chemicals and chemical products | 70.8 | 74.9 | 65.0 | 13.5 | 13.5 | 13.9 |
| Rubber and plastic products | 86.4 | 87.1 | 78.6 | 14.4 | 15.4 | 15.6 |
| Motor vehicles and other transport equipment's | 60.6 | 65.5 | 70.5 | 9.3 | 9.3 | 11.8 |
| Machinery and machine tools | 33.4 | 33.0 | 33.0 | 7.9 | 7.9 | 8.2 |
| Electrical machinery and apparatus | 62.3 | 75.3 | 78.5 | 4.6 | 5.8 | 5.4 |
| **Services** | **48.4** | **51.4** | **49.6** | **5.8** | **6.2** | **5.5** |
| Wholesale and retail trade | 63.4 | 80.2 | 86.8 | 16.0 | 16.0 | 14.8 |
| Computer and related activities | 31.2 | 27.7 | 23.3 | 1.9 | 1.5 | 1.0 |
| Transport, storage and communication | 71.6 | 90.2 | 96.1 | 0.4 | 3.8 | 0.9 |
| **Mining & Quarrying** | **57.4** | **59.4** | **78.5** | **19.7** | **11.3** | **16.4** |
| **Electricity Gas Steam and AC Supply** | **81.7** | **88.4** | **94.8** | **0.1** | **-** | **-** |

# Denominator is negative, nil or negligible
- nil or negligible

# CURRENT STATISTICS

## Contents

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

## No. 1: Select Economic Indicators

| Item | 2014-15 | 2014-15 | | 2015-16 | |
|---|---|---|---|---|---|
| | | Q1 | Q2 | Q1 | Q2 |
| | 1 | 2 | 3 | 4 | 5 |
| **1 Real Sector (% Change)** | | | | | |
| 1.1 GVA at Basic Prices | 7.2 | 7.4 | 8.4 | 7.1 | 7.4 |
| 1.1.1 Agriculture | 0.2 | 2.6 | 2.1 | 1.9 | 2.2 |
| 1.1.2 Industry | 6.6 | 8.1 | 7.2 | 6.4 | 8.3 |
| 1.1.3 Services | 9.4 | 8.4 | 10.2 | 8.6 | 8.0 |
| 1.1a Final Consumption Expenditure | 6.4 | 5.3 | 7.4 | 6.3 | 6.5 |
| 1.1b Gross Fixed Capital Formation | 4.6 | 8.7 | 3.8 | 4.9 | 6.8 |

| | 2014-15 | 2014 | | 2015 | |
|---|---|---|---|---|---|
| | | Sep. | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 | 5 |
| 1.2 Index of Industrial Production | 3.3 | 2.6 | -2.7 | 3.6 | .. |
| **2 Money and Banking (% Change)** | | | | | |
| 2.1 Scheduled Commercial Banks | | | | | |
| 2.1.1 Deposits | 10.7 | 12.4 | 11.2 | 10.7 | 11.1 |
| 2.1.2 Credit | 9.0 | 9.6 | 10.7 | 9.1 | 9.0 |
| 2.1.2.1 Non-food Credit | 9.3 | 9.7 | 10.8 | 9.4 | 9.2 |
| 2.1.3 Investment in Govt. Securities | 12.6 | 11.5 | 9.9 | 12.1 | 11.6 |
| 2.2 Money Stock Measures | | | | | |
| 2.2.1 Reserve Money (M0) | 11.0 | 9.6 | 10.0 | 12.3 | 11.2 |
| 2.2.2 Broad Money (M3) | 11.5 | 12.4 | 12.4 | 11.1 | 10.9 |
| **3 Ratios (%)** | | | | | |
| 3.1 Cash Reserve Ratio | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 3.2 Statutory Liquidity Ratio | 21.50 | 22.00 | 22.00 | 21.50 | 21.50 |
| 3.3 Cash-Deposit Ratio | 4.7 | 4.8 | 4.8 | 4.8 | 4.8 |
| 3.4 Credit-Deposit Ratio | 74.3 | 75.8 | 75.9 | 74.7 | 74.4 |
| 3.5 Incremental Credit-Deposit Ratio | 31.4 | 39.7 | 48.2 | 40.4 | 44.1 |
| 3.6 Investment-Deposit Ratio | 30.0 | 29.2 | 29.2 | 29.5 | 29.3 |
| 3.7 Incremental Investment-Deposit Ratio | 44.9 | 37.5 | 36.4 | 35.8 | 31.1 |
| **4 Interest Rates (%)** | | | | | |
| 4.1 Policy Repo Rate | 7.25 | 8.00 | 8.00 | 7.25 | 6.75 |
| 4.2 Reverse Repo Rate | 6.25 | 7.00 | 7.00 | 6.25 | 5.75 |
| 4.3 Marginal Standing Facility (MSF) Rate | 8.25 | 9.00 | 9.00 | 8.25 | 7.75 |
| 4.4 Bank Rate | 8.25 | 9.00 | 9.00 | 8.25 | 7.75 |
| 4.5 Base Rate | 10.00/10.25 | 10.00/10.25 | 10.00/10.25 | 9.70/10.00 | 9.30/9.70 |
| 4.6 Term Deposit Rate >1 Year | 7.25/8.75 | 8.00/9.05 | 8.00/9.05 | 7.25/8.00 | 7.00/7.90 |
| 4.7 Savings Deposit Rate | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 4.8 Call Money Rate (Weighted Average) | 7.36 | 7.85 | 7.91 | 7.05 | 6.77 |
| 4.9 91-Day Treasury Bill (Primary) Yield | 8.27 | 8.52 | 8.44 | 7.06 | 7.10 |
| 4.10 182-Day Treasury Bill (Primary) Yield | 8.14 | 8.66 | 8.53 | 7.47 | 7.17 |
| 4.11 364-Day Treasury Bill (Primary) Yield | 7.98 | 8.66 | 8.41 | 7.17 | 7.18 |
| 4.12 10-Year Government Securities Yield | 7.80 | 8.52 | 8.28 | 7.53 | 7.69 |
| **5 RBI Reference Rate and Forward Premia** | | | | | |
| 5.1 INR-US$ Spot Rate (₹ Per Foreign Currency) | 62.59 | 61.61 | 61.41 | 66.10 | 65.22 |
| 5.2 INR-Euro Spot Rate (₹ Per Foreign Currency) | 67.51 | 78.21 | 77.19 | 73.96 | 71.67 |
| 5.3 Forward Premia of US$ 1-month (%) | 9.78 | 8.38 | 7.62 | 6.54 | 6.53 |
| 3-month (%) | 8.50 | 8.32 | 7.88 | 6.60 | 6.62 |
| 6-month (%) | 8.11 | 8.22 | 7.85 | 6.54 | 6.62 |
| **6 Inflation (%)** | | | | | |
| 6.1 All India Consumer Price Index | 5.9 | 6.5 | 5.5 | 4.4 | 5.0 |
| 6.2 Consumer Price Index for Industrial Workers | 6.3 | 6.3 | 5.0 | 5.1 | 6.3 |
| 6.3 Wholesale Price Index | 2.0 | 2.4 | 1.7 | -4.5 | -3.8 |
| 6.3.1 Primary Articles | 3.0 | 2.0 | 0.8 | -2.1 | -0.4 |
| 6.3.2 Fuel and Power | -0.9 | 1.3 | 0.5 | -17.7 | -16.3 |
| 6.3.3 Manufactured Products | 2.4 | 3.0 | 2.5 | -1.7 | -1.7 |
| **7 Foreign Trade (% Change)** | | | | | |
| 7.1 Imports | -0.6 | 26.5 | 3.7 | -25.7 | -21.2 |
| 7.2 Exports | -1.2 | 2.1 | -5.2 | -24.8 | -17.5 |

# Reserve Bank of India

## No. 2: RBI - Liabilities and Assets

(₹ Billion)

| Item | As on the Last Friday/ Friday | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | | | |
| | | Nov. | Oct. 30 | Nov. 6 | Nov. 13 | Nov. 20 | Nov. 27 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| **1 Issue Department** | | | | | | | |
| **1.1 Liabilities** | | | | | | | |
| 1.1.1 Notes in Circulation | 14,264.95 | 13,507.42 | 14,951.51 | 15,209.29 | 15,612.23 | 15,453.10 | 15,335.75 |
| 1.1.2 Notes held in Banking Department | 0.12 | 0.12 | 0.16 | 0.15 | 0.14 | 0.15 | 0.15 |
| **1.1/1.2 Total Liabilities (Total Notes Issued) or Assets** | **14,265.06** | **13,507.54** | **14,951.67** | **15,209.43** | **15,612.37** | **15,453.24** | **15,335.90** |
| **1.2 Assets** | | | | | | | |
| 1.2.1 Gold Coin and Bullion | 642.29 | 635.14 | 625.31 | 638.83 | 638.83 | 638.83 | 638.83 |
| 1.2.2 Foreign Securities | 13,609.92 | 12,860.67 | 14,314.77 | 14,557.87 | 14,961.45 | 14,802.67 | 14,683.73 |
| 1.2.3 Rupee Coin | 2.38 | 1.26 | 1.12 | 2.27 | 1.62 | 1.28 | 2.88 |
| 1.2.4 Government of India Rupee Securities | 10.46 | 10.46 | 10.46 | 10.46 | 10.46 | 10.46 | 10.46 |
| **2 Banking Department** | | | | | | | |
| **2.1 Liabilities** | | | | | | | |
| 2.1.1 Deposits | 5,953.69 | 4,093.67 | 5,202.24 | 4,822.29 | 5,002.29 | 5,103.21 | 5,188.40 |
| 2.1.1.1 Central Government | 1.01 | 1.01 | 1.01 | 1.00 | 1.01 | 1.00 | 1.01 |
| 2.1.1.2 Market Stabilisation Scheme | – | – | – | – | – | – | – |
| 2.1.1.3 State Governments | 21.40 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 |
| 2.1.1.4 Scheduled Commercial Banks | 3,573.56 | 3,498.30 | 3,755.08 | 3,761.90 | 3,708.78 | 3,790.27 | 3,870.45 |
| 2.1.1.5 Scheduled State Co-operative Banks | 35.10 | 33.14 | 34.28 | 33.89 | 33.41 | 33.08 | 33.13 |
| 2.1.1.6 Non-Scheduled State Co-operative Banks | 11.24 | 7.14 | 12.60 | 12.43 | 12.78 | 11.86 | 12.49 |
| 2.1.1.7 Other Banks | 189.63 | 176.36 | 197.25 | 197.61 | 195.75 | 196.36 | 199.09 |
| 2.1.1.8 Others | 2,121.76 | 377.31 | 1,201.61 | 815.03 | 1,050.13 | 1,070.21 | 1,071.81 |
| 2.1.2 Other Liabilities | 8,002.15 | 8,253.54 | 8,931.63 | 8,960.35 | 9,136.52 | 9,125.27 | 9,287.51 |
| **2.1/2.2 Total Liabilities or Assets** | **13,955.84** | **12,347.21** | **14,133.88** | **13,782.64** | **14,138.82** | **14,228.48** | **14,475.92** |
| **2.2 Assets** | | | | | | | |
| 2.2.1 Notes and Coins | 0.12 | 0.12 | 0.16 | 0.15 | 0.14 | 0.15 | 0.15 |
| 2.2.2 Balances held Abroad | 6,408.77 | 5,317.47 | 7,452.15 | 7,225.50 | 6,980.82 | 7,116.65 | 7,388.24 |
| 2.2.3 Loans and Advances | | | | | | | |
| 2.2.3.1 Central Government | – | 105.60 | – | – | – | – | – |
| 2.2.3.2 State Governments | 57.60 | 10.99 | 34.32 | 23.94 | 10.56 | 13.91 | 2.57 |
| 2.2.3.3 Scheduled Commercial Banks | 1,403.93 | 756.37 | 608.00 | 498.02 | 1,109.46 | 1,060.99 | 1,043.22 |
| 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 | 107.73 | 29.14 | 54.40 | 53.94 | 55.04 | 55.11 | 57.88 |
| 2.2.4 Bills Purchased and Discounted | | | | | | | |
| 2.2.4.1 Internal | – | – | – | – | – | – | – |
| 2.2.4.2 Government Treasury Bills | – | – | – | – | – | – | – |
| 2.2.5 Investments | 5,260.32 | 5,454.47 | 5,266.11 | 5,249.86 | 5,250.72 | 5,251.58 | 5,252.44 |
| 2.2.6 Other Assets | 717.38 | 673.05 | 718.74 | 731.23 | 732.08 | 730.09 | 731.43 |
| 2.2.6.1 Gold | 583.45 | 576.95 | 568.02 | 580.30 | 580.30 | 580.30 | 580.30 |

## No. 3: Liquidity Operations by RBI

(₹ Billion)

| Date | Liquidity Adjustment Facility | | | | MSF | Standing Liquidity Facilities | OMO (Outright) | | Net Injection (+)/ Absorption (-) (1+3+5+6+8-2-4-7) |
|---|---|---|---|---|---|---|---|---|---|
| | Repo | Reverse Repo | Variable Rate Repo | Variable Rate Reverse Repo | | | Sale | Purchase | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Oct. 1, 2015 | 150.81 | 168.57 | 120.25 | 371.93 | 24.60 | – | – | – | –244.84 |
| Oct. 3, 2015 | – | 152.94 | – | – | – | – | – | – | –152.94 |
| Oct. 5, 2015 | 40.22 | 90.18 | – | 317.50 | 3.35 | – | – | – | –364.11 |
| Oct. 6, 2015 | 38.17 | 37.61 | 43.50 | 126.87 | 2.50 | 1.10 | 6.60 | – | –85.81 |
| Oct. 7, 2015 | 108.05 | 29.30 | – | 221.70 | 2.50 | – | 6.25 | – | –146.70 |
| Oct. 8, 2015 | 113.24 | 39.30 | – | – | 5.52 | – | 7.00 | – | 72.46 |
| Oct. 9, 2015 | 153.58 | 31.18 | 120.00 | 111.69 | 4.00 | –1.10 | 3.10 | – | 130.51 |
| Oct. 12, 2015 | 156.72 | 128.97 | – | 40.12 | 0.60 | – | 2.45 | – | –14.22 |
| Oct. 13, 2015 | 94.24 | 28.85 | 103.50 | 160.20 | – | – | – | – | 8.69 |
| Oct. 14, 2015 | 137.84 | 21.29 | – | 12.41 | 1.75 | – | 2.95 | – | 102.94 |
| Oct. 15, 2015 | 177.41 | 67.28 | 26.10 | – | 0.30 | 2.90 | 2.40 | – | 137.03 |
| Oct. 16, 2015 | 128.39 | 55.93 | 174.50 | 121.76 | 36.20 | –1.40 | 1.50 | – | 158.50 |
| Oct. 17, 2015 | 25.39 | 26.76 | – | – | – | – | – | – | –1.37 |
| Oct. 19, 2015 | 135.61 | 23.07 | – | 23.79 | 13.50 | –1.70 | – | – | 100.55 |
| Oct. 20, 2015 | 97.09 | 49.73 | 97.00 | – | 20.15 | –1.90 | – | – | 162.61 |
| Oct. 21, 2015 | 175.89 | 20.00 | – | 133.01 | 0.45 | 2.80 | – | – | 26.13 |
| Oct. 23, 2015 | 174.40 | 20.44 | 108.00 | – | 37.27 | – | – | – | 299.23 |
| Oct. 26, 2015 | 217.17 | 46.76 | 200.07 | – | 6.28 | 1.40 | – | – | 378.16 |
| Oct. 27, 2015 | 222.12 | 81.36 | 303.65 | – | 0.25 | 1.20 | – | 5.00 | 450.86 |
| Oct. 28, 2015 | 140.80 | 113.45 | – | – | 0.60 | 0.90 | – | 5.00 | 33.85 |
| Oct. 29, 2015 | 89.84 | 53.43 | – | 150.02 | 3.15 | – | – | – | –110.46 |
| Oct. 30, 2015 | 120.36 | 76.92 | 48.75 | 46.40 | 25.20 | – | – | – | 70.99 |
| Oct. 31, 2015 | – | 82.32 | – | – | – | – | – | – | –82.32 |

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

### i) Operations in OTC segment

| Item | 2014-15 | 2014 | 2015 | |
|---|---|---|---|---|
| | | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 |
| 1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2) | 54,837.00 | 2,703.00 | –60.00 | 1,934.00 |
| 1.1 Purchase (+) | 124,414.00 | 14,257.00 | 6,035.00 | 6,996.00 |
| 1.2 Sale (–) | 69,577.00 | 11,554.00 | 6,095.00 | 5,062.00 |
| 2 ₹ equivalent at contract rate (₹ Billion) | 3,308.59 | 153.98 | –9.54 | 126.20 |
| 3 Cumulative (over end-March) (US $ Million) | 56,882.00 | 19,380.00 | 7,124.00 | 9,058.00 |
| (₹ Billion) | 3,430.69 | 1,110.43 | 44,895.51 | 575.15 |
| 4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million) | 8,322.00 | 10,217.00 | 1,711.00 | 2,452.00 |

### ii) Operations in currency futures segment

| Item | 2014-15 | 2014 | 2015 | |
|---|---|---|---|---|
| | | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 |
| 1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2) | 0.000 | 0.000 | 0.000 | 0.000 |
| 1.1 Purchase (+) | 0.000 | 0.000 | 355.000 | 0.000 |
| 1.2 Sale (–) | 0.000 | 0.000 | –355.000 | 0.000 |
| 2 ₹ equivalent at contract rate (₹ Billion) | 0.000 | 0.000 | –0.005 | 0.000 |
| 3 Cumulative (over end-March) (US $ Million) | 0.000 | 0.000 | 0.000 | 0.000 |
| (₹ Billion) | 0.000 | 0.000 | 0.000 | 0.000 |
| 4 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million) | 0.000 | 0.000 | 0.000 | 0.000 |

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

| Item | As on October 31, 2015 | | |
|---|---|---|---|
| | Long (+) | Short (-) | Net (1-2) |
| | 1 | 2 | 3 |
| 1. Upto 1 month | 2,729 | 729 | 2,000 |
| 2. More than 1 month and upto 3 months | 5,305 | 320 | 4,985 |
| 3. More than 3 months and upto 1 year | 16,980 | 10,208 | 6,772 |
| 4. More than 1 year | 4,822 | 16,127 | -11,305 |
| **Total (1+2+3+4)** | **29,836** | **27,384** | **2,452** |

## No. 5: RBI's Standing Facilities

(₹ Billion)

| Item | | As on the Last Reporting Friday | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | | | | |
| | | Oct. 31 | May 29 | Jun. 26 | Jul. 24 | Aug. 21 | Sep. 18 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 MSF | 41.9 | 0.2 | 13.1 | – | 0.5 | 12.5 | 81.8 | 25.2 |
| 2 Export Credit Refinance for Scheduled Banks | | | | | | | | |
| 2.1 Limit | 128.2 | 137.1 | 127.1 | 127.1 | 127.1 | – | – | – |
| 2.2 Outstanding | 51.8 | 43.9 | 39.9 | 36.6 | 12.3 | – | – | – |
| 3 Liquidity Facility for PDs | | | | | | | | |
| 3.1 Limit | 28.0 | 28.0 | 28.0 | 28.0 | 28.0 | 28.0 | 28.0 | 28.0 |
| 3.2 Outstanding | 17.0 | 20.1 | 20.6 | 20.3 | 16.0 | 16.5 | 16.5 | 20.7 |
| 4 Others | | | | | | | | |
| 4.1 Limit | – | – | – | – | – | – | – | – |
| 4.2 Outstanding | – | – | – | – | – | – | – | – |
| 5 Total Outstanding (1+2.2+3.2+4.2) | 110.7 | 64.2 | 73.5 | 56.9 | 28.8 | 29.0 | 98.3 | 45.9 |

# Money and Banking

## No. 6: Money Stock Measures

(₹ Billion)

| Item | Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays | | | | |
|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | |
| | | Oct. 31 | Sep. 18 | Oct. 16 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 |
| 1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4) | 13,863.5 | 13,005.2 | 14,329.1 | 14,447.4 | 14,444.7 |
| 1.1 Notes in Circulation | 14,288.8 | 13,485.6 | 14,792.2 | 14,904.9 | 14,951.5 |
| 1.2 Circulation of Rupee Coin | 186.9 | 178.7 | 199.1 | 199.1 | 199.1 |
| 1.3 Circulation of Small Coins | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 |
| 1.4 Cash on Hand with Banks | 619.6 | 666.6 | 669.6 | 664.0 | 713.3 |
| 2 Deposit Money of the Public | 9,053.4 | 8,487.8 | 9,381.7 | 9,157.8 | 9,691.0 |
| 2.1 Demand Deposits with Banks | 8,907.5 | 8,407.1 | 9,226.6 | 9,011.0 | 9,537.4 |
| 2.2 'Other' Deposits with Reserve Bank | 145.9 | 80.7 | 155.1 | 146.8 | 153.6 |
| **3 $M_1$ (1 + 2)** | **22,916.8** | **21,493.0** | **23,710.8** | **23,605.2** | **24,135.7** |
| 4 Post Office Saving Bank Deposits | 474.3 | 450.7 | 523.5 | 523.5 | 523.5 |
| **5 $M_2$ (3 + 4)** | **23,391.1** | **21,943.7** | **24,234.3** | **24,128.7** | **24,659.2** |
| 6 Time Deposits with Banks | 82,538.7 | 79,708.8 | 86,606.9 | 87,995.2 | 88,138.7 |
| **7 $M_3$ (3 + 6)** | **105,455.5** | **101,201.8** | **110,317.7** | **111,600.4** | **112,274.4** |
| 8 Total Post Office Deposits | 1,737.3 | 1,681.0 | 1,874.0 | 1,874.0 | 1,874.0 |
| **9 $M_4$ (7 + 8)** | **107,192.8** | **102,882.8** | **112,191.6** | **113,474.4** | **114,148.4** |

