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MONETARY POLICY STATEMENT FOR 2016-17

Third Bi-monthly Monetary Policy Statement, 2016-17

*Third Bi-monthly Monetary Policy Statement, 2016-17 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 6.5 per cent;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liabilities (NDTL); and
- continue to provide liquidity as required but progressively lower the average *ex ante* liquidity deficit in the system from one per cent of NDTL to a position closer to neutrality.

Consequently, the reverse repo rate under the LAF will remain unchanged at 6.0 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 7.0 per cent.

Assessment

2. Since the second bi-monthly statement of June 2016, several developments have clouded the outlook for the global economy. Across advanced economies (AEs), growth in Q2 of 2016 has been slower than anticipated, and the outlook is still mixed. Headwinds in the United States from declining inventory investment were offset somewhat by strong payroll numbers. In the Euro area, the re-emergence of stress in some parts of the banking sector and the Brexit vote increased uncertainty. In Japan, downside risks have intensified in the form of a stronger yen, deflationary risks and contracting industrial production, triggering monetary and fiscal stimuli.

3. Among emerging market economies, activity remains varied. GDP growth stabilised in China in Q2, on the back of strong stimulus. Manufacturing activity was weak in July due to adverse weather and subdued export demand, although smaller firms recorded an uptick in new orders. Recessionary conditions are gradually diminishing in Brazil and Russia, but the near-term outlook is still fragile due to policy uncertainties and soft commodity prices.

4. World trade remains sluggish in the first half of 2016. International financial markets did not anticipate the Brexit vote and equities plunged worldwide, currency volatility increased and investors herded into safe havens. Since then, however, equity markets have regained lost ground. Currencies, barring the pound sterling, have stabilised, with the yen appreciating the most on risk-on demand as well as the announcement of fresh stimulus. Yields on government bonds have fallen further and the universe of negative yielding assets is expanding at a fast pace, reflecting high risk aversion and expectations of further monetary accommodation by systemic central banks. Crude prices, which had risen to an intra-year high in May on supply disruptions, remain volatile. Other commodity prices, barring those of precious metals, remain soft due to weak demand.

5. On the domestic front, several factors are helping to support the recovery. After a delayed onset, the south west monsoon picked up vigorously from the third week of June. By early August, the cumulative rainfall was 3 per cent higher than the long period average, with more than 80 per cent of the country receiving normal to excess precipitation. *Kharif* sowing strengthened after a lacklustre start, particularly with respect to pulses. Barring cotton, jute

* Released on August 09, 2016.

and mesta, sowing of all crops is currently above last year's acreage. These developments engender greater confidence about the near-term outlook for value added in agriculture. The target for *kharif* production set by the Ministry of Agriculture appears within reach.

6. Industrial production picked up in May on the back of manufacturing and mining, following a contraction in the preceding month. The uneven performance of industrial output reflects the lumpy and order-driven contraction of insulated rubber cables, a component of capital goods. Excluding this item, industrial production rose at 3.0 per cent in the current financial year. In fact, capital goods production excluding insulated rubber cables expanded by 8.0 per cent. Nonetheless, the prolonged sluggishness in the capital goods sector is indicative of weak investment demand. The rate of contraction in consumer non-durables slowed, pointing to some revival in rural demand. On the other hand, the pace of growth of consumer durables has been stable and buoyed by urban consumption demand, although it eased in May on base effects. Barring the contraction in natural gas and crude oil on account of structural bottlenecks, the core sector has been resilient as of 2016-17 so far, and should support industrial activity going forward. There are some signs of green shoots in manufacturing too, with purchasing managers and the Reserve Bank's industrial outlook survey indicating a pick-up in new orders, both domestic and external. Business confidence is also looking up in recent months, though the Reserve Bank's survey for March 2016 suggests that capacity utilisation, seasonally adjusted, is still weak.