## No. 7: Sources of Money Stock ($M_3$)

(₹ Billion)

| Sources | Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays | | | | |
|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | |
| | | Oct. 31 | Sep. 18 | Oct. 16 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 |
| **1 Net Bank Credit to Government** | **30,061.6** | **31,082.0** | **32,294.0** | **32,829.7** | **32,781.3** |
| 1.1 RBI's net credit to Government (1.1.1–1.1.2) | 3,645.2 | 5,659.9 | 4,202.0 | 4,618.2 | 4,414.1 |
| 1.1.1 Claims on Government | 5,293.6 | 5,661.3 | 5,278.4 | 5,272.4 | 5,298.8 |
| 1.1.1.1 Central Government | 5,258.3 | 5,653.9 | 5,235.4 | 5,253.7 | 5,264.5 |
| 1.1.1.2 State Governments | 35.3 | 7.4 | 43.0 | 18.7 | 34.3 |
| 1.1.2 Government deposits with RBI | 1,648.4 | 1.4 | 1,076.3 | 654.2 | 884.8 |
| 1.1.2.1 Central Government | 1,647.9 | 1.0 | 1,075.9 | 653.8 | 884.3 |
| 1.1.2.2 State Governments | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| 1.2 Other Banks' Credit to Government | 26,416.3 | 25,422.1 | 28,092.0 | 28,211.5 | 28,367.2 |
| **2 Bank Credit to Commercial Sector** | **70,395.8** | **67,252.4** | **72,065.4** | **72,851.8** | **73,071.5** |
| 2.1 RBI's credit to commercial sector | 148.5 | 76.8 | 65.5 | 63.4 | 67.4 |
| 2.2 Other banks' credit to commercial sector | 70,247.4 | 67,175.6 | 71,999.9 | 72,788.4 | 73,004.1 |
| 2.2.1 Bank credit by commercial banks | 65,364.2 | 62,441.9 | 67,060.5 | 67,831.2 | 68,039.7 |
| 2.2.2 Bank credit by co-operative banks | 4,825.1 | 4,681.4 | 4,886.4 | 4,908.1 | 4,907.5 |
| 2.2.3 Investments by commercial and co-operative banks in other securities | 58.0 | 52.3 | 53.1 | 49.1 | 56.9 |
| **3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)** | **22,506.5** | **20,186.5** | **24,171.3** | **23,965.8** | **24,028.1** |
| 3.1 RBI's net foreign exchange assets (3.1.1–3.1.2) | 21,272.8 | 19,214.8 | 23,103.2 | 22,897.7 | 22,959.9 |
| 3.1.1 Gross foreign assets | 21,273.0 | 19,215.1 | 23,103.5 | 22,898.0 | 22,960.3 |
| 3.1.2 Foreign liabilities | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| 3.2 Other banks' net foreign exchange assets | 1,233.7 | 971.7 | 1,068.1 | 1,068.1 | 1,068.1 |
| **4 Government's Currency Liabilities to the Public** | **194.3** | **186.1** | **206.5** | **206.5** | **206.5** |
| **5 Banking Sector's Net Non-monetary Liabilities** | **17,702.7** | **17,505.3** | **18,419.6** | **18,253.4** | **17,812.9** |
| 5.1 Net non-monetary liabilities of RBI | 7,852.7 | 8,225.6 | 8,987.4 | 8,860.9 | 8,821.7 |
| 5.2 Net non-monetary liabilities of other banks (residual) | 9,849.9 | 9,279.7 | 9,432.2 | 9,392.6 | 8,991.2 |
| **$M_3$ (1+2+3+4–5)** | **105,455.5** | **101,201.8** | **110,317.7** | **111,600.4** | **112,274.4** |

## No. 8: Monetary Survey

(₹ Billion)

| Item | Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays | | | | |
|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | |
| | | Oct. 31 | Sep. 18 | Oct. 16 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 |
| **Monetary Aggregates** | | | | | |
| $NM_1$ (1.1 + 1.2.1+1.3) | 22,916.8 | 21,493.0 | 23,710.8 | 23,605.2 | 24,135.7 |
| $NM_2$ ($NM_1$+ 1.2.2.1) | 58,851.5 | 56,180.1 | 61,358.8 | 61,878.7 | 62,478.9 |
| $NM_3$ ($NM_2$ + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5) | 105,030.3 | 100,429.7 | 109,773.9 | 111,013.8 | 111,717.1 |
| **1 Components** | | | | | |
| 1.1 Currency with the Public | 13,863.5 | 13,005.2 | 14,329.1 | 14,447.4 | 14,444.7 |
| 1.2 Aggregate Deposits of Residents | 88,762.2 | 85,489.7 | 92,888.7 | 94,063.3 | 94,744.4 |
| 1.2.1 Demand Deposits | 8,907.5 | 8,407.1 | 9,226.6 | 9,011.0 | 9,537.4 |
| 1.2.2 Time Deposits of Residents | 79,854.7 | 77,082.5 | 83,662.1 | 85,052.3 | 85,207.0 |
| 1.2.2.1 Short-term Time Deposits | 35,934.6 | 34,687.1 | 37,648.0 | 38,273.5 | 38,343.1 |
| 1.2.2.1.1 Certificates of Deposit (CDs) | 2,974.5 | 2,727.0 | 1,798.9 | 1,881.7 | 1,874.5 |
| 1.2.2.2 Long-term Time Deposits | 43,920.1 | 42,395.4 | 46,014.2 | 46,778.8 | 46,863.8 |
| 1.3 ‘Other’ Deposits with RBI | 145.9 | 80.7 | 155.1 | 146.8 | 153.6 |
| 1.4 Call/Term Funding from Financial Institutions | 2,258.7 | 1,854.2 | 2,401.0 | 2,356.3 | 2,374.4 |
| **2 Sources** | | | | | |
| 2.1 Domestic Credit | 105,143.8 | 102,709.8 | 109,476.1 | 111,226.3 | 110,900.1 |
| 2.1.1 Net Bank Credit to the Government | 30,061.6 | 31,082.0 | 32,294.0 | 32,829.7 | 32,781.3 |
| 2.1.1.1 Net RBI credit to the Government | 3,645.2 | 5,659.9 | 4,202.0 | 4,618.2 | 4,414.1 |
| 2.1.1.2 Credit to the Government by the Banking System | 26,416.3 | 25,422.1 | 28,092.0 | 28,211.5 | 28,367.2 |
| 2.1.2 Bank Credit to the Commercial Sector | 75,082.2 | 71,627.8 | 77,182.0 | 78,396.6 | 78,118.8 |
| 2.1.2.1 RBI Credit to the Commercial Sector | 148.5 | 76.8 | 65.5 | 63.4 | 67.4 |
| 2.1.2.2 Credit to the Commercial Sector by the Banking System | 74,933.8 | 71,551.0 | 77,116.5 | 78,333.2 | 78,051.4 |
| 2.1.2.2.1 Other Investments (Non-SLR Securities) | 4,653.3 | 4,332.8 | 5,066.3 | 5,477.4 | 4,996.0 |
| 2.2 Government’s Currency Liabilities to the Public | 194.3 | 186.1 | 206.5 | 206.5 | 206.5 |
| 2.3 Net Foreign Exchange Assets of the Banking Sector | 19,441.0 | 17,209.8 | 20,489.2 | 20,317.8 | 20,469.3 |
| 2.3.1 Net Foreign Exchange Assets of the RBI | 21,272.8 | 19,214.8 | 23,103.2 | 22,897.7 | 22,959.9 |
| 2.3.2 Net Foreign Currency Assets of the Banking System | –1,831.8 | –2,005.0 | –2,614.0 | –2,579.9 | –2,490.7 |
| 2.4 Capital Account | 16,773.5 | 16,572.1 | 17,816.3 | 17,675.5 | 17,659.8 |
| 2.5 Other items (net) | 2,975.3 | 3,103.9 | 2,581.5 | 3,061.2 | 2,198.9 |

## No. 9: Liquidity Aggregates

(₹ Billion)

| Aggregates | 2014-15 | 2014 | 2015 | | |
|---|---|---|---|---|---|
| | | Oct. | Aug. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 | 5 |
| **1 $NM_3$** | **105,030.3** | **100,429.7** | **109,694.2** | **109,773.9** | **111,717.1** |
| 2 Postal Deposits | 1,737.3 | 1,681.0 | 1,851.5 | 1,874.0 | 1,874.0 |
| **3 $L_1$ ( 1 + 2)** | **106,767.5** | **102,110.7** | **111,545.7** | **111,647.9** | **113,591.1** |
| 4 Liabilities of Financial Institutions | 29.3 | 29.3 | 29.3 | 29.3 | 29.3 |
| 4.1 Term Money Borrowings | 26.6 | 26.6 | 26.6 | 26.6 | 26.6 |
| 4.2 Certificates of Deposit | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| 4.3 Term Deposits | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| **5 $L_2$ (3 + 4)** | **106,796.9** | **102,140.0** | **111,575.1** | **111,677.2** | **113,620.4** |
| 6 Public Deposits with Non-Banking Financial Companies | 297.4 | .. | .. | 289.0 | .. |
| **7 $L_3$ (5 + 6)** | **107,094.3** | .. | .. | **111,966.2** | .. |

## No. 10: Reserve Bank of India Survey

(₹ Billion)

| Item | Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays | | | | |
|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | |
| | | Oct. 31 | Sep. 18 | Oct. 16 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 |
| **1 Components** | | | | | |
| 1.1 Currency in Circulation | 14,483.1 | 13,671.8 | 14,998.7 | 15,111.4 | 15,158.0 |
| 1.2 Bankers' Deposits with the RBI | 4,655.6 | 3,617.9 | 4,039.5 | 4,019.9 | 3,999.2 |
| 1.2.1 Scheduled Commercial Banks | 4,396.7 | 3,400.4 | 3,799.9 | 3,778.7 | 3,755.1 |
| 1.3 'Other' Deposits with the RBI | 145.9 | 80.7 | 155.1 | 146.8 | 153.6 |
| Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5) | 19,284.6 | 17,370.4 | 19,193.3 | 19,278.1 | 19,310.8 |
| **2 Sources** | | | | | |
| 2.1 RBI's Domestic Credit | 5,670.3 | 6,195.0 | 4,871.0 | 5,034.8 | 4,966.1 |
| 2.1.1 Net RBI credit to the Government | 3,645.2 | 5,659.9 | 4,202.0 | 4,618.2 | 4,414.1 |
| 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) | 3,610.4 | 5,652.9 | 4,159.5 | 4,600.0 | 4,380.2 |
| 2.1.1.1.1 Loans and Advances to the Central Government | – | – | – | – | – |
| 2.1.1.1.2 Investments in Treasury Bills | – | – | – | – | – |
| 2.1.1.1.3 Investments in dated Government Securities | 5,256.2 | 5,651.3 | 5,233.1 | 5,251.5 | 5,263.4 |
| 2.1.1.1.3.1 Central Government Securities | 5,245.7 | 5,640.8 | 5,222.7 | 5,241.1 | 5,252.9 |
| 2.1.1.1.4 Rupee Coins | 2.2 | 2.6 | 2.3 | 2.2 | 1.1 |
| 2.1.1.1.5 Deposits of the Central Government | 1,647.9 | 1.0 | 1,075.9 | 653.8 | 884.3 |
| 2.1.1.2 Net RBI credit to State Governments | 34.9 | 7.0 | 42.5 | 18.2 | 33.9 |
| 2.1.2 RBI's Claims on Banks | 1,876.6 | 458.4 | 603.5 | 353.2 | 484.7 |
| 2.1.2.1 Loans and Advances to Scheduled Commercial Banks | 1,876.1 | 457.9 | 603.1 | 353.2 | 484.7 |
| 2.1.3 RBI's Credit to Commercial Sector | 148.5 | 76.8 | 65.5 | 63.4 | 67.4 |
| 2.1.3.1 Loans and Advances to Primary Dealers | 24.1 | 20.1 | 16.5 | 18.0 | 20.7 |
| 2.1.3.2 Loans and Advances to NABARD | – | – | – | – | – |
| 2.2 Government's Currency Liabilities to the Public | 194.3 | 186.1 | 206.5 | 206.5 | 206.5 |
| 2.3 Net Foreign Exchange Assets of the RBI | 21,272.8 | 19,214.8 | 23,103.2 | 22,897.7 | 22,959.9 |
| 2.3.1 Gold | 1,191.6 | 1,212.1 | 1,195.9 | 1,193.3 | 1,193.3 |
| 2.3.2 Foreign Currency Assets | 20,081.4 | 18,002.9 | 21,907.5 | 21,704.6 | 21,766.8 |
| 2.4 Capital Account | 8,166.4 | 8,182.2 | 8,598.5 | 8,324.3 | 8,282.3 |
| 2.5 Other Items (net) | -313.7 | 43.4 | 388.9 | 536.6 | 539.5 |

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

(₹ Billion)

| Item | Outstanding as on March 31/ last Fridays of the month/ Fridays | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | | | |
| | | Oct. 31 | Sep. 25 | Oct. 9 | Oct. 16 | Oct. 23 | Oct. 30 |
| | 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) | 19,284.6 | 17,370.4 | 19,059.3 | 19,099.2 | 19,278.1 | 19,369.4 | 19,310.8 |
| **1 Components** | | | | | | | |
| 1.1 Currency in Circulation | 14,483.1 | 13,671.8 | 14,922.6 | 15,021.9 | 15,111.4 | 15,279.2 | 15,158.0 |
| 1.2 Bankers' Deposits with RBI | 4,655.6 | 3,617.9 | 3,981.0 | 3,931.6 | 4,019.9 | 3,943.8 | 3,999.2 |
| 1.3 'Other' Deposits with RBI | 145.9 | 80.7 | 155.7 | 145.8 | 146.8 | 146.4 | 153.6 |
| **2 Sources** | | | | | | | |
| 2.1 Net Reserve Bank Credit to Government | 3,645.2 | 5,659.9 | 4,305.0 | 4,549.6 | 4,618.2 | 4,469.9 | 4,414.1 |
| 2.2 Reserve Bank Credit to Banks | 1,876.6 | 458.4 | 396.1 | 230.8 | 353.2 | 603.6 | 484.7 |
| 2.3 Reserve Bank Credit to Commercial Sector | 148.5 | 76.8 | 65.5 | 61.8 | 63.4 | 62.6 | 67.4 |
| 2.4 Net Foreign Exchange Assets of RBI | 21,272.8 | 19,214.8 | 23,024.4 | 22,811.1 | 22,897.7 | 22,744.2 | 22,959.9 |
| 2.5 Government's Currency Liabilities to the Public | 194.3 | 186.1 | 206.5 | 206.5 | 206.5 | 206.5 | 206.5 |
| 2.6 Net Non- Monetary Liabilities of RBI | 7,852.7 | 8,225.6 | 8,938.2 | 8,760.6 | 8,860.9 | 8,717.3 | 8,821.7 |

## No. 12: Commercial Bank Survey

(₹ Billion)

| Item | Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month | | | | |
|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | |
| | | Oct. 31 | Sep. 18 | Oct. 16 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 |
| **1 Components** | | | | | |
| 1.1 Aggregate Deposits of Residents | 82,648.9 | 79,615.1 | 86,648.9 | 87,790.4 | 88,468.5 |
| 1.1.1 Demand Deposits | 7,940.3 | 7,480.4 | 8,235.3 | 8,023.2 | 8,549.6 |
| 1.1.2 Time Deposits of Residents | 74,708.6 | 72,134.7 | 78,413.6 | 79,767.2 | 79,918.9 |
| 1.1.2.1 Short-term Time Deposits | 33,618.9 | 32,460.6 | 35,286.1 | 35,895.2 | 35,963.5 |
| 1.1.2.1.1 Certificates of Deposits (CDs) | 2,974.5 | 2,727.0 | 1,798.9 | 1,881.7 | 1,874.5 |
| 1.1.2.2 Long-term Time Deposits | 41,089.7 | 39,674.1 | 43,127.5 | 43,872.0 | 43,955.4 |
| 1.2 Call/Term Funding from Financial Institutions | 2,258.7 | 1,854.2 | 2,401.0 | 2,356.3 | 2,374.4 |
| **2 Sources** | | | | | |
| 2.1 Domestic Credit | 94,881.9 | 90,746.5 | 98,615.2 | 99,931.9 | 99,807.4 |
| 2.1.1 Credit to the Government | 24,897.5 | 23,999.8 | 26,503.0 | 26,625.0 | 26,781.6 |
| 2.1.2 Credit to the Commercial Sector | 69,984.3 | 66,746.6 | 72,112.2 | 73,306.9 | 73,025.9 |
| 2.1.2.1 Bank Credit | 65,364.2 | 62,441.9 | 67,060.5 | 67,831.2 | 68,039.7 |
| 2.1.2.1.1 Non-food Credit | 64,420.0 | 61,352.2 | 66,033.1 | 66,884.5 | 67,015.2 |
| 2.1.2.2 Net Credit to Primary Dealers | 35.7 | 45.2 | 52.9 | 70.0 | 53.9 |
| 2.1.2.3 Investments in Other Approved Securities | 20.7 | 16.3 | 22.1 | 17.9 | 25.9 |
| 2.1.2.4 Other Investments (in non-SLR Securities) | 4,563.7 | 4,243.2 | 4,976.7 | 5,387.8 | 4,906.4 |
| 2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3) | –1,831.8 | –2,005.0 | –2,614.0 | –2,579.9 | –2,490.7 |
| 2.2.1 Foreign Currency Assets | 1,647.0 | 1,295.3 | 1,339.6 | 1,355.9 | 1,420.3 |
| 2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits | 2,684.0 | 2,626.2 | 2,944.7 | 2,942.9 | 2,931.7 |
| 2.2.3 Overseas Foreign Currency Borrowings | 794.8 | 674.0 | 1,008.9 | 992.9 | 979.2 |
| 2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3) | 2,741.5 | 3,523.3 | 3,784.1 | 4,007.6 | 3,899.9 |
| 2.3.1 Balances with the RBI | 3,730.7 | 3,400.4 | 3,799.9 | 3,778.7 | 3,755.1 |
| 2.3.2 Cash in Hand | 533.5 | 580.8 | 587.3 | 582.1 | 629.5 |
| 2.3.3 Loans and Advances from the RBI | 1,522.8 | 457.9 | 603.1 | 353.2 | 484.7 |
| 2.4 Capital Account | 8,365.4 | 8,148.2 | 8,976.1 | 9,109.5 | 9,135.9 |
| 2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2) | 2,518.6 | 2,647.3 | 1,759.3 | 2,103.4 | 1,237.9 |
| 2.5.1 Other Demand and Time Liabilities (net of 2.2.3) | 3,777.2 | 3,600.6 | 3,526.1 | 3,188.9 | 3,283.6 |
| 2.5.2 Net Inter-Bank Liabilities (other than to PDs) | –620.4 | –230.6 | –768.8 | –702.6 | –507.6 |

## No. 13: Scheduled Commercial Banks' Investments

(₹ Billion)

| Item | As on March 20, 2015 | 2014 | 2015 | | |
|---|---|---|---|---|---|
| | | Oct. 31 | Sep. 18 | Oct. 16 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 |
| 1 SLR Securities | 24,918.3 | 24,016.2 | 26,418.9 | 26,642.9 | 26,807.5 |
| 2 Commercial Paper | 467.9 | 245.2 | 765.4 | 788.4 | 807.3 |
| 3 Shares issued by | | | | | |
| 3.1 PSUs | 81.8 | 72.1 | 88.8 | 89.7 | 85.3 |
| 3.2 Private Corporate Sector | 365.8 | 345.7 | 395.2 | 399.7 | 400.4 |
| 3.3 Others | 32.7 | 35.9 | 30.9 | 34.0 | 32.1 |
| 4 Bonds/Debentures issued by | | | | | |
| 4.1 PSUs | 809.5 | 778.2 | 824.7 | 751.2 | 754.8 |
| 4.2 Private Corporate Sector | 1,159.2 | 1,213.7 | 1,102.0 | 1,547.4 | 1,136.2 |
| 4.3 Others | 505.1 | 480.8 | 517.8 | 504.3 | 513.0 |
| 5 Instruments issued by | | | | | |
| 5.1 Mutual funds | 585.6 | 548.4 | 675.6 | 665.5 | 567.8 |
| 5.2 Financial institutions | 627.6 | 595.0 | 671.3 | 607.6 | 609.4 |

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

(₹ Billion)

| Item | As on the Last Reporting Friday (in case of March)/ Last Friday | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | All Scheduled Banks | | | | All Scheduled Commercial Banks | | | |
| | 2014-15 | 2014 | 2015 | | 2014-15 | 2014 | 2015 | |
| | | Oct. | Sep. | Oct. | | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Number of Reporting Banks | 214 | 213 | 213 | 212 | 147 | 146 | 146 | 145 |
| **1 Liabilities to the Banking System** | **1,619.2** | **1,472.8** | **1,807.1** | **2,157.1** | **1,561.5** | **1,422.8** | **1,749.4** | **2,097.7** |
| 1.1 Demand and Time Deposits from Banks | 1,153.7 | 1,110.8 | 1,314.0 | 1,566.4 | 1,102.0 | 1,063.3 | 1,257.3 | 1,508.7 |
| 1.2 Borrowings from Banks | 404.1 | 288.9 | 405.9 | 493.1 | 398.2 | 286.5 | 404.8 | 491.4 |
| 1.3 Other Demand and Time Liabilities | 61.5 | 73.1 | 87.2 | 97.7 | 61.4 | 73.0 | 87.2 | 97.7 |
| **2 Liabilities to Others** | **94,577.6** | **90,732.6** | **99,419.5** | **100,555.4** | **92,163.6** | **88,370.1** | **96,906.5** | **98,037.5** |
| 2.1 Aggregate Deposits | 87,651.2 | 84,512.5 | 91,852.3 | 93,828.2 | 85,332.9 | 82,241.3 | 89,462.8 | 91,400.3 |
| 2.1.1 Demand | 8,125.7 | 7,665.9 | 8,499.9 | 8,744.8 | 7,940.3 | 7,480.4 | 8,303.8 | 8,549.6 |
| 2.1.2 Time | 79,525.6 | 76,846.7 | 83,352.4 | 85,083.4 | 77,392.6 | 74,760.9 | 81,158.9 | 82,850.7 |
| 2.2 Borrowings | 2,279.0 | 1,874.5 | 2,813.3 | 2,391.1 | 2,258.7 | 1,854.2 | 2,786.0 | 2,374.4 |
| 2.3 Other Demand and Time Liabilities | 4,647.3 | 4,345.5 | 4,754.0 | 4,336.1 | 4,572.0 | 4,274.6 | 4,657.7 | 4,262.8 |
| **3 Borrowings from Reserve Bank** | **1,582.5** | **731.5** | **588.1** | **608.0** | **1,582.0** | **731.0** | **588.1** | **608.0** |
| 3.1 Against Usance Bills /Promissory Notes | – | – | – | – | – | – | – | – |
| 3.2 Others | 1,582.5 | 731.5 | 588.1 | 608.0 | 1,582.0 | 731.0 | 588.1 | 608.0 |
| 4 Cash in Hand and Balances with Reserve Bank | 4,379.4 | 4,096.7 | 4,455.5 | 4,504.9 | 4,264.3 | 3,981.2 | 4,339.6 | 4,384.6 |
| 4.1 Cash in Hand | 544.9 | 594.4 | 609.1 | 642.9 | 533.5 | 580.8 | 597.2 | 629.5 |
| 4.2 Balances with Reserve Bank | 3,834.6 | 3,502.3 | 3,846.4 | 3,862.0 | 3,730.7 | 3,400.4 | 3,742.5 | 3,755.1 |
| **5 Assets with the Banking System** | **2,581.2** | **2,081.5** | **2,738.4** | **3,034.7** | **2,217.7** | **1,698.7** | **2,360.6** | **2,659.2** |
| 5.1 Balances with Other Banks | 1,540.2 | 1,280.7 | 1,801.7 | 1,928.1 | 1,374.1 | 1,129.0 | 1,647.5 | 1,776.2 |
| 5.1.1 In Current Account | 109.3 | 103.3 | 119.9 | 106.6 | 91.3 | 84.5 | 103.2 | 90.0 |
| 5.1.2 In Other Accounts | 1,430.9 | 1,177.4 | 1,681.9 | 1,821.5 | 1,282.7 | 1,044.6 | 1,544.3 | 1,686.1 |
| 5.2 Money at Call and Short Notice | 374.3 | 334.3 | 259.0 | 422.0 | 225.9 | 188.7 | 118.8 | 264.7 |
| 5.3 Advances to Banks | 192.5 | 159.7 | 210.0 | 253.0 | 189.2 | 156.4 | 202.6 | 251.6 |
| 5.4 Other Assets | 474.2 | 306.9 | 467.7 | 431.6 | 428.5 | 224.6 | 391.6 | 366.7 |
| **6 Investment** | **25,610.7** | **24,713.7** | **27,200.2** | **27,547.3** | **24,918.3** | **24,016.2** | **26,471.0** | **26,807.5** |
| 6.1 Government Securities | 25,586.6 | 24,693.7 | 27,177.1 | 27,518.5 | 24,897.5 | 23,999.8 | 26,450.8 | 26,781.6 |
| 6.2 Other Approved Securities | 24.0 | 19.9 | 23.0 | 28.9 | 20.7 | 16.3 | 20.2 | 25.9 |
| **7 Bank Credit** | **67,426.9** | **64,387.2** | **69,078.6** | **70,134.5** | **65,364.2** | **62,441.9** | **67,022.1** | **68,039.7** |
| 7a Food Credit | 1,078.0 | 1,200.2 | 1,149.3 | 1,159.3 | 944.2 | 1,089.8 | 1,014.5 | 1,024.5 |
| 7.1 Loans, Cash-credits and Overdrafts | 65,154.2 | 62,264.0 | 66,860.0 | 67,927.2 | 63,123.9 | 60,343.6 | 64,834.2 | 65,864.0 |
| 7.2 Inland Bills-Purchased | 348.6 | 310.9 | 348.0 | 307.7 | 344.1 | 308.3 | 341.5 | 301.4 |
| 7.3 Inland Bills-Discounted | 1,221.1 | 1,139.1 | 1,228.2 | 1,271.7 | 1,199.9 | 1,121.9 | 1,209.7 | 1,251.7 |
| 7.4 Foreign Bills-Purchased | 242.6 | 248.2 | 217.0 | 209.9 | 241.2 | 247.3 | 216.3 | 209.4 |
| 7.5 Foreign Bills-Discounted | 460.3 | 425.0 | 425.4 | 418.0 | 455.2 | 420.9 | 420.3 | 413.2 |

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

(₹ Billion)

| Item | Outstanding as on | | | | Growth (%) | |
|---|---|---|---|---|---|---|
| | Mar. 20, 2015 | 2014 | 2015 | | Financial year so far | Y-o-Y |
| | | Oct. 31 | Sep. 18 | Oct. 30 | 2015-16 | 2015 |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1 Gross Bank Credit** | **61,023** | **58,308** | **62,016** | **63,022** | **3.3** | **8.1** |
| **1.1 Food Credit** | **994** | **984** | **1,030** | **924** | **–7.0** | **–6.0** |
| **1.2 Non-food Credit** | **60,030** | **57,325** | **60,987** | **62,097** | **3.4** | **8.3** |
| **1.2.1 Agriculture & Allied Activities** | **7,659** | **7,409** | **8,133** | **8,232** | **7.5** | **11.1** |
| **1.2.2 Industry** | **26,576** | **25,348** | **26,293** | **26,506** | **–0.3** | **4.6** |
| 1.2.2.1 Micro & Small | 3,800 | 3,528 | 3,675 | 3,702 | –2.6 | 4.9 |
| 1.2.2.2 Medium | 1,265 | 1,240 | 1,136 | 1,127 | –10.9 | –9.1 |
| 1.2.2.3 Large | 21,511 | 20,581 | 21,482 | 21,677 | 0.8 | 5.3 |
| **1.2.3 Services** | **14,131** | **13,574** | **14,014** | **14,503** | **2.6** | **6.8** |
| 1.2.3.1 Transport Operators | 916 | 911 | 961 | 962 | 5.0 | 5.6 |
| 1.2.3.2 Computer Software | 172 | 173 | 197 | 192 | 11.5 | 11.3 |
| 1.2.3.3 Tourism, Hotels & Restaurants | 370 | 370 | 373 | 375 | 1.2 | 1.2 |
| 1.2.3.4 Shipping | 101 | 99 | 104 | 103 | 1.5 | 3.4 |
| 1.2.3.5 Professional Services | 844 | 821 | 909 | 930 | 10.2 | 13.2 |
| 1.2.3.6 Trade | 3,657 | 3,285 | 3,679 | 3,586 | –1.9 | 9.2 |
| 1.2.3.6.1 Wholesale Trade | 1,801 | 1,548 | 1,759 | 1,623 | –9.9 | 4.8 |
| 1.2.3.6.2 Retail Trade | 1,856 | 1,737 | 1,920 | 1,964 | 5.8 | 13.1 |
| 1.2.3.7 Commercial Real Estate | 1,665 | 1,639 | 1,649 | 1,708 | 2.6 | 4.2 |
| 1.2.3.8 Non-Banking Financial Companies (NBFCs) | 3,117 | 3,098 | 2,961 | 3,183 | 2.1 | 2.8 |
| 1.2.3.9 Other Services | 3,289 | 3,178 | 3,182 | 3,465 | 5.4 | 9.0 |
| **1.2.4 Personal Loans** | **11,663** | **10,994** | **12,547** | **12,857** | **10.2** | **16.9** |
| 1.2.4.1 Consumer Durables | 153 | 146 | 161 | 163 | 6.4 | 11.4 |
| 1.2.4.2 Housing | 6,285 | 5,917 | 6,829 | 6,959 | 10.7 | 17.6 |
| 1.2.4.3 Advances against Fixed Deposits | 625 | 550 | 604 | 608 | –2.8 | 10.5 |
| 1.2.4.4 Advances to Individuals against share & bonds | 54 | 47 | 56 | 58 | 7.3 | 23.6 |
| 1.2.4.5 Credit Card Outstanding | 305 | 294 | 337 | 360 | 18.1 | 22.1 |
| 1.2.4.6 Education | 633 | 632 | 672 | 674 | 6.5 | 6.7 |
| 1.2.4.7 Vehicle Loans | 1,246 | 1,190 | 1,331 | 1,360 | 9.2 | 14.3 |
| 1.2.4.8 Other Personal Loans | 2,362 | 2,217 | 2,557 | 2,674 | 13.2 | 20.6 |
| **1.2A Priority Sector** | **20,103** | **19,246** | **20,992** | **21,225** | **5.6** | **10.3** |
| 1.2A.1 Agriculture & Allied Activities | 7,659 | 7,409 | 8,133 | 8,232 | 7.5 | 11.1 |
| 1.2A.2 Micro & Small Enterprises | 8,003 | 7,466 | 8,124 | 8,200 | 2.5 | 9.8 |
| 1.2A.2.1 Manufacturing | 3,800 | 3,528 | 3,675 | 3,702 | –2.6 | 4.9 |
| 1.2A.2.2 Services | 4,203 | 3,938 | 4,449 | 4,499 | 7.0 | 14.2 |
| 1.2A.3 Housing | 3,224 | 3,179 | 3,317 | 3,343 | 3.7 | 5.2 |
| 1.2A.4 Micro-Credit | 177 | 172 | 185 | 190 | 7.1 | 10.2 |
| 1.2A.5 Education Loans | 592 | 594 | 606 | 605 | 2.3 | 2.0 |
| 1.2A.6 State-Sponsored Orgs. for SC/ST | 3 | 4 | 5 | 5 | 46.2 | 44.2 |
| 1.2A.7 Weaker Sections | 4,049 | 3,886 | 4,410 | 4,470 | 10.4 | 15.0 |
| 1.2A.8 Export Credit | 426 | 422 | 355 | 310 | –27.3 | –26.5 |

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

(₹ Billion)

| Industry | Outstanding as on | | | | Growth (%) | |
|---|---|---|---|---|---|---|
| | Mar. 20, 2015 | 2014 | 2015 | | Financial year so far | Y-o-Y |
| | | Oct. 31 | Sep. 18 | Oct. 30 | 2015-16 | 2015 |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1 Industry** | **26,576** | **25,348** | **26,293** | **26,506** | **–0.3** | **4.6** |
| **1.1 Mining & Quarrying (incl. Coal)** | **360** | **372** | **339** | **346** | **–3.6** | **–6.8** |
| **1.2 Food Processing** | **1,715** | **1,422** | **1,448** | **1,427** | **–16.8** | **0.3** |
| 1.2.1 Sugar | 414 | 334 | 352 | 358 | –13.6 | 7.2 |
| 1.2.2 Edible Oils & Vanaspati | 211 | 181 | 176 | 179 | –15.0 | –1.3 |
| 1.2.3 Tea | 32 | 33 | 31 | 31 | –4.1 | –6.4 |
| 1.2.4 Others | 1,058 | 874 | 890 | 859 | –18.8 | –1.7 |
| **1.3 Beverage & Tobacco** | **186** | **188** | **176** | **176** | **–5.6** | **–6.5** |
| **1.4 Textiles** | **2,019** | **1,939** | **1,953** | **1,944** | **–3.7** | **0.2** |
| 1.4.1 Cotton Textiles | 1,000 | 945 | 953 | 956 | –4.4 | 1.2 |
| 1.4.2 Jute Textiles | 22 | 24 | 22 | 22 | –2.4 | –7.4 |
| 1.4.3 Man-Made Textiles | 204 | 197 | 207 | 205 | 0.6 | 4.2 |
| 1.4.4 Other Textiles | 793 | 774 | 771 | 761 | –4.1 | –1.7 |
| **1.5 Leather & Leather Products** | **102** | **101** | **101** | **102** | **–0.2** | **0.7** |
| **1.6 Wood & Wood Products** | **98** | **97** | **101** | **100** | **1.7** | **3.4** |
| **1.7 Paper & Paper Products** | **341** | **332** | **345** | **346** | **1.5** | **4.3** |
| **1.8 Petroleum, Coal Products & Nuclear Fuels** | **561** | **561** | **416** | **450** | **–19.8** | **–19.7** |
| **1.9 Chemicals & Chemical Products** | **1,545** | **1,484** | **1,550** | **1,533** | **–0.8** | **3.3** |
| 1.9.1 Fertiliser | 254 | 217 | 216 | 215 | –15.2 | –0.7 |
| 1.9.2 Drugs & Pharmaceuticals | 493 | 477 | 517 | 505 | 2.4 | 5.8 |
| 1.9.3 Petro Chemicals | 331 | 353 | 347 | 353 | 6.8 | 0.1 |
| 1.9.4 Others | 467 | 437 | 470 | 459 | –1.7 | 5.1 |
| **1.10 Rubber, Plastic & their Products** | **378** | **372** | **371** | **357** | **–5.6** | **–4.2** |
| **1.11 Glass & Glassware** | **88** | **89** | **85** | **85** | **–3.5** | **–4.2** |
| **1.12 Cement & Cement Products** | **560** | **555** | **561** | **551** | **–1.7** | **–0.8** |
| **1.13 Basic Metal & Metal Product** | **3,854** | **3,662** | **3,899** | **3,938** | **2.2** | **7.5** |
| 1.13.1 Iron & Steel | 2,834 | 2,708 | 2,907 | 2,930 | 3.4 | 8.2 |
| 1.13.2 Other Metal & Metal Product | 1,020 | 954 | 992 | 1,008 | –1.1 | 5.7 |
| **1.14 All Engineering** | **1,540** | **1,478** | **1,549** | **1,538** | **–0.1** | **4.1** |
| 1.14.1 Electronics | 368 | 351 | 380 | 385 | 4.6 | 9.6 |
| 1.14.2 Others | 1,172 | 1,126 | 1,169 | 1,153 | –1.6 | 2.4 |
| **1.15 Vehicles, Vehicle Parts & Transport Equipment** | **682** | **654** | **685** | **677** | **–0.7** | **3.6** |
| **1.16 Gems & Jewellery** | **718** | **698** | **722** | **707** | **–1.6** | **1.3** |
| **1.17 Construction** | **743** | **739** | **731** | **750** | **0.9** | **1.5** |
| **1.18 Infrastructure** | **9,245** | **8,874** | **9,473** | **9,609** | **3.9** | **8.3** |
| 1.18.1 Power | 5,576 | 5,270 | 5,804 | 5,826 | 4.5 | 10.6 |
| 1.18.2 Telecommunications | 919 | 901 | 897 | 924 | 0.6 | 2.6 |
| 1.18.3 Roads | 1,687 | 1,643 | 1,715 | 1,760 | 4.3 | 7.2 |
| 1.18.4 Other Infrastructure | 1,064 | 1,060 | 1,057 | 1,098 | 3.2 | 3.6 |
| **1.19 Other Industries** | **1,839** | **1,733** | **1,790** | **1,871** | **1.7** | **8.0** |

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

(₹ Billion)

| Item | Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday | | | | | |
|---|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | | |
| | | Jul. 25 | Jun. 26 | Jul. 10 | Jul. 24 | Jul. 31 |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| Number of Reporting Banks | 31 | 31 | 31 | 31 | 31 | 31 |
| **1 Aggregate Deposits (2.1.1.2+2.2.1.2)** | **422.3** | **426.9** | **417.9** | **424.4** | **431.4** | **421.8** |
| 2 Demand and Time Liabilities | | | | | | |
| **2.1 Demand Liabilities** | **148.1** | **137.9** | **139.8** | **150.4** | **172.3** | **145.1** |
| 2.1.1 Deposits | | | | | | |
| 2.1.1.1 Inter-Bank | 33.7 | 28.4 | 24.0 | 30.1 | 52.2 | 27.1 |
| 2.1.1.2 Others | 77.7 | 75.5 | 78.1 | 79.5 | 79.8 | 76.9 |
| 2.1.2 Borrowings from Banks | 9.3 | 9.2 | 9.1 | 9.0 | 10.6 | 10.3 |
| 2.1.3 Other Demand Liabilities | 27.4 | 24.8 | 28.6 | 31.8 | 29.7 | 30.9 |
| **2.2 Time Liabilities** | **854.6** | **877.3** | **826.7** | **832.5** | **829.7** | **827.1** |
| 2.2.1 Deposits | | | | | | |
| 2.2.1.1 Inter-Bank | 499.2 | 516.3 | 476.8 | 477.9 | 463.7 | 472.2 |
| 2.2.1.2 Others | 344.6 | 351.3 | 339.8 | 344.8 | 351.7 | 344.9 |
| 2.2.2 Borrowings from Banks | 0.1 | – | 0.1 | – | 5.4 | – |
| 2.2.3 Other Time Liabilities | 10.8 | 9.7 | 10.0 | 9.7 | 9.0 | 10.0 |
| 3 Borrowing from Reserve Bank | – | – | – | – | – | – |
| 4 Borrowings from a notified bank / State Government | 450.9 | 411.1 | 414.1 | 424.3 | 427.5 | 430.2 |
| 4.1 Demand | 174.9 | 166.7 | 163.3 | 166.8 | 167.6 | 167.1 |
| 4.2 Time | 276.0 | 244.4 | 250.9 | 257.5 | 259.9 | 263.1 |
| **5 Cash in Hand and Balances with Reserve Bank** | **40.5** | **39.1** | **38.2** | **39.6** | **38.3** | **37.7** |
| 5.1 Cash in Hand | 2.4 | 2.2 | 2.3 | 2.2 | 2.2 | 2.1 |
| 5.2 Balance with Reserve Bank | 38.1 | 36.9 | 35.9 | 37.4 | 36.2 | 35.6 |
| 6 Balances with Other Banks in Current Account | 10.0 | 9.9 | 6.4 | 6.5 | 6.2 | 6.0 |
| 7 Investments in Government Securities | 282.4 | 303.7 | 271.5 | 269.0 | 267.5 | 265.2 |
| 8 Money at Call and Short Notice | 198.8 | 214.3 | 183.2 | 192.4 | 183.0 | 176.4 |
| **9 Bank Credit (10.1+11)** | **426.4** | **382.9** | **420.5** | **421.9** | **421.5** | **421.8** |
| 10 Advances | | | | | | |
| **10.1 Loans, Cash-Credits and Overdrafts** | **426.4** | **382.9** | **420.4** | **421.8** | **421.4** | **421.7** |
| 10.2 Due from Banks | 709.2 | 657.8 | 650.3 | 659.2 | 662.0 | 670.2 |
| 11 Bills Purchased and Discounted | 0.1 | – | 0.1 | 0.1 | 0.1 | 0.1 |