7. Service sector purchasing managers polled the thirteenth successive month of expansion in July on the basis of a sharp acceleration in new business. Business expectations remained optimistic on better economic conditions and planned increases in marketing budgets. High frequency indicators of service sector activity are still, however, emitting mixed signals, although a larger number of indicators are in acceleration mode in Q1 of 2016-17 than in the preceding quarter. Automobile sales across most segments, railway, port and international air freight traffic, foreign tourist arrivals, and domestic air passenger traffic are providing the underlying momentum for the upturn. The gradual improvement in the services sector is getting broad-based.

8. Retail inflation measured by the headline consumer price index (CPI) rose to a 22-month high in June, with a sharp pick-up in momentum overwhelming favourable base effects. The rise was mainly driven by food, with vegetable inflation higher than the usual seasonal rise at this time of the year. Sugar prices also firmed up due to a decline in domestic production after two successive years of drought. While pulses inflation started moderating, prices of pulses have been rising again since April after a short-lived correction in the previous quarter. Inflation pressures are also incipient in cereals. These developments fed through into households' inflation expectations three months ahead, reversing the decline seen in the last two quarters.

9. Fuel inflation remained subdued, mainly due to sustained deflation in prices of liquefied petroleum gas. Excluding food and fuel, inflation eased across major sub-groups. Further excluding petrol and diesel from transport, inflation fell below 5 per cent for the first time since the introduction of the combined CPI. Softer inflation readings were recorded across services constituents in health, education, personal care and effects, and other categories of household consumption. Rural wage growth has been rising *albeit* moderately, driven up by wages of agricultural

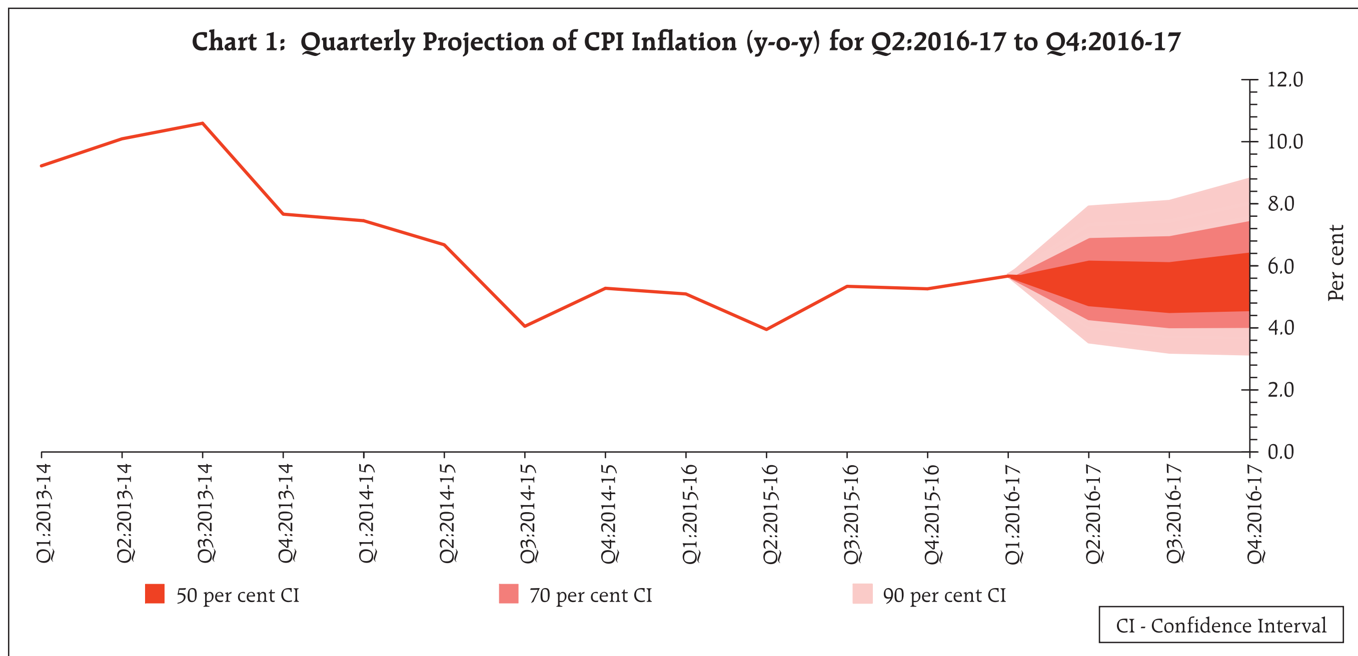
labourers. On the other hand, staff costs in the organised sector were relatively restrained.