# Prices and Production

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

| Group/Sub group | 2014-15 | | | Rural | | | Urban | | | Combined | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rural | Urban | Combined | Oct. 14 | Sep. 15 | Oct. 15 | Oct. 14 | Sep. 15 | Oct. 15 | Oct. 14 | Sep. 15 | Oct. 15 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| **1 Food and beverages** | **122.6** | **124.1** | **123.1** | **125.1** | **131.0** | **131.8** | **125.8** | **131.5** | **132.6** | **125.4** | **131.2** | **132.1** |
| 1.1 Cereals and products | 122.0 | 123.9 | 122.6 | 122.6 | 125.1 | 125.6 | 124.6 | 123.4 | 123.6 | 123.2 | 124.6 | 125.0 |
| 1.2 Meat and fish | 122.3 | 125.5 | 123.5 | 122.5 | 131.1 | 130.7 | 126.1 | 129.0 | 128.6 | 123.8 | 130.4 | 130.0 |
| 1.3 Egg | 119.0 | 118.4 | 118.7 | 118.3 | 120.7 | 120.7 | 117.8 | 115.6 | 115.9 | 118.1 | 118.7 | 118.8 |
| 1.4 Milk and products | 122.3 | 122.7 | 122.5 | 123.2 | 129.2 | 129.4 | 123.1 | 128.3 | 128.5 | 123.2 | 128.9 | 129.1 |
| 1.5 Oils and fats | 110.6 | 103.7 | 108.1 | 110.5 | 114.7 | 115.7 | 103.5 | 107.0 | 109.0 | 107.9 | 111.9 | 113.2 |
| 1.6 Fruits | 128.6 | 126.1 | 127.4 | 128.9 | 132.3 | 133.1 | 123.5 | 124.0 | 124.1 | 126.4 | 128.4 | 128.9 |
| 1.7 Vegetables | 140.0 | 146.7 | 142.3 | 155.3 | 158.9 | 157.9 | 159.6 | 168.5 | 165.8 | 156.8 | 162.2 | 160.6 |
| 1.8 Pulses and products | 115.1 | 117.8 | 116.0 | 115.5 | 142.1 | 153.9 | 117.4 | 165.4 | 187.2 | 116.1 | 150.0 | 165.1 |
| 1.9 Sugar and confectionery | 102.8 | 99.5 | 101.7 | 104.0 | 92.5 | 93.7 | 101.2 | 86.3 | 89.4 | 103.1 | 90.4 | 92.3 |
| 1.10 Spices | 115.0 | 122.6 | 117.5 | 115.3 | 125.4 | 126.6 | 123.8 | 134.4 | 135.8 | 118.1 | 128.4 | 129.7 |
| 1.11 Non-alcoholic beverages | 116.4 | 114.9 | 115.8 | 116.8 | 121.9 | 122.3 | 115.2 | 119.1 | 119.4 | 116.1 | 120.7 | 121.1 |
| 1.12 Prepared meals, snacks, sweets | 123.0 | 125.4 | 124.1 | 123.2 | 132.7 | 133.0 | 125.9 | 132.3 | 132.9 | 124.5 | 132.5 | 133.0 |
| **2 Pan, tobacco and intoxicants** | **120.0** | **123.7** | **120.9** | **120.0** | **131.0** | **131.6** | **124.3** | **134.7** | **135.3** | **121.1** | **132.0** | **132.6** |
| **3 Clothing and footwear** | **121.7** | **118.5** | **120.5** | **122.3** | **129.9** | **130.5** | **118.9** | **123.2** | **123.6** | **121.0** | **127.2** | **127.8** |
| 3.1 Clothing | 122.1 | 119.2 | 121.0 | 122.7 | 130.4 | 131.0 | 119.6 | 124.0 | 124.4 | 121.5 | 127.9 | 128.4 |
| 3.2 Footwear | 119.6 | 114.7 | 117.6 | 120.3 | 126.8 | 127.2 | 114.9 | 118.6 | 118.8 | 118.1 | 123.4 | 123.7 |
| **4 Housing** | - | **116.1** | **116.1** | - | - | - | **116.7** | **121.6** | **122.4** | **116.7** | **121.6** | **122.4** |
| **5 Fuel and light** | **116.5** | **112.3** | **114.9** | **116.4** | **123.7** | **124.4** | **112.0** | **115.1** | **114.9** | **114.7** | **120.4** | **120.8** |
| **6 Miscellaneous** | **113.6** | **113.1** | **113.4** | **114.0** | **118.8** | **119.2** | **113.7** | **116.2** | **116.5** | **113.9** | **117.5** | **117.9** |
| 6.1 Household goods and services | 116.9 | 115.8 | 116.4 | 117.5 | 124.5 | 125.1 | 115.8 | 120.4 | 120.7 | 116.7 | 122.6 | 123.0 |
| 6.2 Health | 114.9 | 112.5 | 114.0 | 115.3 | 121.4 | 122.0 | 112.6 | 117.1 | 117.7 | 114.3 | 119.8 | 120.4 |
| 6.3 Transport and communication | 112.0 | 110.3 | 111.1 | 112.6 | 113.8 | 113.7 | 111.0 | 109.1 | 109.3 | 111.8 | 111.3 | 111.4 |
| 6.4 Recreation and amusement | 112.8 | 113.3 | 113.1 | 113.0 | 119.6 | 120.1 | 113.6 | 117.3 | 117.7 | 113.3 | 118.3 | 118.7 |
| 6.5 Education | 116.4 | 118.4 | 117.6 | 116.9 | 124.5 | 125.1 | 120.2 | 126.5 | 126.5 | 118.8 | 125.7 | 125.9 |
| 6.6 Personal care and effects | 109.4 | 110.2 | 109.7 | 109.3 | 113.7 | 114.3 | 110.1 | 112.9 | 113.5 | 109.6 | 113.4 | 114.0 |
| **General Index (All Groups)** | **119.5** | **118.1** | **118.9** | **121.0** | **127.0** | **127.7** | **119.1** | **123.5** | **124.2** | **120.1** | **125.4** | **126.1** |

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

### No. 19: Other Consumer Price Indices

| Item | Base Year | Linking Factor | 2014-15 | 2014 | 2015 | |
|---|---|---|---|---|---|---|
| | | | | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 1 Consumer Price Index for Industrial Workers | 2001 | 4.63 | 251 | 253 | 266 | 269 |
| 2 Consumer Price Index for Agricultural Labourers | 1986-87 | 5.89 | 800 | 813 | 839 | 849 |
| 3 Consumer Price Index for Rural Labourers | 1986-87 | – | 802 | 815 | 843 | 853 |

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

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

| Item | 2014-15 | 2014 | 2015 | |
|---|---|---|---|---|
| | | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 |
| 1 Standard Gold (₹ per 10 grams) | 27,415 | 26,991 | 26,246 | 26,577 |
| 2 Silver (₹ per kilogram) | 40,558 | 39,186 | 35,601 | 37,208 |

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

## No. 21: Wholesale Price Index

(Base: 2004-05 = 100)

| Commodities | Weight | 2014-15 | 2014 | 2015 | | |
|---|---|---|---|---|---|---|
| | | | Oct. | Aug. | Sep. (P) | Oct. (P) |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1 ALL COMMODITIES** | **100.000** | **181.2** | **183.7** | **176.5** | **176.6** | **176.7** |
| **1.1 PRIMARY ARTICLES** | **20.118** | **248.8** | **253.3** | **250.2** | **252.4** | **252.4** |
| **1.1.1 Food articles** | **14.337** | **253.4** | **258.6** | **262.6** | **264.0** | **264.9** |
| 1.1.1.1 Food Grains | 4.090 | 235.0 | 235.9 | 248.8 | 251.4 | 257.5 |
| 1.1.1.1.1 Cereals | 3.373 | 233.6 | 235.4 | 232.3 | 233.8 | 234.8 |
| 1.1.1.1.2 Pulses | 0.717 | 241.4 | 238.2 | 326.2 | 333.8 | 364.4 |
| 1.1.1.2 Fruits & Vegetables | 3.843 | 257.3 | 272.8 | 267.7 | 269.3 | 269.5 |
| 1.1.1.2.1 Vegetables | 1.736 | 276.6 | 296.4 | 298.6 | 297.0 | 304.0 |
| 1.1.1.2.2 Fruits | 2.107 | 241.5 | 253.3 | 242.3 | 246.4 | 241.2 |
| 1.1.1.3 Milk | 3.238 | 242.6 | 246.4 | 250.1 | 250.6 | 250.7 |
| 1.1.1.4 Eggs, Meat & Fish | 2.414 | 282.3 | 281.1 | 278.7 | 278.4 | 271.5 |
| 1.1.1.5 Condiments & Spices | 0.569 | 298.8 | 302.8 | 335.9 | 340.4 | 346.2 |
| 1.1.1.6 Other Food Articles | 0.183 | 249.4 | 256.4 | 245.4 | 245.3 | 244.5 |
| **1.1.2 Non-Food Articles** | **4.258** | **212.1** | **210.0** | **217.9** | **220.2** | **220.7** |
| 1.1.2.1 Fibres | 0.877 | 215.3 | 205.0 | 204.9 | 206.3 | 201.0 |
| 1.1.2.2 Oil Seeds | 1.781 | 208.9 | 205.6 | 213.5 | 217.1 | 219.0 |
| 1.1.2.3 Other Non-Food Articles | 1.386 | 215.6 | 217.5 | 233.5 | 233.1 | 234.5 |
| 1.1.2.4 Flowers | 0.213 | 202.6 | 219.2 | 207.4 | 218.4 | 226.0 |
| **1.1.3 Minerals** | **1.524** | **308.5** | **324.3** | **224.0** | **234.1** | **222.5** |
| 1.1.3.1 Metallic Minerals | 0.489 | 388.6 | 422.8 | 312.8 | 326.1 | 308.3 |
| 1.1.3.2 Other Minerals | 0.135 | 211.8 | 214.1 | 205.6 | 205.5 | 205.6 |
| 1.1.3.3 Crude Petroleum | 0.900 | 279.6 | 287.2 | 178.5 | 188.5 | 178.5 |
| **1.2 FUEL & POWER** | **14.910** | **203.5** | **210.8** | **179.3** | **175.6** | **176.4** |
| 1.2.1 Coal | 2.094 | 189.8 | 189.8 | 189.9 | 189.9 | 189.9 |
| 1.2.2 Mineral Oils | 9.364 | 219.6 | 231.4 | 177.6 | 171.9 | 173.1 |
| 1.2.3 Electricity | 3.452 | 168.0 | 167.6 | 177.2 | 177.2 | 177.2 |
| **1.3 MANUFACTURED PRODUCTS** | **64.972** | **155.1** | **155.9** | **153.0** | **153.3** | **153.3** |
| **1.3.1 Food Products** | **9.974** | **172.9** | **173.9** | **171.8** | **173.0** | **174.3** |
| 1.3.1.1 Dairy Products | 0.568 | 199.5 | 203.5 | 207.7 | 208.0 | 208.1 |
| 1.3.1.2 Canning, Preserving & Processing of Food | 0.358 | 167.2 | 169.8 | 163.6 | 164.2 | 164.2 |
| 1.3.1.3 Grain Mill Products | 1.340 | 175.1 | 174.6 | 175.9 | 176.1 | 178.3 |
| 1.3.1.4 Bakery Products | 0.444 | 149.2 | 147.7 | 151.4 | 151.3 | 149.5 |
| 1.3.1.5 Sugar, Khandsari & Gur | 2.089 | 182.7 | 187.6 | 157.3 | 160.4 | 162.0 |
| 1.3.1.6 Edible Oils | 3.043 | 145.0 | 143.5 | 147.5 | 148.0 | 150.0 |
| 1.3.1.7 Oil Cakes | 0.494 | 227.0 | 229.1 | 251.3 | 254.2 | 260.9 |
| 1.3.1.8 Tea & Coffee Proccessing | 0.711 | 189.7 | 191.5 | 200.6 | 200.9 | 199.6 |
| 1.3.1.9 Manufacture of Salt | 0.048 | 197.3 | 196.8 | 199.8 | 199.8 | 199.8 |
| 1.3.1.10 Other Food Products | 0.879 | 194.1 | 195.1 | 205.2 | 206.1 | 206.0 |
| **1.3.2 Beverages, Tobacco & Tobacco Products** | **1.762** | **200.8** | **201.3** | **205.9** | **206.2** | **206.2** |
| 1.3.2.1 Wine Industries | 0.385 | 137.0 | 137.4 | 136.5 | 136.5 | 136.7 |
| 1.3.2.2 Malt Liquor | 0.153 | 177.5 | 179.7 | 180.7 | 180.7 | 180.7 |
| 1.3.2.3 Soft Drinks & Carbonated Water | 0.241 | 162.6 | 163.7 | 166.9 | 166.9 | 166.7 |
| 1.3.2.4 Manufacture of Bidi, Cigarettes, Tobacco & Zarda | 0.983 | 238.7 | 238.9 | 246.6 | 247.2 | 247.1 |
| **1.3.3 Textiles** | **7.326** | **142.6** | **143.2** | **140.3** | **140.1** | **139.4** |
| 1.3.3.1 Cotton Textiles | 2.605 | 162.6 | 162.3 | 156.9 | 156.9 | 155.9 |
| 1.3.3.1.1 Cotton Yarn | 1.377 | 179.2 | 178.0 | 167.9 | 167.7 | 165.7 |
| 1.3.3.1.2 Cotton Fabric | 1.228 | 144.0 | 144.6 | 144.6 | 144.8 | 145.0 |
| 1.3.3.2 Man-Made Textiles | 2.206 | 135.3 | 137.6 | 132.8 | 131.7 | 130.3 |
| 1.3.3.2.1 Man-Made Fibre | 1.672 | 134.5 | 136.8 | 131.4 | 130.6 | 129.1 |
| 1.3.3.2.2 Man-Made Fabric | 0.533 | 138.0 | 139.8 | 136.9 | 135.2 | 134.0 |
| 1.3.3.3 Woollen Textiles | 0.294 | 159.5 | 161.7 | 150.3 | 150.5 | 150.9 |
| 1.3.3.4 Jute, Hemp & Mesta Textiles | 0.261 | 192.9 | 190.7 | 213.4 | 217.1 | 217.3 |
| 1.3.3.5 Other Misc. Textiles | 1.960 | 115.0 | 115.0 | 115.4 | 115.4 | 115.6 |
| **1.3.4 Wood & Wood Products** | **0.587** | **187.8** | **187.1** | **194.0** | **194.2** | **194.4** |
| 1.3.4.1 Timber/Wooden Planks | 0.181 | 156.9 | 157.1 | 165.4 | 166.1 | 165.9 |
| 1.3.4.2 Processed Wood | 0.128 | 191.1 | 191.5 | 193.3 | 192.6 | 196.1 |
| 1.3.4.3 Plywood & Fibre Board | 0.241 | 214.9 | 212.7 | 222.9 | 223.0 | 222.4 |
| 1.3.4.4 Others | 0.038 | 152.6 | 153.5 | 149.5 | 150.6 | 146.4 |

## No. 21: Wholesale Price Index (Concld.)

(Base: 2004-05 = 100)

| Commodities | Weight | 2014-15 | 2014 | 2015 | | |
|---|---|---|---|---|---|---|
| | | | Oct. | Aug. | Sep. (P) | Oct. (P) |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1.3.5 Paper & Paper Products** | **2.034** | **150.7** | **151.2** | **154.6** | **154.9** | **155.2** |
| 1.3.5.1 Paper & Pulp | 1.019 | 149.8 | 150.7 | 150.4 | 151.1 | 151.7 |
| 1.3.5.2 Manufacture of boards | 0.550 | 133.8 | 134.8 | 136.9 | 136.8 | 136.4 |
| 1.3.5.3 Printing & Publishing | 0.465 | 172.4 | 171.8 | 184.8 | 184.8 | 184.8 |
| **1.3.6 Leather & Leather Products** | **0.835** | **145.0** | **146.2** | **145.4** | **145.4** | **145.3** |
| 1.3.6.1 Leathers | 0.223 | 116.0 | 118.5 | 119.0 | 118.6 | 118.8 |
| 1.3.6.2 Leather Footwear | 0.409 | 161.9 | 162.8 | 160.2 | 160.3 | 159.8 |
| 1.3.6.3 Other Leather Products | 0.203 | 143.1 | 143.2 | 144.5 | 144.7 | 145.3 |
| **1.3.7 Rubber & Plastic Products** | **2.987** | **149.9** | **151.0** | **148.3** | **148.0** | **147.0** |
| 1.3.7.1 Tyres & Tubes | 0.541 | 177.3 | 177.7 | 177.1 | 177.7 | 177.0 |
| 1.3.7.1.1 Tyres | 0.488 | 177.5 | 177.8 | 177.9 | 178.5 | 177.8 |
| 1.3.7.1.2 Tubes | 0.053 | 175.7 | 177.0 | 169.6 | 169.9 | 169.9 |
| 1.3.7.2 Plastic Products | 1.861 | 140.2 | 142.1 | 138.0 | 137.3 | 136.4 |
| 1.3.7.3 Rubber Products | 0.584 | 155.3 | 154.8 | 154.5 | 154.6 | 153.1 |
| **1.3.8 Chemicals & Chemical Products** | **12.018** | **152.8** | **153.4** | **151.2** | **150.8** | **150.8** |
| 1.3.8.1 Basic Inorganic Chemicals | 1.187 | 156.1 | 156.8 | 156.0 | 156.2 | 156.1 |
| 1.3.8.2 Basic Organic Chemicals | 1.952 | 150.9 | 151.6 | 141.4 | 140.5 | 139.7 |
| 1.3.8.3 Fertilisers & Pesticides | 3.145 | 152.0 | 152.1 | 154.9 | 154.9 | 155.3 |
| 1.3.8.3.1 Fertilisers | 2.661 | 154.9 | 154.9 | 158.3 | 158.2 | 158.4 |
| 1.3.8.3.2 Pesticides | 0.483 | 135.7 | 136.6 | 136.4 | 136.7 | 138.5 |
| 1.3.8.4 Paints, Varnishes & Lacquers | 0.529 | 149.9 | 150.6 | 152.1 | 152.2 | 152.1 |
| 1.3.8.5 Dyestuffs & Indigo | 0.563 | 144.8 | 145.0 | 141.5 | 141.7 | 141.6 |
| 1.3.8.6 Drugs & Medicines | 0.456 | 129.3 | 129.4 | 130.3 | 130.4 | 130.2 |
| 1.3.8.7 Perfumes, Cosmetics, Toiletries etc. | 1.130 | 160.7 | 160.5 | 163.5 | 163.1 | 163.1 |
| 1.3.8.8 Turpentine, Plastic Chemicals | 0.586 | 156.4 | 158.3 | 154.7 | 154.1 | 155.1 |
| 1.3.8.9 Polymers including Synthetic Rubber | 0.970 | 152.3 | 152.5 | 147.3 | 145.6 | 146.2 |
| 1.3.8.10 Petrochemical Intermediates | 0.869 | 162.0 | 165.0 | 153.0 | 152.0 | 152.6 |
| 1.3.8.11 Matches, Explosives & other Chemicals | 0.629 | 153.5 | 154.8 | 154.7 | 154.5 | 154.2 |
| **1.3.9 Non-Metallic Mineral Products** | **2.556** | **172.9** | **176.2** | **175.9** | **177.0** | **178.1** |
| 1.3.9.1 Structural Clay Products | 0.658 | 192.4 | 197.5 | 197.2 | 196.6 | 201.6 |
| 1.3.9.2 Glass, Earthenware, Chinaware & their Products | 0.256 | 135.5 | 135.6 | 141.1 | 141.6 | 140.5 |
| 1.3.9.3 Cement & Lime | 1.386 | 169.6 | 173.3 | 171.6 | 173.6 | 173.7 |
| 1.3.9.4 Cement, Slate & Graphite Products | 0.256 | 177.7 | 178.1 | 179.0 | 179.6 | 178.4 |
| **1.3.10 Basic Metals, Alloys & Metal Products** | **10.748** | **165.6** | **166.6** | **154.2** | **154.9** | **154.1** |
| 1.3.10.1 Ferrous Metals | 8.064 | 155.6 | 157.0 | 141.6 | 142.5 | 141.5 |
| 1.3.10.1.1 Iron & Semis | 1.563 | 156.7 | 158.9 | 139.6 | 140.5 | 137.1 |
| 1.3.10.1.2 Steel: Long | 1.630 | 164.7 | 167.3 | 148.1 | 150.1 | 148.1 |
| 1.3.10.1.3 Steel: Flat | 2.611 | 150.8 | 152.2 | 132.1 | 132.8 | 133.4 |
| 1.3.10.1.4 Steel: Pipes & Tubes | 0.314 | 133.4 | 133.9 | 128.4 | 129.0 | 127.4 |
| 1.3.10.1.5 Stainless Steel & alloys | 0.938 | 167.3 | 167.3 | 160.6 | 160.9 | 161.2 |
| 1.3.10.1.6 Castings & Forgings | 0.871 | 145.6 | 145.5 | 144.8 | 145.3 | 143.9 |
| 1.3.10.1.7 Ferro alloys | 0.137 | 158.9 | 160.0 | 150.7 | 149.3 | 149.1 |
| 1.3.10.2 Non-Ferrous Metals | 1.004 | 168.6 | 169.8 | 164.3 | 164.0 | 163.6 |
| 1.3.10.2.1 Aluminium | 0.489 | 144.9 | 147.1 | 137.5 | 137.6 | 136.6 |
| 1.3.10.2.2 Other Non-Ferrous Metals | 0.515 | 191.1 | 191.3 | 189.7 | 189.1 | 189.3 |
| 1.3.10.3 Metal Products | 1.680 | 211.6 | 210.6 | 208.5 | 208.9 | 209.1 |
| **1.3.11 Machinery & Machine Tools** | **8.931** | **134.6** | **134.9** | **135.1** | **134.9** | **134.9** |
| 1.3.11.1 Agricultural Machinery & Implements | 0.139 | 148.7 | 149.9 | 149.0 | 149.0 | 149.0 |
| 1.3.11.2 Industrial Machinery | 1.838 | 152.3 | 152.6 | 153.8 | 153.5 | 153.6 |
| 1.3.11.3 Construction Machinery | 0.045 | 141.1 | 141.4 | 141.5 | 141.5 | 141.5 |
| 1.3.11.4 Machine Tools | 0.367 | 165.0 | 165.5 | 165.8 | 165.8 | 165.8 |
| 1.3.11.5 Air Conditioner & Refrigerators | 0.429 | 120.6 | 120.8 | 120.5 | 120.5 | 120.7 |
| 1.3.11.6 Non-Electrical Machinery | 1.026 | 126.9 | 127.3 | 127.4 | 127.4 | 127.4 |
| 1.3.11.7 Electrical Machinery, Equipment & Batteries | 2.343 | 138.6 | 138.7 | 138.4 | 138.4 | 138.3 |
| 1.3.11.8 Electrical Accessories, Wires, Cables etc. | 1.063 | 156.0 | 156.6 | 156.5 | 156.4 | 156.2 |
| 1.3.11.9 Electrical Apparatus & Appliances | 0.337 | 119.8 | 120.8 | 121.7 | 121.7 | 121.7 |
| 1.3.11.10 Electronics Items | 0.961 | 89.6 | 89.7 | 89.2 | 89.0 | 89.1 |
| 1.3.11.11 IT Hardware | 0.267 | 91.5 | 91.7 | 91.7 | 91.7 | 91.7 |
| 1.3.11.12 Communication Equipments | 0.118 | 98.7 | 98.2 | 98.5 | 98.5 | 98.5 |
| **1.3.12 Transport, Equipment & Parts** | **5.213** | **136.2** | **136.0** | **137.5** | **137.8** | **137.7** |
| 1.3.12.1 Automotives | 4.231 | 135.3 | 135.0 | 136.4 | 136.8 | 136.6 |
| 1.3.12.2 Auto Parts | 0.804 | 138.1 | 137.9 | 140.6 | 140.2 | 140.6 |
| 1.3.12.3 Other Transport Equipments | 0.178 | 150.1 | 149.7 | 151.0 | 150.5 | 150.9 |

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

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

| Industry | Weight | 2013-14 | 2014-15 | April-September | | September | |
|---|---|---|---|---|---|---|---|
| | | | | 2014-15 | 2015-16 | 2014 | 2015 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| **General Index** | **100.00** | **172.0** | **176.9** | **171.8** | **178.6** | **171.8** | **178.0** |
| **1 Sectoral Classification** | | | | | | | |
| 1.1 Mining and Quarrying | 14.16 | 124.7 | 126.5 | 119.4 | 121.2 | 115.3 | 118.8 |
| 1.2 Manufacturing | 75.53 | 181.9 | 186.1 | 180.4 | 187.9 | 181.9 | 186.7 |
| 1.3 Electricity | 10.32 | 164.7 | 178.6 | 181.2 | 189.4 | 175.6 | 195.7 |
| **2 Use-Based Classification** | | | | | | | |
| 2.1 Basic Goods | 45.68 | 156.9 | 167.8 | 163.6 | 170.8 | 161.3 | 167.7 |
| 2.2 Capital Goods | 8.83 | 242.6 | 258.0 | 246.4 | 265.9 | 260.9 | 288.3 |
| 2.3 Intermediate Goods | 15.69 | 151.3 | 153.8 | 152.5 | 155.5 | 151.3 | 154.5 |
| 2.4 Consumer Goods | 29.81 | 185.3 | 178.9 | 172.7 | 176.9 | 172.4 | 173.5 |
| 2.4.1 Consumer Durables | 8.46 | 264.2 | 231.0 | 235.2 | 253.1 | 241.5 | 261.9 |
| 2.4.2 Consumer Non-Durables | 21.35 | 154.0 | 158.3 | 147.9 | 146.6 | 145.0 | 138.4 |

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

# Government Accounts and Treasury Bills

### No. 23: Union Government Accounts at a Glance

(Amount in ₹ Billion)

| Item | Financial Year | April–October | | | |
|---|---|---|---|---|---|
| | 2015-16 (Budget Estimates) | 2014-15 (Actuals) | 2015-16 (Actuals) | Percentage to Budget Estimates | |
| | | | | 2014-15 | 2015-16 |
| | 1 | 2 | 3 | 4 | 5 |
| 1 Revenue Receipts | 11,415.8 | 4,800.7 | 5,907.4 | 40.4 | 51.7 |
| 1.1 Tax Revenue (Net) | 9,198.4 | 3,688.7 | 4,288.0 | 37.7 | 46.6 |
| 1.2 Non-Tax Revenue | 2,217.3 | 1,112.0 | 1,619.4 | 52.3 | 73.0 |
| 2 Capital Receipts | 6,359.0 | 4,820.2 | 4,308.8 | 79.7 | 67.8 |
| 2.1 Recovery of Loans | 107.5 | 61.4 | 68.3 | 58.3 | 63.5 |
| 2.2 Other Receipts | 695.0 | 1.2 | 128.0 | 0.2 | 18.4 |
| 2.3 Borrowings and Other Liabilities | 5,556.5 | 4,757.5 | 4,112.5 | 89.6 | 74.0 |
| **3 Total Receipts (1+2)** | **17,774.8** | **9,620.9** | **10,216.2** | **53.6** | **57.5** |
| 4 Non-Plan Expenditure | 13,122.0 | 6,951.0 | 7,509.3 | 57.0 | 57.2 |
| 4.1 On Revenue Account | 12,060.3 | 6,415.0 | 6,975.8 | 57.6 | 57.8 |
| 4.1.1 Interest Payments | 4,561.5 | 2,059.7 | 2,153.3 | 48.2 | 47.2 |
| 4.2 On Capital Account | 1,061.7 | 536.0 | 533.5 | 50.9 | 50.3 |
| 5 Plan Expenditure | 4,652.8 | 2,669.9 | 2,706.9 | 46.4 | 58.2 |
| 5.1 On Revenue Account | 3,300.2 | 2,112.1 | 1,807.2 | 46.6 | 54.8 |
| 5.2 On Capital Account | 1,352.6 | 557.8 | 899.8 | 45.9 | 66.5 |
| **6 Total Expenditure (4+5)** | **17,774.8** | **9,620.9** | **10,216.2** | **53.6** | **57.5** |
| 7 Revenue Expenditure (4.1+5.1) | 15,360.5 | 8,527.1 | 8,782.9 | 54.4 | 57.2 |
| 8 Capital Expenditure (4.2+5.2) | 2,414.3 | 1,093.8 | 1,433.3 | 48.2 | 59.4 |
| **9 Revenue Deficit (7-1)** | **3,944.7** | **3,726.3** | **2,875.5** | **98.5** | **72.9** |
| **10 Fiscal Deficit {6-(1+2.1+2.2)}** | **5,556.5** | **4,757.5** | **4,112.5** | **89.6** | **74.0** |
| **11 Gross Primary Deficit [10-4.1.1]** | **995.0** | **2,697.8** | **1,959.1** | **259.0** | **196.9** |

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

## No. 24: Treasury Bills – Ownership Pattern

(₹ Billion)

| Item | 2014-15 | 2014 | 2015 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Oct. 31 | Sep. 25 | Oct. 2 | Oct. 9 | Oct. 16 | Oct. 23 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| **1 14-day** | | | | | | | | |
| 1.1 Banks | – | – | – | – | – | – | – | – |
| 1.2 Primary Dealers | – | – | – | – | – | – | – | – |
| 1.3 State Governments | 838.1 | 638.6 | 700.2 | 879.7 | 591.9 | 576.7 | 609.3 | 697.3 |
| 1.4 Others | 14.7 | 7.3 | 10.1 | 8.7 | 10.3 | 7.5 | 9.2 | 7.4 |
| **2 91-day** | | | | | | | | |
| 2.1 Banks | 446.9 | 325.1 | 412.8 | 376.5 | 395.0 | 369.8 | 393.8 | 401.7 |
| 2.2 Primary Dealers | 284.1 | 363.7 | 290.5 | 263.6 | 210.7 | 243.5 | 248.0 | 254.5 |
| 2.3 State Governments | 368.3 | 561.6 | 494.8 | 509.8 | 470.1 | 510.1 | 505.1 | 430.1 |
| 2.4 Others | 264.9 | 472.6 | 496.9 | 569.3 | 600.4 | 593.1 | 562.3 | 547.9 |
| **3 182-day** | | | | | | | | |
| 3.1 Banks | 231.5 | 269.5 | 331.5 | 325.0 | 294.9 | 278.3 | 278.7 | 263.7 |
| 3.2 Primary Dealers | 408.9 | 279.4 | 345.7 | 321.0 | 347.0 | 357.0 | 376.3 | 384.2 |
| 3.3 State Governments | 13.9 | 12.1 | 92.6 | 92.6 | 91.0 | 91.0 | 91.0 | 91.0 |
| 3.4 Others | 113.9 | 140.3 | 73.8 | 105.1 | 110.6 | 117.2 | 97.7 | 104.5 |
| **4 364-day** | | | | | | | | |
| 4.1 Banks | 330.8 | 375.6 | 424.0 | 442.7 | 437.5 | 434.8 | 441.1 | 424.7 |
| 4.2 Primary Dealers | 657.3 | 565.2 | 631.3 | 600.0 | 634.4 | 618.0 | 607.3 | 687.3 |
| 4.3 State Governments | 12.0 | 12.0 | 23.2 | 23.2 | 19.6 | 19.6 | 19.6 | 19.6 |
| 4.4 Others | 483.4 | 470.9 | 401.7 | 464.3 | 378.8 | 397.9 | 402.2 | 338.6 |
| **5 Total** | 4,468.7 | 4,494.0 | 4,729.3 | 4,981.5 | 4,592.0 | 4,614.4 | 4,641.5 | 4,652.4 |

## No. 25: Auctions of Treasury Bills

(Amount in ₹ Billion)

| Date of Auction | Notified Amount | Bids Received | | | Bids Accepted | | | Total Issue (6+7) | Cut-off Price | Implicit Yield at Cut-off Price (per cent) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Number | Total Face Value | | Number | Total Face Value | | | | |
| | | | Competitive | Non-Competitive | | Competitive | Non-Competitive | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| **91-day Treasury Bills** | | | | | | | | | | |
| **2015-16** | | | | | | | | | | |
| Sep. 30 | 90 | 60 | 290.08 | 20.00 | 32 | 90.00 | 20.00 | 110.00 | 98.27 | 7.0612 |
| Oct. 7 | 80 | 67 | 342.11 | 15.99 | 51 | 80.00 | 15.99 | 95.99 | 98.27 | 7.0612 |
| Oct. 14 | 80 | 69 | 414.05 | 55.00 | 47 | 80.00 | 55.00 | 135.00 | 98.27 | 7.0612 |
| Oct. 21 | 80 | 60 | 431.02 | 20.12 | 52 | 80.00 | 20.12 | 100.12 | 98.26 | 7.1027 |
| Oct. 28 | 80 | 66 | 532.08 | 18.00 | 27 | 80.00 | 18.00 | 98.00 | 98.26 | 7.1027 |
| **182-day Treasury Bills** | | | | | | | | | | |
| **2015-16** | | | | | | | | | | |
| Sep. 23 | 50 | 62 | 243.60 | 28.31 | 16 | 50.00 | 28.31 | 78.31 | 96.41 | 7.4678 |
| Oct. 7 | 60 | 67 | 211.76 | 1.62 | 18 | 60.00 | 1.62 | 61.62 | 96.58 | 7.1017 |
| Oct. 21 | 60 | 59 | 159.50 | 0.60 | 39 | 60.00 | 0.60 | 60.60 | 96.55 | 7.1662 |
| **364-day Treasury Bills** | | | | | | | | | | |
| **2015-16** | | | | | | | | | | |
| Sep. 16 | 50 | 81 | 230.01 | 0.05 | 30 | 50.00 | 0.05 | 50.05 | 93.04 | 7.5012 |
| Sep. 30 | 50 | 60 | 118.75 | 0.03 | 34 | 50.00 | 0.03 | 50.03 | 93.33 | 7.1663 |
| Oct. 14 | 60 | 78 | 187.29 | – | 39 | 60.00 | – | 60.00 | 93.34 | 7.1548 |
| Oct. 28 | 60 | 60 | 166.88 | – | 26 | 60.00 | – | 60.00 | 93.32 | 7.1778 |

# 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 |
| October | 1, 2015 | 5.00-7.15 | 6.69 |
| October | 3, 2015 | 4.50-7.25 | 5.55 |
| October | 5, 2015 | 5.25-6.90 | 6.62 |
| October | 6, 2015 | 5.20-6.85 | 6.62 |
| October | 7, 2015 | 5.25-6.90 | 6.64 |
| October | 8, 2015 | 5.25-7.05 | 6.66 |
| October | 9, 2015 | 5.00-7.00 | 6.68 |
| October | 12, 2015 | 5.30-7.00 | 6.74 |
| October | 13, 2015 | 5.30-6.90 | 6.64 |
| October | 14, 2015 | 5.30-7.40 | 6.89 |
| October | 15, 2015 | 5.25-7.02 | 6.65 |
| October | 16, 2015 | 5.25-7.10 | 6.69 |
| October | 17, 2015 | 4.50-6.75 | 6.02 |
| October | 19, 2015 | 5.40-7.00 | 6.71 |
| October | 20, 2015 | 5.40-7.30 | 6.85 |
| October | 21, 2015 | 5.40-7.05 | 6.72 |
| October | 23, 2015 | 5.40-7.65 | 6.97 |
| October | 26, 2015 | 5.50-7.60 | 6.98 |
| October | 27, 2015 | 5.50-7.15 | 6.58 |
| October | 28, 2015 | 5.40-7.00 | 6.58 |
| October | 29, 2015 | 5.40-6.90 | 6.63 |
| October | 30, 2015 | 5.40-7.50 | 6.86 |
| October | 31, 2015 | 4.70-6.75 | 6.05 |
| November | 2, 2015 | 5.40-7.10 | 6.66 |
| November | 3, 2015 | 5.40-6.95 | 6.49 |
| November | 4, 2015 | 5.40-6.85 | 6.68 |
| November | 5, 2015 | 5.40-6.90 | 6.68 |
| November | 6, 2015 | 5.40-6.85 | 6.47 |
| November | 7, 2015 | 5.00-7.75 | 7.19 |
| November | 9, 2015 | 5.40-7.70 | 7.11 |
| November | 10, 2015 | 5.40-7.50 | 6.93 |
| November | 13, 2015 | 5.00-7.75 | 6.75 |

**Note:** Includes Notice Money.

## No. 27: Certificates of Deposit

| Item | 2014 | 2015 | | | |
|---|---|---|---|---|---|
| | Oct. 31 | Sep. 18 | Oct. 2 | Oct. 16 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 |
| 1 Amount Outstanding (₹ Billion) | 2,625.1 | 1,878.1 | 2,082.7 | 1,927.2 | 1,931.7 |
| 1.1 Issued during the fortnight (₹ Billion) | 104.1 | 128.1 | 318.0 | 42.0 | 123.5 |
| 2 Rate of Interest (per cent) | 8.31-8.98 | 7.43-7.90 | 7.11-8.15 | 7.00-7.71 | 7.07-7.70 |

## No. 28: Commercial Paper

| Item | 2014 | 2015 | | | |
|---|---|---|---|---|---|
| | Oct. 31 | Sep. 15 | Sep. 30 | Oct. 15 | Oct. 31 |
| | 1 | 2 | 3 | 4 | 5 |
| 1 Amount Outstanding (₹ Billion) | 2,185.3 | 3,256.0 | 2,684.2 | 3,226.4 | 3,231.0 |
| 1.1 Reported during the fortnight (₹ Billion) | 346.5 | 638.4 | 431.5 | 762.5 | 634.8 |
| 2 Rate of Interest (per cent) | 7.55-11.75 | 7.19-13.06 | 7.29-11.53 | 6.99-11.54 | 7.02-11.55 |

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

(₹ Billion)

| Item | 2014-15 | 2014 | 2015 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Oct. 31 | Sep. 25 | Oct. 2 | Oct. 9 | Oct. 16 | Oct. 23 | Oct. 30 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 Call Money | 190.3 | 186.1 | 208.3 | 284.9 | 228.1 | 227.5 | 186.9 | 202.9 |
| 2 Notice Money | 65.4 | 57.5 | 2.9 | 102.3 | 7.0 | 83.8 | 10.1 | 115.0 |
| 3 Term Money | 4.1 | 4.5 | 3.1 | 6.3 | 3.8 | 5.1 | 5.9 | 3.1 |
| 4 CBLO | 1,168.3 | 1,111.5 | 1,508.2 | 1,513.5 | 1,321.1 | 1,336.3 | 1,180.0 | 1,265.6 |
| 5 Market Repo | 1,097.6 | 1,131.7 | 992.9 | 1,659.7 | 1,276.6 | 1,654.1 | 1,080.3 | 1,460.3 |
| 6 Repo in Corporate Bond | 0.3 | – | – | 1.0 | – | 5.7 | 8.4 | 1.2 |
| 7 Forex (US $ million) | 56,541 | 60,075 | 52,254 | 70,154 | 57,616 | 46,097 | 52,085 | 55,210 |
| 8 Govt. of India Dated Securities | 772.4 | 805.4 | 714.0 | 1,218.5 | 959.6 | 1,038.9 | 636.7 | 478.0 |
| 9 State Govt. Securities | 15.8 | 11.8 | 41.3 | 46.2 | 41.5 | 56.0 | 25.3 | 22.6 |
| 10 Treasury Bills | | | | | | | | |
| 10.1 91-Day | 35 | 47.1 | 34.1 | 50.6 | 61.0 | 25.5 | 25.0 | 34.1 |
| 10.2 182-Day | 12.1 | 11.9 | 8.7 | 11.1 | 25.0 | 7.4 | 8.7 | 11.5 |
| 10.3 364-Day | 21.4 | 18.3 | 15.7 | 35.2 | 23.4 | 25.0 | 8.9 | 16.9 |
| 10.4 Cash Management Bills | 0.7 | – | – | – | – | – | – | – |
| 11 Total Govt. Securities (8+9+10) | 857.4 | 894.5 | 813.9 | 1,361.6 | 1,110.5 | 1,152.8 | 704.6 | 563.1 |
| 11.1 RBI | – | 6.4 | – | 3.5 | 6.6 | 2.6 | 1.2 | – |

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

(Amount in ₹ Billion)

| Security & Type of Issue | 2014-15 | | 2014-15 (Apr.-Oct.) | | 2015-16 (Apr.-Oct.) * | | Oct. 2014 | | Oct. 2015 * | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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** | **63** | **93.1** | **37** | **38.3** | **51** | **181.8** | **2** | **0.1** | **6** | **55.1** |
| 1A Premium | 53 | 76.8 | 33 | 24.6 | 47 | 169.8 | 1 | – | 6 | 50.3 |
| 1.1 Prospectus | 46 | 30.4 | 27 | 10.4 | 42 | 91.2 | 2 | 0.1 | 3 | 42.2 |
| 1.1.1 Premium | 40 | 28.0 | 25 | 9.0 | 38 | 84.1 | 1 | – | 3 | 41.0 |
| 1.2 Rights | 17 | 62.8 | 10 | 28.0 | 9 | 90.6 | – | – | 3 | 13.0 |
| 1.2.1 Premium | 13 | 48.8 | 8 | 15.6 | 9 | 85.7 | – | – | 3 | 9.3 |
| **2 Preference Shares** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| 2.1 Prospectus | – | – | – | – | – | – | – | – | – | – |
| 2.2 Rights | – | – | – | – | – | – | – | – | – | – |
| **3 Debentures** | **23** | **77.4** | **17** | **57.0** | **5** | **16.3** | **–** | **–** | **–** | **–** |
| 3.1 Convertible | – | – | – | – | – | – | – | – | – | – |
| 3.1.1 Prospectus | – | – | – | – | – | – | – | – | – | – |
| 3.1.2 Rights | – | – | – | – | – | – | – | – | – | – |
| 3.2 Non-Convertible | 23 | 77.4 | 17 | 57.0 | 5 | 16.3 | – | – | – | – |
| 3.2.1 Prospectus | 23 | 77.4 | 17 | 57.0 | 5 | 16.3 | – | – | – | – |
| 3.2.2 Rights | – | – | – | – | – | – | – | – | – | – |
| **4 Bonds** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| 4.1 Prospectus | – | – | – | – | – | – | – | – | – | – |
| 4.2 Rights | – | – | – | – | – | – | – | – | – | – |
| **5 Total (1+2+3+4)** | **86** | **170.6** | **54** | **95.4** | **56** | **198.1** | **2** | **0.1** | **6** | **55.1** |
| 5.1 Prospectus | 69 | 107.8 | 44 | 67.4 | 47 | 107.5 | 2 | 0.1 | 3 | 42.2 |
| 5.2 Rights | 17 | 62.8 | 10 | 28.0 | 9 | 90.6 | – | – | 3 | 13.0 |