10. Liquidity conditions eased significantly during June and July on the back of increased spending by the Government which more than offset the reduction in market liquidity because of higher-than-usual currency demand. The injection of durable liquidity through purchases under open market operations (OMOs), amounting to ₹805 billion so far, also helped in easing liquidity conditions, bringing the system-level *ex ante* liquidity deficit to close to neutrality (*albeit* without seasonal adjustment). Accordingly, the average daily liquidity operation switched from net injection of liquidity of ₹370 billion in June to net absorption of ₹141 billion in July and ₹405 billion in August (up to August 8). The Reserve Bank conducted variable rate repos and reverse repos of varying tenors in order to manage evolving liquidity conditions, with a more active use of reverse repos to manage the surplus liquidity. Reflecting the easy liquidity conditions, the weighted average call rate (WACR) and money market weighted average rate remained on average 15 basis points below the policy repo rate since June. Interest rates on other money market instruments such as certificates of deposit (CDs) and commercial paper (CPs) have also declined in both the primary and secondary markets.

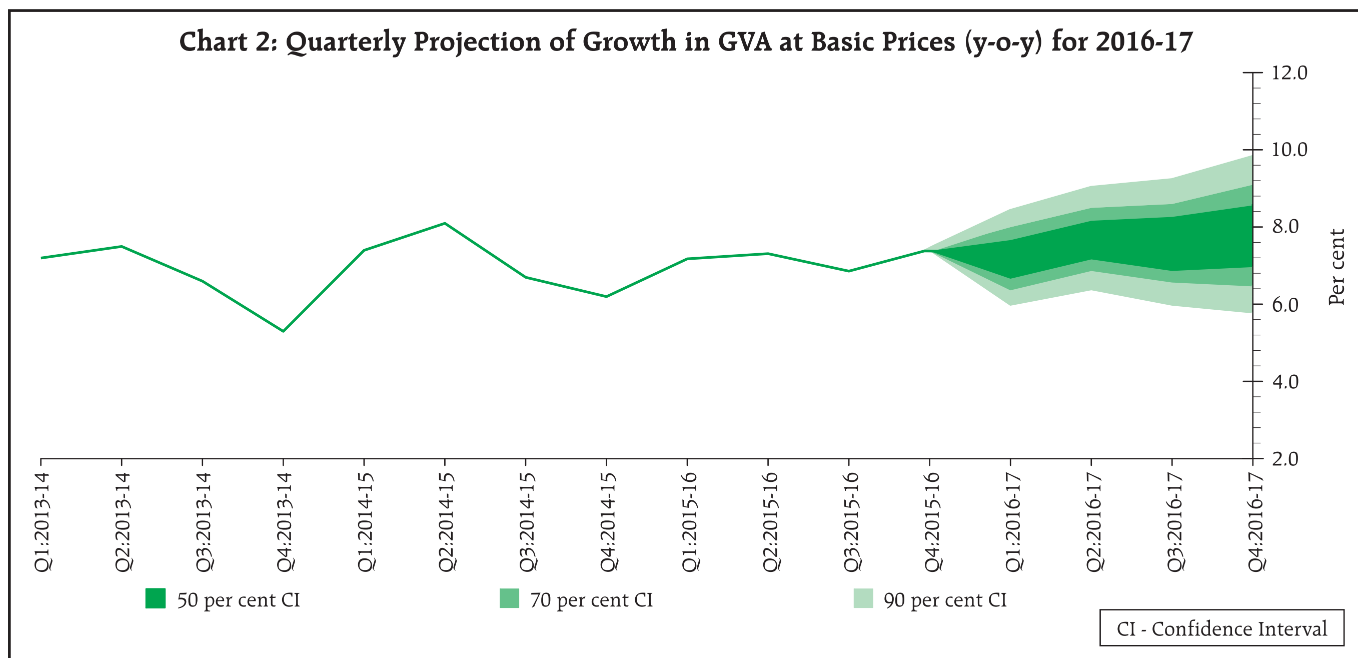
11. In the external sector, merchandise export growth moved into positive territory in June after eighteen months. This upturn was reasonably widespread, covering chemicals, marine products, handicraft, plastic, rice, electronic and engineering goods. On the other hand, imports continued to decline, *albeit* at a slower pace than in recent months. While lower crude oil prices continued to compress the POL import bill, domestic demand for gold remained muted, with domestic gold prices trading at a discount *vis-a-vis* international prices. Non-oil non-gold imports continued to shrink, pulled down by coal, fertilisers, ores, iron and steel and machinery and transport equipment. Cumulatively, the trade deficit narrowed in Q1 of 2016-17 on a year-on-year basis. Net receipts on account of services remained flat in April-May 2016, with net outflow under communication services and sluggish software earnings. While the pace of foreign direct investment inflows slowed in the first two months of 2016-17, net portfolio flows were stronger after the Brexit vote, notwithstanding considerable volatility characterising these flows. The level of foreign exchange reserves rose to US$ 365.7 billion by August 5, 2016.