* : Data is Provisional

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

# External Sector

## No. 31: Foreign Trade

| Item | Unit | 2014-15 | 2014 | 2015 | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Oct. | Jun. | Jul. | Aug. | Sep. | Oct. |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 Exports | ₹ Billion | 18,963.5 | 1,588.2 | 1,438.3 | 1,472.8 | 1,387.8 | 1,438.3 | 1,389.2 |
| | US $ Million | 310,338.5 | 25,891.4 | 22,522.5 | 23,144.7 | 21,326.4 | 21,721.1 | 21,352.8 |
| 1.1 Oil | ₹ Billion | 3,460.8 | 351.5 | 192.6 | 193.7 | 182.4 | 164.4 | 160.0 |
| | US $ Million | 56,794.2 | 5,730.0 | 3,015.6 | 3,043.4 | 2,802.6 | 2,482.2 | 2,460.1 |
| 1.2 Non-oil | ₹ Billion | 15,502.7 | 1,236.7 | 1,245.7 | 1,279.1 | 1,205.4 | 1,274.0 | 1,229.1 |
| | US $ Million | 253,544.4 | 20,161.4 | 19,506.9 | 20,101.3 | 18,523.8 | 19,238.9 | 18,892.7 |
| 2 Imports | ₹ Billion | 27,370.9 | 2,421.1 | 2,110.4 | 2,278.5 | 2,193.8 | 2,132.9 | 2,024.6 |
| | US $ Million | 448,033.4 | 39,468.8 | 33,046.6 | 35,805.9 | 33,713.4 | 32,210.3 | 31,120.1 |
| 2.1 Oil | ₹ Billion | 8,428.7 | 767.8 | 554.2 | 604.9 | 479.0 | 438.8 | 445.4 |
| | US $ Million | 138,325.5 | 12,517.2 | 8,678.9 | 9,506.5 | 7,360.8 | 6,626.6 | 6,846.1 |
| 2.2 Non-oil | ₹ Billion | 18,942.1 | 1,653.3 | 1,556.1 | 1,673.6 | 1,714.8 | 1,694.1 | 1,579.2 |
| | US $ Million | 309,707.9 | 26,951.5 | 24,367.7 | 26,299.4 | 26,352.6 | 25,583.8 | 24,274.0 |
| 3 Trade Balance | ₹ Billion | –8,407.4 | –832.9 | –672.1 | –805.7 | –806.1 | –694.6 | –635.4 |
| | US $ Million | –137,694.9 | –13,577.4 | –10,524.1 | –12,661.3 | –12,387.0 | –10,489.3 | –9,767.3 |
| 3.1 Oil | ₹ Billion | –4,967.9 | –416.3 | –361.7 | –411.3 | –296.6 | –274.4 | –285.3 |
| | US $ Million | –81,531.4 | –6,787.3 | –5,663.3 | –6,463.2 | –4,558.1 | –4,144.4 | –4,386.1 |
| 3.2 Non-oil | ₹ Billion | –3,439.5 | –416.5 | –310.4 | –394.4 | –509.4 | –420.1 | –350.1 |
| | US $ Million | –56,163.5 | –6,790.1 | –4,860.8 | –6,198.1 | –7,828.9 | –6,344.9 | –5,381.2 |

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

## No. 32: Foreign Exchange Reserves

| Item | Unit | 2014 | 2015 | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Nov. 28 | Oct. 23 | Oct. 30 | Nov. 6 | Nov. 13 | Nov. 20 | Nov. 27 |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| **1 Total Reseves** | **₹ Billion** | **19,607** | **22,758** | **22,999** | **23,040** | **23,199** | **23,175** | **23,327** |
| | **US $ Million** | **316,312** | **351,547** | **353,637** | **351,735** | **352,515** | **352,366** | **351,616** |
| 1.1 Foreign Currency Assets | ₹ Billion | 18,039 | 21,217 | 21,458 | 21,472 | 21,630 | 21,607 | 21,757 |
| | US $ Million | 290,822 | 328,038 | 330,141 | 327,735 | 328,529 | 328,395 | 327,669 |
| 1.2 Gold | ₹ Billion | 1,212 | 1,193 | 1,193 | 1,219 | 1,219 | 1,219 | 1,219 |
| | US $ Million | 19,738 | 18,152 | 18,152 | 18,692 | 18,692 | 18,692 | 18,692 |
| 1.3 SDRs | SDRs Million | 2,889 | 2,889 | 2,889 | 2,889 | 2,889 | 2,889 | 2,889 |
| | ₹ Billion | 262 | 263 | 263 | 264 | 265 | 264 | 265 |
| | US $ Million | 4,230 | 4,046 | 4,036 | 4,008 | 3,999 | 3,986 | 3,968 |
| 1.4 Reserve Tranche Position in IMF | ₹ Billion | 94 | 85 | 85 | 86 | 86 | 85 | 86 |
| | US $ Million | 1,521 | 1,311 | 1,308 | 1,299 | 1,296 | 1,292 | 1,287 |

## No. 33: NRI Deposits

(US$ Million)

| Scheme | Outstanding | | | | Flows | |
|---|---|---|---|---|---|---|
| | 2014-15 | 2014 | 2015 | | 2014-15 | 2015-16 |
| | | Sep. | Aug. | Sep. | Apr.-Sep. | Apr.-Sep. |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1 NRI Deposits** | **115,163** | **108,724** | **119,394** | **121,840** | **6,473** | **10,114** |
| 1.1 FCNR(B) | 42,824 | 42,872 | 44,157 | 44,583 | 1,049 | 1,759 |
| 1.2 NR(E)RA | 62,746 | 56,739 | 65,769 | 67,569 | 5,204 | 7,820 |
| 1.3 NRO | 9,593 | 9,113 | 9,469 | 9,688 | 220 | 535 |

## No. 34: Foreign Investment Inflows

(US$ Million)

| Item | 2014-15 | 2014-15 | 2015-16 | 2014 | 2015 | |
|---|---|---|---|---|---|---|
| | | Apr.-Oct. | Apr.-Oct. | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1.1 Net Foreign Direct Investment (1.1.1–1.1.2)** | **32,628** | **18,663** | **21,987** | **2,866** | **2,773** | **5,035** |
| **1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)** | **34,427** | **19,614** | **24,963** | **3,044** | **3,395** | **5,554** |
| **1.1.1.1 Gross Inflows/Gross Investments** | **44,291** | **24,398** | **30,592** | **3,762** | **4,041** | **6,201** |
| 1.1.1.1.1 Equity | 31,885 | 17,877 | 22,406 | 2,734 | 2,972 | 5,321 |
| 1.1.1.1.1.1 Government (SIA/FIPB) | 2,219 | 1,340 | 2,708 | 8 | 51 | 1,756 |
| 1.1.1.1.1.2 RBI | 22,530 | 10,936 | 17,224 | 2,227 | 2,661 | 2,920 |
| 1.1.1.1.1.3 Acquisition of shares | 6,185 | 5,074 | 1,942 | 420 | 184 | 566 |
| 1.1.1.1.1.4 Equity capital of unincorporated bodies | 952 | 528 | 532 | 78 | 76 | 78 |
| 1.1.1.1.2 Reinvested earnings | 8,983 | 4,940 | 5,196 | 793 | 696 | 793 |
| 1.1.1.1.3 Other capital | 3,423 | 1,580 | 2,991 | 235 | 373 | 87 |
| **1.1.1.2 Repatriation/Disinvestment** | **9,864** | **4,784** | **5,629** | **717** | **647** | **647** |
| 1.1.1.2.1 Equity | 9,612 | 4,649 | 5,560 | 695 | 645 | 645 |
| 1.1.1.2.2 Other capital | 252 | 135 | 69 | 23 | 1 | 1 |
| **1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)** | **1,799** | **951** | **2,977** | **178** | **621** | **519** |
| 1.1.2.1 Equity capital | 4,075 | 2,077 | 2,555 | 415 | 310 | 409 |
| 1.1.2.2 Reinvested Earnings | 1,092 | 660 | 1,126 | 87 | 99 | 87 |
| 1.1.2.3 Other Capital | 3,280 | 1,946 | 1,726 | 277 | 409 | 220 |
| 1.1.2.4 Repatriation/Disinvestment | 6,649 | 3,732 | 2,430 | 600 | 197 | 197 |
| **1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)** | **40,934** | **23,967** | **–4,400** | **1,765** | **–2,464** | **4,458** |
| 1.2.1 GDRs/ADRs | – | – | 273 | – | – | – |
| 1.2.2 FIIs | 40,923 | 24,059 | –4,913 | 1,722 | –2,444 | 4,478 |
| 1.2.3 Offshore funds and others | – | – | – | – | – | – |
| 1.2.4 Portfolio investment by India | –11 | 92 | –240 | –43 | 20 | 20 |
| **1 Foreign Investment Inflows** | **73,562** | **42,630** | **17,587** | **4,631** | **309** | **9,493** |

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

(US$ Million)

| Item | 2014-15 | 2014 | 2015 | | |
|---|---|---|---|---|---|
| | | Sep. | Jul. | Aug. | Sep. |
| | 1 | 2 | 3 | 4 | 5 |
| **1 Outward Remittances under the LRS** | **1,325.8** | **110.2** | **380.3** | **408.4** | **457.5** |
| 1.1 Deposit | 51.4 | 4.0 | 10.0 | 7.0 | 7.8 |
| 1.2 Purchase of immovable property | 45.5 | 3.3 | 7.4 | 4.5 | 6.9 |
| 1.3 Investment in equity/debt | 195.5 | 16.1 | 24.6 | 19.5 | 33.2 |
| 1.4 Gift | 403.5 | 32.0 | 52.8 | 45.3 | 39.8 |
| 1.5 Donations | 3.2 | 0.1 | 0.1 | 0.4 | 0.7 |
| 1.6 Travel | 11.0 | 0.8 | 26.0 | 40.7 | 98.1 |
| 1.7 Maintenance of close relatives | 174.4 | 14.0 | 124.2 | 120.2 | 120.6 |
| 1.8 Medical Treatment | 7.2 | 0.5 | 1.7 | 1.0 | 1.9 |
| 1.9 Studies Abroad | 277.1 | 29.0 | 113.9 | 144.3 | 118.4 |
| 1.10 Others | 157.1 | 10.4 | 19.6 | 25.5 | 30.2 |

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

| Item | 2013-14 | 2014-15 | 2014 | 2015 | |
|---|---|---|---|---|---|
| | | | November | October | November |
| | 1 | 2 | 3 | 4 | 5 |
| **36-Currency Export and Trade Based Weights (Base: 2004-05=100)** | | | | | |
| 1 Trade-Based Weights | | | | | |
| 1.1 NEER | 72.32 | 74.08 | 73.94 | 75.13 | 74.61 |
| 1.2 REER | 103.27 | 108.93 | 109.84 | 113.66 | 112.88 |
| 2 Export-Based Weights | | | | | |
| 2.1 NEER | 73.56 | 75.21 | 75.00 | 76.21 | 75.63 |
| 2.2 REER | 105.48 | 111.24 | 112.11 | 116.10 | 115.23 |
| **6-Currency Trade Based Weights** | | | | | |
| 1 Base: 2004-05 (April-March) =100 | | | | | |
| 1.1 NEER | 67.75 | 68.63 | 68.44 | 67.92 | 67.81 |
| 1.2 REER | 112.77 | 120.02 | 121.25 | 124.90 | 124.69 |
| 2 Base: 2013-14 (April-March) =100 | | | | | |
| 2.1 NEER | 100.00 | 101.30 | 101.02 | 100.25 | 100.08 |
| 2.2 REER | 100.00 | 106.43 | 107.51 | 110.76 | 110.57 |

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

(Amount in US$ Million)

| Item | 2014-15 | 2014 | 2015 | |
|---|---|---|---|---|
| | | Oct. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 |
| 1 Automatic Route | | | | |
| 1.1 Number | 733 | 56 | 54 | 50 |
| 1.2 Amount | 19,215 | 2,711 | 1,135 | 669 |
| 2 Approval Route | | | | |
| 2.1 Number | 88 | 3 | 2 | 5 |
| 2.2 Amount | 9,170 | 69 | 1,480 | 1,445 |
| 3 Total (1+2) | | | | |
| 3.1 Number | 821 | 59 | 56 | 55 |
| 3.2 Amount | 28,385 | 2,780 | 2,615 | 2,114 |
| 4 Weighted Average Maturity (in years) | 6.49 | 5.90 | 3.90 | 5.60 |
| 5 Interest Rate (per cent) | | | | |
| 5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans | 2.12 | 1.88 | 1.07 | 1.57 |
| 5.2 Interest rate range for Fixed Rate Loans | 0.00-13.50 | 0.00-9.00 | 0.00-11.00 | 0.00-11.00 |

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

(US $ Million)

| Item | Apr-Jun 2014 (PR) | | | Apr-Jun 2015 (P) | | |
|---|---|---|---|---|---|---|
| | Credit | Debit | Net | Credit | Debit | Net |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **Overall Balance of Payments(1+2+3)** | **283,800** | **272,621** | **11,179** | **266,838** | **255,408** | **11,430** |
| **1 CURRENT ACCOUNT (1.1+ 1.2)** | **139,186** | **147,045** | **–7,859** | **126,584** | **132,774** | **–6,190** |
| **1.1 MERCHANDISE** | **81,712** | **116,274** | **–34,562** | **68,024** | **102,221** | **–34,197** |
| **1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)** | **57,474** | **30,771** | **26,703** | **58,560** | **30,553** | **28,007** |
| 1.2.1 Services | 37,568 | 20,582 | 16,986 | 38,046 | 20,623 | 17,423 |
| 1.2.1.1 Travel | 4,232 | 3,838 | 394 | 4,566 | 3,845 | 721 |
| 1.2.1.2 Transportation | 4,452 | 3,931 | 521 | 3,870 | 4,128 | –258 |
| 1.2.1.3 Insurance | 537 | 304 | 234 | 482 | 282 | 200 |
| 1.2.1.4 G.n.i.e. | 132 | 248 | –115 | 131 | 269 | –139 |
| 1.2.1.5 Miscellaneous | 28,213 | 12,261 | 15,952 | 28,997 | 12,098 | 16,899 |
| 1.2.1.5.1 Software Services | 17,533 | 519 | 17,014 | 18,335 | 676 | 17,658 |
| 1.2.1.5.2 Business Services | 7,066 | 6,306 | 761 | 7,792 | 7,302 | 490 |
| 1.2.1.5.3 Financial Services | 1,581 | 1,415 | 166 | 1,286 | 778 | 509 |
| 1.2.1.5.4 Communication Services | 450 | 262 | 188 | 495 | 154 | 341 |
| 1.2.2 Transfers | 17,561 | 1,149 | 16,413 | 17,287 | 1,130 | 16,157 |
| 1.2.2.1 Official | 50 | 263 | –213 | 146 | 264 | –117 |
| 1.2.2.2 Private | 17,512 | 885 | 16,626 | 17,141 | 867 | 16,274 |
| 1.2.3 Income | 2,345 | 9,040 | –6,696 | 3,228 | 8,800 | –5,573 |
| 1.2.3.1 Investment Income | 1,501 | 8,352 | –6,851 | 2,345 | 8,272 | –5,928 |
| 1.2.3.2 Compensation of Employees | 844 | 689 | 155 | 883 | 528 | 355 |
| **2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)** | **144,614** | **125,435** | **19,179** | **140,253** | **122,181** | **18,073** |
| **2.1 Foreign Investment (2.1.1+2.1.2)** | **80,575** | **60,255** | **20,321** | **78,588** | **70,713** | **7,874** |
| 2.1.1 Foreign Direct Investment | 11,548 | 3,667 | 7,881 | 15,479 | 5,303 | 10,177 |
| 2.1.1.1 In India | 9,986 | 1,957 | 8,029 | 14,159 | 2,680 | 11,478 |
| 2.1.1.1.1 Equity | 7,459 | 1,904 | 5,555 | 9,735 | 2,617 | 7,117 |
| 2.1.1.1.2 Reinvested Earnings | 2,059 | – | 2,059 | 2,315 | – | 2,315 |
| 2.1.1.1.3 Other Capital | 468 | 53 | 415 | 2,109 | 63 | 2,046 |
| 2.1.1.2 Abroad | 1,562 | 1,711 | –149 | 1,321 | 2,622 | –1,302 |
| 2.1.1.2.1 Equity | 1,562 | 714 | 849 | 1,321 | 1,122 | 198 |
| 2.1.1.2.2 Reinvested Earnings | – | 276 | –276 | – | 742 | –742 |
| 2.1.1.2.3 Other Capital | – | 721 | –721 | – | 758 | –758 |
| 2.1.2 Portfolio Investment | 69,027 | 56,587 | 12,440 | 63,108 | 65,411 | –2,303 |
| 2.1.2.1 In India | 68,858 | 56,393 | 12,465 | 62,848 | 65,318 | –2,469 |
| 2.1.2.1.1 FIIs | 68,858 | 56,393 | 12,465 | 62,575 | 65,318 | –2,742 |
| 2.1.2.1.1.1 Equity | 52,715 | 45,224 | 7,491 | 51,323 | 51,325 | –3 |
| 2.1.2.1.1.2 Debt | 16,143 | 11,169 | 4,974 | 11,253 | 13,993 | –2,740 |
| 2.1.2.1.2 ADR/GDRs | – | – | – | 273 | – | 273 |
| 2.1.2.2 Abroad | 169 | 194 | –25 | 260 | 93 | 167 |
| **2.2 Loans (2.2.1+2.2.2+2.2.3)** | **31,916** | **30,418** | **1,498** | **27,869** | **29,662** | **–1,793** |
| 2.2.1 External Assistance | 1,215 | 1,265 | –50 | 1,500 | 1,207 | 293 |
| 2.2.1.1 By India | 16 | 129 | –113 | 14 | 134 | –120 |
| 2.2.1.2 To India | 1,200 | 1,136 | 63 | 1,486 | 1,074 | 412 |
| 2.2.2 Commercial Borrowings | 6,602 | 5,276 | 1,326 | 3,824 | 5,102 | –1,278 |
| 2.2.2.1 By India | 446 | 164 | 282 | 686 | 81 | 605 |
| 2.2.2.2 To India | 6,156 | 5,112 | 1,044 | 3,138 | 5,021 | –1,883 |
| 2.2.3 Short Term to India | 24,099 | 23,877 | 222 | 22,545 | 23,353 | –807 |
| 2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit | 23,428 | 23,877 | –448 | 22,545 | 21,434 | 1,111 |
| 2.2.3.2 Suppliers' Credit up to 180 days | 671 | – | 671 | – | 1,918 | –1,918 |
| **2.3 Banking Capital (2.3.1+2.3.2)** | **23,967** | **24,081** | **–115** | **27,637** | **16,609** | **11,028** |
| 2.3.1 Commercial Banks | 23,872 | 24,081 | –210 | 27,637 | 16,333 | 11,304 |
| 2.3.1.1 Assets | 8,279 | 8,234 | 45 | 6,227 | 2,490 | 3,738 |
| 2.3.1.2 Liabilities | 15,592 | 15,847 | –255 | 21,410 | 13,843 | 7,567 |
| 2.3.1.2.1 Non-Resident Deposits | 15,020 | 12,610 | 2,409 | 16,922 | 11,036 | 5,886 |
| 2.3.2 Others | 95 | – | 95 | – | 277 | –277 |
| **2.4 Rupee Debt Service** | – | 56 | –56 | – | 34 | –34 |
| **2.5 Other Capital** | 8,156 | 10,626 | –2,470 | 6,159 | 5,162 | 997 |
| **3 Errors & Omissions** | – | **141** | **–141** | – | **453** | **–453** |
| **4 Monetary Movements (4.1+ 4.2)** | – | **11,179** | **–11,179** | – | **11,430** | **–11,430** |
| 4.1 I.M.F. | – | – | – | – | – | – |
| 4.2 Foreign Exchange Reserves (Increase - / Decrease +) | – | 11,179 | –11,179 | – | 11,430 | –11,430 |

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

(₹ Billion)

| | Apr-Jun 2014 (PR) | | | Apr-Jun 2015 (P) | | |
|---|---|---|---|---|---|---|
| | Credit | Debit | Net | Credit | Debit | Net |
| Item | 1 | 2 | 3 | 4 | 5 | 6 |
| **Overall Balance of Payments(1+2+3)** | **16,970** | **16,302** | **668** | **16,937** | **16,211** | **725** |
| **1 CURRENT ACCOUNT (1.1+ 1.2)** | **8,323** | **8,793** | **–470** | **8,034** | **8,427** | **–393** |
| **1.1 MERCHANDISE** | **4,886** | **6,953** | **–2,067** | **4,318** | **6,488** | **–2,171** |
| **1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)** | **3,437** | **1,840** | **1,597** | **3,717** | **1,939** | **1,778** |
| 1.2.1 Services | 2,246 | 1,231 | 1,016 | 2,415 | 1,309 | 1,106 |
| 1.2.1.1 Travel | 253 | 230 | 24 | 290 | 244 | 46 |
| 1.2.1.2 Transportation | 266 | 235 | 31 | 246 | 262 | –16 |
| 1.2.1.3 Insurance | 32 | 18 | 14 | 31 | 18 | 13 |
| 1.2.1.4 G.n.i.e. | 8 | 15 | –7 | 8 | 17 | –9 |
| 1.2.1.5 Miscellaneous | 1,687 | 733 | 954 | 1,840 | 768 | 1,073 |
| 1.2.1.5.1 Software Services | 1,048 | 31 | 1,017 | 1,164 | 43 | 1,121 |
| 1.2.1.5.2 Business Services | 423 | 377 | 45 | 495 | 463 | 31 |
| 1.2.1.5.3 Financial Services | 95 | 85 | 10 | 82 | 49 | 32 |
| 1.2.1.5.4 Communication Services | 27 | 16 | 11 | 31 | 10 | 22 |
| 1.2.2 Transfers | 1,050 | 69 | 981 | 1,097 | 72 | 1,025 |
| 1.2.2.1 Official | 3 | 16 | –13 | 9 | 17 | –7 |
| 1.2.2.2 Private | 1,047 | 53 | 994 | 1,088 | 55 | 1,033 |
| 1.2.3 Income | 140 | 541 | –400 | 205 | 559 | –354 |
| 1.2.3.1 Investment Income | 90 | 499 | –410 | 149 | 525 | –376 |
| 1.2.3.2 Compensation of Employees | 50 | 41 | 9 | 56 | 34 | 23 |
| **2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)** | **8,648** | **7,501** | **1,147** | **8,902** | **7,755** | **1,147** |
| 2.1 Foreign Investment (2.1.1+2.1.2) | 4,818 | 3,603 | 1,215 | 4,988 | 4,488 | 500 |
| 2.1.1 Foreign Direct Investment | 691 | 219 | 471 | 982 | 337 | 646 |
| 2.1.1.1 In India | 597 | 117 | 480 | 899 | 170 | 729 |
| 2.1.1.1.1 Equity | 446 | 114 | 332 | 618 | 166 | 452 |
| 2.1.1.1.2 Reinvested Earnings | 123 | – | 123 | 147 | – | 147 |
| 2.1.1.1.3 Other Capital | 28 | 3 | 25 | 134 | 4 | 130 |
| 2.1.1.2 Abroad | 93 | 102 | –9 | 84 | 166 | –83 |
| 2.1.1.2.1 Equity | 93 | 43 | 51 | 84 | 71 | 13 |
| 2.1.1.2.2 Reinvested Earnings | – | 17 | –17 | – | 47 | –47 |
| 2.1.1.2.3 Other Capital | – | 43 | –43 | – | 48 | –48 |
| 2.1.2 Portfolio Investment | 4,128 | 3,384 | 744 | 4,006 | 4,152 | –146 |
| 2.1.2.1 In India | 4,118 | 3,372 | 745 | 3,989 | 4,146 | –157 |
| 2.1.2.1.1 FIIs | 4,118 | 3,372 | 745 | 3,972 | 4,146 | –174 |
| 2.1.2.1.1.1 Equity | 3,152 | 2,704 | 448 | 3,258 | 3,258 | – |
| 2.1.2.1.1.2 Debt | 965 | 668 | 297 | 714 | 888 | –174 |
| 2.1.2.1.2 ADR/GDRs | – | – | – | 17 | – | 17 |
| 2.1.2.2 Abroad | 10 | 12 | –1 | 16 | 6 | 11 |
| **2.2 Loans (2.2.1+2.2.2+2.2.3)** | **1,908** | **1,819** | **90** | **1,769** | **1,883** | **–114** |
| 2.2.1 External Assistance | 73 | 76 | –3 | 95 | 77 | 19 |
| 2.2.1.1 By India | 1 | 8 | –7 | 1 | 8 | –8 |
| 2.2.1.2 To India | 72 | 68 | 4 | 94 | 68 | 26 |
| 2.2.2 Commercial Borrowings | 395 | 315 | 79 | 243 | 324 | –81 |
| 2.2.2.1 By India | 27 | 10 | 17 | 44 | 5 | 38 |
| 2.2.2.2 To India | 368 | 306 | 62 | 199 | 319 | –120 |
| 2.2.3 Short Term to India | 1,441 | 1,428 | 13 | 1,431 | 1,482 | –51 |
| 2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit | 1,401 | 1,428 | –27 | 1,431 | 1,360 | 71 |
| 2.2.3.2 Suppliers' Credit up to 180 days | 40 | – | 40 | – | 122 | –122 |
| **2.3 Banking Capital (2.3.1+2.3.2)** | **1,433** | **1,440** | **–7** | **1,754** | **1,054** | **700** |
| 2.3.1 Commercial Banks | 1,427 | 1,440 | –13 | 1,754 | 1,037 | 718 |
| 2.3.1.1 Assets | 495 | 492 | 3 | 395 | 158 | 237 |
| 2.3.1.2 Liabilities | 932 | 948 | –15 | 1,359 | 879 | 480 |
| 2.3.1.2.1 Non-Resident Deposits | 898 | 754 | 144 | 1,074 | 700 | 374 |
| 2.3.2 Others | 6 | – | 6 | – | 18 | –18 |
| **2.4 Rupee Debt Service** | – | 3 | –3 | – | 2 | –2 |
| **2.5 Other Capital** | 488 | 635 | –148 | 391 | 328 | 63 |
| **3 Errors & Omissions** | **–** | **8** | **–8** | **–** | **29** | **–29** |
| **4 Monetary Movements (4.1+ 4.2)** | **–** | **668** | **–668** | **–** | **725** | **–725** |
| 4.1 I.M.F. | – | – | – | – | – | – |
| 4.2 Foreign Exchange Reserves (Increase - / Decrease +) | – | 668 | –668 | – | 725 | –725 |

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

(US $ Million)

| Item | Apr-Jun 2014 (PR) | | | Apr-Jun 2015 (P) | | |
|---|---|---|---|---|---|---|
| | Credit | Debit | Net | Credit | Debit | Net |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1 Current Account (1.A+1.B+1.C)** | **139,184** | **147,019** | **–7,836** | **126,572** | **132,749** | **–6,177** |
| **1.A Goods and Services (1.A.a+1.A.b)** | **119,280** | **136,856** | **–17,577** | **106,070** | **122,843** | **–16,774** |
| **1.A.a Goods (1.A.a.1 to 1.A.a.3)** | **81,712** | **116,274** | **–34,562** | **68,024** | **102,221** | **–34,197** |
| 1.A.a.1 General merchandise on a BOP basis | 81,712 | 109,195 | –27,483 | 68,024 | 94,701 | –26,677 |
| 1.A.a.2 Net exports of goods under merchanting | – | – | – | – | – | – |
| 1.A.a.3 Nonmonetary gold | – | 7,080 | –7,080 | – | 7,520 | –7,520 |
| **1.A.b Services (1.A.b.1 to 1.A.b.13)** | **37,568** | **20,582** | **16,986** | **38,046** | **20,623** | **17,423** |
| 1.A.b.1 Manufacturing services on physical inputs owned by others | 34 | 10 | 24 | 26 | 4 | 22 |
| 1.A.b.2 Maintenance and repair services n.i.e. | 31 | 59 | –28 | 43 | 83 | –40 |
| 1.A.b.3 Transport | 4,452 | 3,931 | 521 | 3,870 | 4,128 | –258 |
| 1.A.b.4 Travel | 4,232 | 3,838 | 394 | 4,566 | 3,845 | 721 |
| 1.A.b.5 Construction | 504 | 289 | 215 | 352 | 233 | 120 |
| 1.A.b.6 Insurance and pension services | 537 | 304 | 234 | 482 | 282 | 200 |
| 1.A.b.7 Financial services | 1,581 | 1,415 | 166 | 1,286 | 778 | 509 |
| 1.A.b.8 Charges for the use of intellectual property n.i.e. | 198 | 1,392 | –1,194 | 162 | 1,485 | –1,323 |
| 1.A.b.9 Telecommunications, computer, and information services | 18,072 | 880 | 17,192 | 18,877 | 933 | 17,944 |
| 1.A.b.10 Other business services | 7,066 | 6,306 | 761 | 7,792 | 7,302 | 490 |
| 1.A.b.11 Personal, cultural, and recreational services | 301 | 317 | –16 | 424 | 489 | –65 |
| 1.A.b.12 Government goods and services n.i.e. | 132 | 248 | –115 | 131 | 269 | –139 |
| 1.A.b.13 Others n.i.e. | 427 | 1,594 | –1,167 | 34 | 790 | –756 |
| **1.B Primary Income (1.B.1 to 1.B.3)** | **2,345** | **9,040** | **–6,696** | **3,228** | **8,800** | **–5,573** |
| 1.B.1 Compensation of employees | 844 | 689 | 155 | 883 | 528 | 355 |
| 1.B.2 Investment income | 1,253 | 8,212 | –6,960 | 1,947 | 8,081 | –6,134 |
| 1.B.2.1 Direct investment | 445 | 3,675 | –3,230 | 1,113 | 3,104 | –1,990 |
| 1.B.2.2 Portfolio investment | 14 | 1,594 | –1,580 | 22 | 2,108 | –2,086 |
| 1.B.2.3 Other investment | 125 | 2,941 | –2,816 | 84 | 2,869 | –2,785 |
| 1.B.2.4 Reserve assets | 669 | 2 | 667 | 728 | 1 | 727 |
| 1.B.3 Other primary income | 248 | 140 | 109 | 398 | 191 | 206 |
| **1.C Secondary Income (1.C.1+1.C.2)** | **17,559** | **1,123** | **16,436** | **17,275** | **1,105** | **16,170** |
| 1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs | 17,512 | 885 | 16,626 | 17,141 | 867 | 16,274 |
| 1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households) | 16,842 | 798 | 16,044 | 16,529 | 790 | 15,739 |
| 1.C.1.2 Other current transfers | 670 | 88 | 582 | 611 | 76 | 535 |
| 1.C.2 General government | 48 | 237 | –190 | 134 | 238 | –104 |
| **2 Capital Account (2.1+2.2)** | **138** | **121** | **18** | **84** | **76** | **8** |
| 2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets | 76 | 72 | 4 | 3 | 11 | –8 |
| 2.2 Capital transfers | 63 | 49 | 13 | 81 | 65 | 16 |
| **3 Financial Account (3.1 to 3.5)** | **144,478** | **136,518** | **7,959** | **140,181** | **133,560** | **6,622** |
| **3.1 Direct Investment (3.1A+3.1B)** | **11,548** | **3,667** | **7,881** | **15,479** | **5,303** | **10,177** |
| 3.1.A Direct Investment in India | 9,986 | 1,957 | 8,029 | 14,159 | 2,680 | 11,478 |
| 3.1.A.1 Equity and investment fund shares | 9,518 | 1,904 | 7,614 | 12,050 | 2,617 | 9,432 |
| 3.1.A.1.1 Equity other than reinvestment of earnings | 7,459 | 1,904 | 5,555 | 9,735 | 2,617 | 7,117 |
| 3.1.A.1.2 Reinvestment of earnings | 2,059 | – | 2,059 | 2,315 | – | 2,315 |
| 3.1.A.2 Debt instruments | 468 | 53 | 415 | 2,109 | 63 | 2,046 |
| 3.1.A.2.1 Direct investor in direct investment enterprises | 468 | 53 | 415 | 2,109 | 63 | 2,046 |
| 3.1.B Direct Investment by India | 1,562 | 1,711 | –149 | 1,321 | 2,622 | –1,302 |
| 3.1.B.1 Equity and investment fund shares | 1,562 | 990 | 573 | 1,321 | 1,865 | –544 |
| 3.1.B.1.1 Equity other than reinvestment of earnings | 1,562 | 714 | 849 | 1,321 | 1,122 | 198 |
| 3.1.B.1.2 Reinvestment of earnings | – | 276 | –276 | – | 742 | –742 |
| 3.1.B.2 Debt instruments | – | 721 | –721 | – | 758 | –758 |
| 3.1.B.2.1 Direct investor in direct investment enterprises | – | 721 | –721 | – | 758 | –758 |
| **3.2 Portfolio Investment** | **69,027** | **56,587** | **12,440** | **62,835** | **65,411** | **–2,576** |
| 3.2.A Portfolio Investment in India | 68,858 | 56,393 | 12,465 | 62,575 | 65,318 | –2,742 |
| 3.2.1 Equity and investment fund shares | 52,715 | 45,224 | 7,491 | 51,323 | 51,325 | –3 |
| 3.2.2 Debt securities | 16,143 | 11,169 | 4,974 | 11,253 | 13,993 | –2,740 |
| 3.2.B Portfolio Investment by India | 169 | 194 | –25 | 260 | 93 | 167 |
| **3.3 Financial derivatives (other than reserves) and employee stock options** | **6,008** | **3,996** | **2,012** | **1,344** | **4,594** | **–3,250** |
| **3.4 Other investment** | **57,894** | **61,089** | **–3,195** | **60,523** | **46,822** | **13,701** |
| 3.4.1 Other equity (ADRs/GDRs) | – | – | – | 273 | – | 273 |
| 3.4.2 Currency and deposits | 15,114 | 12,610 | 2,504 | 16,922 | 11,313 | 5,610 |
| 3.4.2.1 Central bank (Rupee Debt Movements; NRG) | 95 | – | 95 | – | 277 | –277 |
| 3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits) | 15,020 | 12,610 | 2,409 | 16,922 | 11,036 | 5,886 |
| 3.4.2.3 General government | – | – | – | – | – | – |
| 3.4.2.4 Other sectors | – | – | – | – | – | – |
| 3.4.3 Loans (External Assistance, ECBs and Banking Capital) | 16,669 | 18,012 | –1,343 | 16,039 | 11,606 | 4,433 |
| 3.4.3.A Loans to India | 16,208 | 17,719 | –1,512 | 15,339 | 11,391 | 3,948 |
| 3.4.3.B Loans by India | 462 | 293 | 169 | 700 | 214 | 485 |
| 3.4.4 Insurance, pension, and standardized guarantee schemes | 29 | 32 | –3 | 35 | 34 | – |
| 3.4.5 Trade credit and advances | 24,099 | 23,877 | 222 | 22,545 | 23,353 | –807 |
| 3.4.6 Other accounts receivable/payable - other | 1,983 | 6,558 | –4,575 | 4,709 | 516 | 4,192 |
| 3.4.7 Special drawing rights | – | – | – | – | – | – |
| **3.5 Reserve assets** | – | **11,179** | **–11,179** | – | **11,430** | **–11,430** |
| 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) | – | 11,179 | –11,179 | – | 11,430 | –11,430 |
| **4 Total assets/liabilities** | **144,478** | **136,518** | **7,959** | **140,181** | **133,560** | **6,622** |
| 4.1 Equity and investment fund shares | 70,001 | 52,340 | 17,661 | 66,331 | 60,529 | 5,802 |
| 4.2 Debt instruments | 72,493 | 66,441 | 6,052 | 68,868 | 61,084 | 7,784 |
| 4.3 Other financial assets and liabilities | 1,983 | 17,737 | –15,754 | 4,982 | 11,946 | –6,964 |
| **5 Net errors and omissions** | – | **141** | **–141** | – | **453** | **–453** |

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

(₹ Billion)

| Item | Apr-Jun 2014 (PR) | | | Apr-Jun 2015 (P) | | |
|---|---|---|---|---|---|---|
| | Credit | Debit | Net | Credit | Debit | Net |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| **1 Current Account (1.A+1.B+1.C)** | **8,323** | **8,791** | **-469** | **8,034** | **8,426** | **-392** |
| **1.A Goods and Services (1.A.a+1.A.b)** | **7,133** | **8,184** | **-1,051** | **6,732** | **7,797** | **-1,065** |
| **1.A.a Goods (1.A.a.1 to 1.A.a.3)** | **4,886** | **6,953** | **-2,067** | **4,318** | **6,488** | **-2,171** |
| 1.A.a.1 General merchandise on a BOP basis | 4,886 | 6,530 | -1,643 | 4,318 | 6,011 | -1,693 |
| 1.A.a.2 Net exports of goods under merchanting | – | – | – | – | – | – |
| 1.A.a.3 Nonmonetary gold | – | 423 | -423 | – | 477 | -477 |
| **1.A.b Services (1.A.b.1 to 1.A.b.13)** | **2,246** | **1,231** | **1,016** | **2,415** | **1,309** | **1,106** |
| 1.A.b.1 Manufacturing services on physical inputs owned by others | 2 | 1 | 1 | 2 | 0 | 1 |
| 1.A.b.2 Maintenance and repair services n.i.e. | 2 | 4 | -2 | 3 | 5 | -3 |
| 1.A.b.3 Transport | 266 | 235 | 31 | 246 | 262 | -16 |
| 1.A.b.4 Travel | 253 | 230 | 24 | 290 | 244 | 46 |
| 1.A.b.5 Construction | 30 | 17 | 13 | 22 | 15 | 8 |
| 1.A.b.6 Insurance and pension services | 32 | 18 | 14 | 31 | 18 | 13 |
| 1.A.b.7 Financial services | 95 | 85 | 10 | 82 | 49 | 32 |
| 1.A.b.8 Charges for the use of intellectual property n.i.e. | 12 | 83 | -71 | 10 | 94 | -84 |
| 1.A.b.9 Telecommunications, computer, and information services | 1,081 | 53 | 1,028 | 1,198 | 59 | 1,139 |
| 1.A.b.10 Other business services | 423 | 377 | 45 | 495 | 463 | 31 |
| 1.A.b.11 Personal, cultural, and recreational services | 18 | 19 | -1 | 27 | 31 | -4 |
| 1.A.b.12 Government goods and services n.i.e. | 8 | 15 | -7 | 8 | 17 | -9 |
| 1.A.b.13 Others n.i.e. | 26 | 95 | -70 | 2 | 50 | -48 |
| **1.B Primary Income (1.B.1 to 1.B.3)** | **140** | **541** | **-400** | **205** | **559** | **-354** |
| 1.B.1 Compensation of employees | 50 | 41 | 9 | 56 | 34 | 23 |
| 1.B.2 Investment income | 75 | 491 | -416 | 124 | 513 | -389 |
| 1.B.2.1 Direct investment | 27 | 220 | -193 | 71 | 197 | -126 |
| 1.B.2.2 Portfolio investment | 1 | 95 | -94 | 1 | 134 | -132 |
| 1.B.2.3 Other investment | 7 | 176 | -168 | 5 | 182 | -177 |
| 1.B.2.4 Reserve assets | 40 | 0 | 40 | 46 | 0 | 46 |
| 1.B.3 Other primary income | 15 | 8 | 7 | 25 | 12 | 13 |
| **1.C Secondary Income (1.C.1+1.C.2)** | **1,050** | **67** | **983** | **1,096** | **70** | **1,026** |
| 1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs | 1,047 | 53 | 994 | 1,088 | 55 | 1,033 |
| 1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households) | 1,007 | 48 | 959 | 1,049 | 50 | 999 |
| 1.C.1.2 Other current transfers | 40 | 5 | 35 | 39 | 5 | 34 |
| 1.C.2 General government | 3 | 14 | -11 | 9 | 15 | -7 |
| **2 Capital Account (2.1+2.2)** | **8** | **7** | **1** | **5** | **5** | **0** |
| 2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets | 5 | 4 | 0 | – | 1 | -1 |
| 2.2 Capital transfers | 4 | 3 | 1 | 5 | 4 | 1 |
| **3 Financial Account (3.1 to 3.5)** | **8,639** | **8,163** | **476** | **8,898** | **8,477** | **420** |
| **3.1 Direct Investment (3.1A+3.1B)** | **691** | **219** | **471** | **982** | **337** | **646** |
| 3.1.A Direct Investment in India | 597 | 117 | 480 | 899 | 170 | 729 |
| 3.1.A.1 Equity and investment fund shares | 569 | 114 | 455 | 765 | 166 | 599 |
| 3.1.A.1.1 Equity other than reinvestment of earnings | 446 | 114 | 332 | 618 | 166 | 452 |
| 3.1.A.1.2 Reinvestment of earnings | 123 | – | 123 | 147 | – | 147 |
| 3.1.A.2 Debt instruments | 28 | 3 | 25 | 134 | 4 | 130 |
| 3.1.A.2.1 Direct investor in direct investment enterprises | 28 | 3 | 25 | 134 | 4 | 130 |
| 3.1.B Direct Investment by India | 93 | 102 | -9 | 84 | 166 | -83 |
| 3.1.B.1 Equity and investment fund shares | 93 | 59 | 34 | 84 | 118 | -35 |
| 3.1.B.1.1 Equity other than reinvestment of earnings | 93 | 43 | 51 | 84 | 71 | 13 |
| 3.1.B.1.2 Reinvestment of earnings | – | 17 | -17 | – | 47 | -47 |
| 3.1.B.2 Debt instruments | – | 43 | -43 | – | 48 | -48 |
| 3.1.B.2.1 Direct investor in direct investment enterprises | – | 43 | -43 | – | 48 | -48 |
| **3.2 Portfolio Investment** | **4,128** | **3,384** | **744** | **3,988** | **4,152** | **-163** |
| 3.2.A Portfolio Investment in India | 4,118 | 3,372 | 745 | 3,972 | 4,146 | -174 |
| 3.2.1 Equity and investment fund shares | 3,152 | 2,704 | 448 | 3,258 | 3,258 | 0 |
| 3.2.2 Debt securities | 965 | 668 | 297 | 714 | 888 | -174 |
| 3.2.B Portfolio Investment by India | 10 | 12 | -1 | 16 | 6 | 11 |
| **3.3 Financial derivatives (other than reserves) and employee stock options** | **359** | **239** | **120** | **85** | **292** | **-206** |
| **3.4 Other investment** | **3,462** | **3,653** | **-191** | **3,842** | **2,972** | **870** |
| 3.4.1 Other equity (ADRs/GDRs) | – | – | – | 17 | – | 17 |
| 3.4.2 Currency and deposits | 904 | 754 | 150 | 1,074 | 718 | 356 |
| 3.4.2.1 Central bank (Rupee Debt Movements; NRG) | 6 | – | 6 | – | 18 | -18 |
| 3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits) | 898 | 754 | 144 | 1,074 | 700 | 374 |
| 3.4.2.3 General government | – | – | – | – | – | – |
| 3.4.2.4 Other sectors | – | – | – | – | – | – |
| 3.4.3 Loans (External Assistance, ECBs and Banking Capital) | 997 | 1,077 | -80 | 1,018 | 737 | 281 |
| 3.4.3.A Loans to India | 969 | 1,060 | -90 | 974 | 723 | 251 |
| 3.4.3.B Loans by India | 28 | 18 | 10 | 44 | 14 | 31 |
| 3.4.4 Insurance, pension, and standardized guarantee schemes | 2 | 2 | 0 | 2 | 2 | 0 |
| 3.4.5 Trade credit and advances | 1,441 | 1,428 | 13 | 1,431 | 1,482 | -51 |
| 3.4.6 Other accounts receivable/payable - other | 119 | 392 | -274 | 299 | 33 | 266 |
| 3.4.7 Special drawing rights | – | – | – | – | – | – |
| **3.5 Reserve assets** | – | **668** | **-668** | – | **725** | **-725** |
| 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) | – | 668 | -668 | – | 725 | -725 |
| **4 Total assets/liabilities** | **8,639** | **8,163** | **476** | **8,898** | **8,477** | **420** |
| 4.1 Equity and investment fund shares | 4,186 | 3,130 | 1,056 | 4,210 | 3,842 | 368 |
| 4.2 Debt instruments | 4,335 | 3,973 | 362 | 4,371 | 3,877 | 494 |
| 4.3 Other financial assets and liabilities | 119 | 1,061 | -942 | 316 | 758 | -442 |
| **5 Net errors and omissions** | – | **8** | **-8** | – | **29** | **-29** |