Policy Stance and Rationale

12. The recent sharper-than-anticipated increase in food prices has pushed up the projected trajectory of inflation over the rest of the year. Moreover, prices of pulses and cereals are rising and services inflation remains somewhat sticky. There are early indications, however, that prices of vegetables are edging down. Going forward, the strong improvement in sowing on the back of the monsoon's steady progress, along with supply management measures, augers well for the food inflation outlook. The prospects for inflation excluding food and fuel are more uncertain; if the current softness in crude prices proves to be transient and as the output gap continues to close, inflation excluding food and fuel may likely trend upwards and counterbalance the benefit of the expected easing of food inflation. In addition, the full implementation of the recommendations of the 7th central pay commission (CPC) on allowances will affect the magnitude of the direct effect of house rents on the CPI. On balance, inflation projections as given in the June bi-monthly statement, *i.e.* of a central trajectory towards 5 per cent by March 2017 with risks tilted to the upside, are retained (Chart 1).



13. Looking ahead, the momentum of growth is expected to be quickened by the normal monsoon raising agricultural growth and rural demand, as well as by the stimulus to consumption spending that can be expected from the disbursement of pay, pension and arrears following the implementation of the 7th CPC's award. The passage of the Goods and Services Tax (GST) Bill augurs well for the growing political consensus for economic reforms. While timely implementation of GST will be challenging, there is no doubt that it should raise returns to investment across much of the economy, even while strengthening government finances over the medium-term. This should boost business sentiment and eventually



investment. The current accommodative stance of monetary policy and comfortable liquidity conditions should also provide a congenial environment for the reinvigoration of aggregate demand conditions. However, successive downgrades of global growth projections by multilateral agencies and the continuing sluggishness in world trade points to further slackening of external demand going forward. Accordingly, the GVA growth projection for 2016-17 is retained at 7.6 per cent, with risks facing the economy at this juncture evenly balanced around it (Chart 2).

14. Risks to the inflation target of 5 per cent for March 2017 continue to be on the upside. Furthermore, while the direct statistical effect of house rent allowances under the 7th CPC's award may be looked through, its impact on inflation expectations will have to be carefully monitored so as to pre-empt a generalisation of inflation pressures. In terms of immediate outcomes, much will depend on the benign effects of the monsoon on food prices.

15. In view of this configuration of risks, it is appropriate for the Reserve Bank to keep the policy repo rate unchanged at this juncture, while awaiting space for policy action. The stance of monetary policy remains accommodative and will continue to emphasise the adequate provision of liquidity. Easy liquidity conditions are already prompting banks to modestly transmit past policy rate cuts through their MCLRs and pro-active liquidity management should facilitate more pass-through.