## No. 42: International Investment Position

(US$ Million)

| Item | As on Financial Year /Quarter End | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2014-15 | | 2014 | | 2015 | | | |
| | | | Jun. | | Mar. | | Jun. | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1 Direct Investment Abroad/in India | 130,508 | 264,519 | 128,858 | 250,428 | 130,508 | 264,519 | 131,810 | 270,070 |
| 1.1 Equity Capital and Reinvested Earnings | 89,421 | 253,048 | 90,329 | 239,301 | 89,421 | 253,048 | 89,965 | 257,818 |
| 1.2 Other Capital | 41,087 | 11,471 | 38,528 | 11,127 | 41,087 | 11,471 | 41,845 | 12,252 |
| 2 Portfolio Investment | 1,429 | 228,195 | 1,261 | 208,942 | 1,429 | 228,195 | 1,595 | 230,799 |
| 2.1 Equity | 1,050 | 148,443 | 944 | 147,115 | 1,050 | 148,443 | 1,216 | 146,003 |
| 2.2 Debt | 378 | 79,751 | 317 | 61,827 | 378 | 79,751 | 379 | 84,797 |
| 3 Other Investment | 44,190 | 386,704 | 45,549 | 382,967 | 44,190 | 386,704 | 39,791 | 390,636 |
| 3.1 Trade Credit | 2,705 | 82,878 | 8,335 | 84,185 | 2,705 | 82,878 | 1,595 | 82,050 |
| 3.2 Loan | 4,872 | 177,094 | 5,078 | 178,956 | 4,872 | 177,094 | 3,640 | 174,668 |
| 3.3 Currency and Deposits | 19,763 | 115,313 | 15,722 | 106,419 | 19,763 | 115,313 | 17,447 | 120,059 |
| 3.4 Other Assets/Liabilities | 16,851 | 11,420 | 16,415 | 13,407 | 16,851 | 11,420 | 17,110 | 13,859 |
| 4 Reserves | 341,639 | – | 316,138 | – | 341,639 | – | 356,001 | – |
| 5 Total Assets/ Liabilities | 517,766 | 879,418 | 491,806 | 842,338 | 517,766 | 879,418 | 529,197 | 891,506 |
| **6 IIP (Assets - Liabilities)** | | –361,652 | | –350,531 | | –361,652 | | –362,309 |

# Payment and Settlement Systems

## No. 43: Payment System Indicators

| System | Volume (Million ) | | | | Value (₹ Billion) | | | |
|---|---|---|---|---|---|---|---|---|
| | 2014-15 | 2015 | | | 2014-15 | 2015 | | |
| | | Aug. | Sep. | Oct. | | Aug. | Sep. | Oct. |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| **1 RTGS** | **92.78** | **7.82** | **7.77** | **8.34** | **929,332.89** | **80,895.66** | **86,734.41** | **80,764.99** |
| 1.1 Customer Transactions | 88.39 | 7.46 | 7.41 | 7.97 | 631,050.74 | 55,602.26 | 58,391.38 | 53,520.48 |
| 1.2 Interbank Transactions | 4.38 | 0.37 | 0.35 | 0.37 | 122,981.62 | 8,773.96 | 10,399.97 | 9,845.09 |
| 1.3 Interbank Clearing | 0.012 | 0.001 | 0.001 | 0.001 | 175,300.73 | 16,519.43 | 17,943.06 | 17,399.42 |
| **2 CCIL Operated Systems** | **3.03** | **0.28** | **0.26** | **0.27** | **752,000.42** | **66,133.45** | **66,121.72** | **67,779.96** |
| 2.1 CBLO | 0.21 | 0.02 | 0.02 | 0.02 | 167,645.96 | 16,267.03 | 16,244.76 | 13,932.05 |
| 2.2 Govt. Securities Clearing | 1.09 | 0.08 | 0.08 | 0.09 | 258,916.76 | 20,588.94 | 21,408.37 | 24,943.03 |
| 2.2.1 Outright | 0.98 | 0.08 | 0.07 | 0.08 | 101,561.62 | 8,086.82 | 7,956.13 | 9,325.71 |
| 2.2.2 Repo | 0.109 | 0.009 | 0.010 | 0.010 | 157,355.15 | 12,502.12 | 13,452.24 | 15,617.32 |
| 2.3 Forex Clearing | 1.73 | 0.17 | 0.16 | 0.16 | 325,437.69 | 29,277.48 | 28,468.60 | 28,904.88 |
| **3 Paper Clearing** | **1,196.51** | **91.39** | **89.01** | **94.78** | **85,434.14** | **6,545.05** | **6,476.06** | **7,034.90** |
| 3.1 Cheque Truncation System (CTS) | 964.86 | 78.85 | 77.88 | 82.97 | 66,769.93 | 5,530.43 | 5,508.03 | 5,806.75 |
| 3.2 MICR Clearing | 22.43 | - | - | - | 1,850.40 | – | – | – |
| 3.2.1 RBI Centres | 7.50 | - | - | - | 614.51 | – | – | – |
| 3.2.2 Other Centres | 14.93 | - | - | - | 1,235.89 | – | – | – |
| 3.3 Non-MICR Clearing | 209.82 | 12.54 | 11.13 | 11.81 | 16,939.34 | 1,014.62 | 968.03 | 1,228.15 |
| **4 Retail Electronic Clearing** | **1,687.44** | **247.24** | **245.92** | **268.99** | **65,365.51** | **6,762.91** | **7,442.00** | **7,704.95** |
| 4.1 ECS DR | 226.01 | 19.70 | 20.09 | 20.27 | 1,739.78 | 156.43 | 157.76 | 160.21 |
| 4.2 ECS CR (includes NECS) | 115.35 | 3.46 | 3.76 | 4.00 | 2,019.14 | 83.79 | 85.58 | 95.94 |
| 4.3 EFT/NEFT | 927.55 | 95.94 | 98.54 | 114.60 | 59,803.83 | 6,153.38 | 6,860.21 | 6,906.88 |
| 4.4 Immediate Payment Service (IMPS) | 78.37 | 16.65 | 17.72 | 19.42 | 581.87 | 119.06 | 120.71 | 137.04 |
| 4.5 National Automated Clearing House (NACH) | 340.17 | 111.49 | 105.81 | 110.70 | 1,220.88 | 250.25 | 217.74 | 404.88 |
| **5 Cards** | **8,423.99** | **835.19** | **808.13** | **871.21** | **25,415.27** | **2,411.55** | **2,330.71** | **2,547.76** |
| 5.1 Credit Cards | 619.41 | 66.00 | 62.90 | 69.42 | 1,922.63 | 201.57 | 192.68 | 219.05 |
| 5.1.1 Usage at ATMs | 4.29 | 0.47 | 0.48 | 0.52 | 23.47 | 2.44 | 2.47 | 2.70 |
| 5.1.2 Usage at POS | 615.12 | 65.52 | 62.42 | 68.91 | 1,899.16 | 199.13 | 190.22 | 216.35 |
| 5.2 Debit Cards | 7,804.57 | 769.19 | 745.24 | 801.79 | 23,492.65 | 2,209.98 | 2,138.03 | 2,328.72 |
| 5.2.1 Usage at ATMs | 6,996.48 | 672.45 | 655.22 | 701.55 | 22,279.16 | 2,074.42 | 2,021.24 | 2,188.66 |
| 5.2.2 Usage at POS | 808.09 | 96.74 | 90.02 | 100.24 | 1,213.49 | 135.56 | 116.79 | 140.06 |
| **6 Prepaid Payment Instruments (PPIs)** | **314.46** | **52.95** | **58.01** | **61.82** | **213.42** | **38.74** | **40.81** | **38.07** |
| 6.1 m-Wallet | 255.00 | 42.84 | 48.94 | 49.58 | 81.84 | 13.35 | 17.96 | 15.45 |
| 6.2 PPI Cards | 58.91 | 10.07 | 9.01 | 12.20 | 105.35 | 23.46 | 20.06 | 20.50 |
| 6.3 Paper Vouchers | 0.55 | 0.04 | 0.05 | 0.04 | 26.24 | 1.93 | 2.79 | 2.12 |
| **7 Mobile Banking** | **171.92** | **25.15** | **27.11** | **32.48** | **1,035.30** | **217.93** | **269.60** | **305.68** |
| **8 Cards Outstanding** | **574.56** | **620.84** | **625.80** | **633.66** | – | – | – | – |
| 8.1 Credit Card | 21.11 | 22.33 | 22.45 | 22.88 | – | – | – | – |
| 8.2 Debit Card | 553.45 | 598.51 | 603.35 | 610.78 | – | – | – | – |
| **9 Number of ATMs (in actuals)** | **181398** | **189189** | **189195** | **190827** | – | – | – | – |
| **10 Number of POS (in actuals)** | **1126735** | **1191311** | **1212047** | **1236933** | – | – | – | – |
| **11 Grand Total (1.1+1.2+2+3+4+5+6)** | **11,718.19** | **1,234.87** | **1,209.10** | **1,305.41** | **1,682,461.11** | **146,267.93** | **151,202.65** | **148,471.21** |

# Occasional Series

## No. 44: Small Savings

(₹ Billion)

| Scheme | | 2014-15 | 2014 | 2015 | | |
|---|---|---|---|---|---|---|
| | | | May | Mar. | Apr. | May |
| | | 1 | 2 | 3 | 4 | 5 |
| **1 Small Savings** | **Receipts** | **2,411.58** | **200.32** | **260.45** | **220.72** | **245.77** |
| | **Outstanding** | **6,323.39** | **6,214.75** | **6,323.39** | **6,315.78** | **6,329.32** |
| **1.1 Total Deposits** | **Receipts** | **2,137.49** | **180.73** | **206.12** | **192.13** | **215.10** |
| | **Outstanding** | **3,961.81** | **3,889.22** | **3,961.81** | **3,963.17** | **3,976.55** |
| 1.1.1 Post Office Saving Bank Deposits | Receipts | 1,142.29 | 96.11 | 112.39 | 109.42 | 117.30 |
| | Outstanding | 474.28 | 437.05 | 474.28 | 481.80 | 489.09 |
| 1.1.2 MGNREG | Receipts | – | – | – | – | – |
| | Outstanding | – | – | – | – | – |
| 1.1.3 National Saving Scheme, 1987 | Receipts | 0.44 | – | 0.18 | – | – |
| | Outstanding | 36.89 | 38.13 | 36.89 | 36.39 | 36.01 |
| 1.1.4 National Saving Scheme, 1992 | Receipts | 0.03 | 0.01 | 0.01 | 0.01 | – |
| | Outstanding | 2.32 | 2.66 | 2.32 | 2.27 | 2.20 |
| 1.1.5 Monthly Income Scheme | Receipts | 215.69 | 19.70 | 20.23 | 18.03 | 22.00 |
| | Outstanding | 2,005.57 | 2,017.09 | 2,005.57 | 2,000.72 | 1,995.46 |
| 1.1.6 Senior Citizen Scheme | Receipts | 30.11 | 2.26 | 3.36 | 4.05 | 4.84 |
| | Outstanding | 179.75 | 220.19 | 179.75 | 173.48 | 171.65 |
| 1.1.7 Post Office Time Deposits | Receipts | 330.69 | 27.20 | 30.01 | 28.65 | 34.22 |
| | Outstanding | 517.57 | 426.16 | 517.57 | 525.11 | 535.62 |
| 1.1.7.1 1 year Time Deposits | Outstanding | 361.53 | 288.85 | 361.53 | 367.68 | 376.28 |
| 1.1.7.2 2 year Time Deposits | Outstanding | 20.31 | 18.21 | 20.31 | 20.54 | 20.85 |
| 1.1.7.3 3 year Time Deposits | Outstanding | 41.42 | 39.35 | 41.42 | 41.47 | 41.57 |
| 1.1.7.4 5 year Time Deposits | Outstanding | 94.31 | 79.75 | 94.31 | 95.42 | 96.92 |
| 1.1.8 Post Office Recurring Deposits | Receipts | 418.24 | 35.45 | 39.94 | 31.97 | 36.74 |
| | Outstanding | 745.13 | 747.66 | 745.13 | 743.10 | 746.22 |
| 1.1.9 Post Office Cumulative Time Deposits | Outstanding | 0.08 | 0.06 | 0.08 | 0.08 | 0.08 |
| 1.1.10 Other Deposits | Outstanding | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 |
| **1.2 Saving Certificates** | **Receipts** | **192.52** | **14.16** | **32.94** | **19.62** | **23.10** |
| | **Outstanding** | **1,834.10** | **1,863.06** | **1,834.10** | **1,830.96** | **1,831.81** |
| 1.2.1 National Savings Certificate VIII issue | Receipts | 165.84 | 14.16 | 20.31 | 8.60 | 9.32 |
| | Outstanding | 856.08 | 767.25 | 856.08 | 856.96 | 859.75 |
| 1.2.2 Indira Vikas Patras | Receipts | 0.04 | – | – | – | – |
| | Outstanding | 8.87 | 8.94 | 8.87 | 8.86 | 8.87 |
| 1.2.3 Kisan Vikas Patras | Receipts | 5.54 | – | 2.44 | 0.33 | 0.44 |
| | Outstanding | 848.41 | 1,024.40 | 848.41 | 832.33 | 814.92 |
| 1.2.4 Kisan Vikas Patras - 2014 | Receipts | 21.10 | 0 | 10.19 | 10.69 | 13.34 |
| | Outstanding | 26.71 | 0 | 26.71 | 36.74 | 49.88 |
| 1.2.5 National Saving Certificate VI issue | Outstanding | –0.82 | –0.78 | –0.82 | –0.83 | –0.83 |
| 1.2.6 National Saving Certificate VII issue | Outstanding | –0.53 | –0.50 | –0.53 | –0.54 | –0.54 |
| 1.2.7 Other Certificates | Outstanding | 95.38 | 63.75 | 95.38 | 97.44 | 99.76 |
| **1.3 Public Provident Fund** | **Receipts** | **81.57** | **5.43** | **21.39** | **8.97** | **7.57** |
| | **Outstanding** | **527.48** | **462.47** | **527.48** | **521.65** | **520.96** |

**Source:** Accountant General, Post and Telegraphs.

## No. 45: Ownership Pattern of Government of India Dated Securities

(Per cent)

| Category | 2014 | | 2015 | | |
|---|---|---|---|---|---|
| | Sep. | Dec. | Mar. | Jun. | Sep. |
| | 1 | 2 | 3 | 4 | 5 |
| 1 Commercial Banks | 42.95 | 42.77 | 43.30 | 43.14 | 43.03 |
| 2 Non-Bank PDs | 0.20 | 0.34 | 0.31 | 0.35 | 0.54 |
| 3 Insurance Companies | 20.55 | 21.02 | 20.87 | 21.37 | 22.09 |
| 4 Mutual Funds | 1.26 | 1.68 | 1.89 | 2.37 | 2.69 |
| 5 Co-operative Banks | 2.71 | 2.57 | 2.62 | 2.73 | 2.64 |
| 6 Financial Institutions | 1.44 | 0.73 | 2.07 | 0.70 | 0.60 |
| 7 Corporates | 1.06 | 1.12 | 1.25 | 1.12 | 0.84 |
| 8 Foreign Portfolio Investors | 3.37 | 3.62 | 3.67 | 3.59 | 3.57 |
| 9 Provident Funds | 7.13 | 7.47 | 7.58 | 7.08 | 7.17 |
| 10 RBI | 14.33 | 14.50 | 13.48 | 13.06 | 12.08 |
| 11 Others | 4.99 | 4.18 | 2.96 | 4.49 | 4.75 |

## Explanatory Notes to the Current Statistics

**Table No. 1**

1.2 & 6: Annual data are averages of months.
3.5 & 3.7: Relate to ratios of increments over financial year so far.
4.1 to 4.4, 4.8, 4.12 & 5: Relate to the last day of the month/financial year.
4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.
4.9 to 4.11: Relate to the last auction day of the month/financial year.

**Table No. 2**

2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.
2.2.2: Include cash, fixed deposits and short-term securities/bonds, *e.g.*, issued by IIFC (UK).

**Table No. 4**

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

**Table No. 5**

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

**Table No. 6**

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

**Table Nos. 7 & 11**

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

**Table No. 8**

$NM_2$ 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. 15 & 16**

Data are provisional and relate to select banks which cover 95 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 2012-13 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**
1.3: Pertain to multilateral net settlement batches.
3.1: Pertain to two centres - New Delhi and Chennai.
3.3: Pertain to clearing houses managed by 21 banks.
6: Available from December 2010.
7: Include IMPS transactions.

**Table No. 45**
The holdings of RBI have been revised since December 2014, based on the revised liquidity management framework.

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**.

## Indicative Calendar for Bulletin Articles, 2016*

| S. No. | Theme | Release Month |
|---|---|---|
| 1 | International Trade in Banking Services: 2014-15 | January |
| 2 | Survey on Computer Software & Information Technology Services Exports: 2014-15 | |
| 3 | Annual Census on Foreign Liabilities and Assets of Indian Companies: 2014-15 | |
| 4 | Performance of Private Corporate Business Sector during First Half of 2015-16 | February |
| 5 | Composition and Ownership of Deposits, 2015 | |
| 6 | What Ails India's Manufacturing Sector? | March |
| 7 | Finances of Non-Government Non-Financial Public Limited Companies: 2014-15 | |
| 8 | Performance of Non-Government Non-Banking Financial and Investment Companies: 2014-15 | April |
| 9 | Finances of Non-Government Non-Financial Private Limited Companies: 2014-15 | |
| 10 | Union Budget 2016-17: An Assement | May |
| 11 | Finances of Foreign Direct Investment Companies, 2014-15 | |
| 12 | Inflation Expectations Survey of Households: 2015-16 | June |
| 13 | Industrial Outlook Survey: 2015-16 | |
| 14 | India's Foreign Trade: 2015-16 | July |
| 15 | Flow of Funds Accounts of the Indian Economy, 2014-15 | |
| 16 | International Banking Statistics, 2015 | |
| 17 | India's Balance of Payments: 2015-16 | August |
| 18 | India's external Debt at End-March 2016 | September |
| 19 | Order Books, Inventories and Capacity Utilisation Survey : 2015-16 | |
| 20 | Consumer Confidence Survey: 2015-16 | |
| 21 | Corporate Investment: Growth in 2015-16 and Prospects for 2016-17 | |
| 22 | Monthly Seasonal Factors of Select Economic Time Series: 2015-16 | |
| 23 | Performance of Private Corporate Business Sector: 2015-16 | October |
| 24 | International Trade in Banking Services: 2015-16 | November |
| 25 | Survey on Computer Software & Information Technology Services Exports: 2015-16 | |

*: Indicative calendar is tentative and articles as well as month of publication may undergo a change.

## Recent Publications of the Reserve Bank of India

| Name of Publication | Price | |
|---|---|---|
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| 4. Report on Currency and Finance 2003-08 Vol. I to V (Special Issue) | ₹1,100 (normal)<br>₹ 1,170 (inclusive of postage)<br>₹ 830 (concessional)<br>₹ 900 (concessional inclusive of postage) | US$ 55 per copy<br>(inclusive air mail courier charges) |
| 5. State Finances - A Study of Budgets of 2014-15 | ₹390 per copy (over the counter)<br>₹430 per copy (including postal charges) | US$ 14 per copy<br>(inclusive air mail courier charges) |
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| 8. Mint Road Milestones RBI at 75 | ₹1,650 per copy (over the counter) | US$ 50 per copy<br>(inclusive of air mail courier charges) |
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| 10. The Paper and the Promise: A Brief History of Currency & Banknotes in India, 2009 | ₹200 per copy (over the counter) | US$ 30 per copy<br>(inclusive of air mail courier charges) |
| 11. Report of the committee on Fuller Capital account Convertibility (Tarapore Committee Report II) | ₹140 per copy (normal)<br>₹170 (per copy by post) | US$ 25 per copy<br>((inclusive of air mail courier charges) |
| 12. A Profile of Banks 2012-13 | ₹80 per copy (over the counter)<br>₹110 per copy (inclusive of postal charges) | US$ 7 per copy<br>(inclusive of air mail courier charges) |

| Name of Publication | Price | |
|---|---|---|
| | India | Abroad |
| 13. Selected Banking Indicators 1981 to 2002 (On CD-ROM) | ₹250 per CD (over the counter)<br>₹300 per CD (including postal charges) | US$ 75 (per CD)<br>(inclusive of air mail courier charges) |
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| 18. Banking Glossary (2012) | ₹80 per copy (over the counter)<br>₹120 per copy (inclusive of postal charges) | |
| 19. Anuvad Ke Vividh Aayam (Hindi) | ₹165 per copy (over the counter)<br>₹205 per copy (inclusive of postal charges) | |

**Notes**

1. Many of the above publications are available at the RBI website (www.rbi.org.in).
2. Time Series data are available at the Database on Indian Economy (http://dbie.rbi.org.in).
3. The Reserve Bank of India History 1935-1997 (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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