16. It may be recalled that the refinements to the liquidity management framework effected in April 2016 were intended to smooth the supply of durable liquidity over the year using asset purchases and sales as needed, and progressively lower the average *ex ante* liquidity deficit in the system to a position closer to neutrality. The Reserve Bank intends to continue with this strategy, with the intention of closing the underlying liquidity deficit over time so that the system moves to a position of structural balance. As regards the management of the imminent FCNR(B) redemptions, the Reserve Bank has been frontloading liquidity provision through open market operations and spot interventions/deliveries of forward purchases. The Reserve Bank will continue with both domestic liquidity operations and foreign exchange interventions that should also enable management of the FCNR(B) redemptions without market disruptions. With a view to further front-loading the provision of liquidity, it has been decided to conduct an open market purchase auction on August 11, 2016. Details are being announced separately.

17. The fourth bi-monthly monetary policy statement will be announced on October 4, 2016.

SPEECHES

The Changing Paradigm for Financial Inclusion
Raghuram G. Rajan

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*The Changing Paradigm for Financial Inclusion**

Raghuram G. Rajan

Thank you for inviting me to address this seminar on equity, access, and inclusion. Financial inclusion is about (a) the broadening of financial services to those people and enterprises who do not have access to financial services sector ; (b) the deepening of financial services for those who have minimal financial services; and (c) greater financial literacy and consumer protection so that those who are offered financial products can make appropriate choices. The imperative for financial inclusion is both a moral one as well as one based on economic efficiency. After all, should we not give everyone access to the services we all in this room enjoy? Moreover, if everyone had the tools and resources to better themselves, would this not increase output, growth, and economic prosperity?

It would be fair to say that while we have made tremendous advances since independence, we have still some way to go to ensure widespread financial inclusion. What are the economic impediments to greater financial inclusion?

Perhaps the most important is the economic condition of the excluded. World over, the poor, the small, and the remote are excluded. It is not just because the financial system is underdeveloped, but because they are hard to service profitably. Nevertheless, this is not a reason to abandon hope, but to ask how we can overcome the impediments in the way of inclusion. The best way to characterise the impediments are through the acronym IIT: Information, Incentives, and Transaction Costs.

* Speech by Dr. Raghuram G. Rajan, Governor, Reserve Bank of India, on July 18, 2016, at the National Seminar on Equity, Access, and Inclusion – Transforming Rural India through Financial Inclusion organised by National Institute of Rural Development and Panchayat Raj in Hyderabad.

IIT

The excluded may live in remote areas or may belong to communities or segments of society that undertake economic activity informally – they do not maintain records or have signed contracts or documentation. They often do not own property or have regular established sources of income. As a result, a banker, especially if as is typical, he is not from the local region, will have difficulty getting sufficient information to offer financial products.

A second concern is incentives. For example, loans are easily available only if the lender thinks he will be repaid. When the legal system does not enforce repayment quickly or cheaply, and when the borrower does not have any collateral to pledge, the lender might believe that he will find it difficult to get repaid.

The third impediment is transactions costs. Since the size of transactions by the poor, or by micro farmers or enterprises is small, the fixed costs in transacting are relatively high. It takes as much time helping a client fill out the forms and to provide the necessary documentation if he is applying for a loan for ₹10,000 as it takes to help another one borrow ₹10 lakhs. A banker who is conscious of the bottom line would naturally focus on the large client in preference to the tiny one.

How does the moneylender manage?

One of the primary motivations for the country to push financial inclusion is to free the excluded from the clutches of the moneylender. How does the moneylender boldly lend where no banker dares to lend? Because he does not suffer the same impediments! Coming from the local community, the sahukar is well informed on what everyone's sources of income and wealth are, and how much they can repay. He is quite capable of using ruthless methods to enforce repayment. Moreover, the borrower knows that if he defaults on the sahukar, he loses his lender of last resort. So the

borrower has strong incentives to pay. Finally, because the sahukar lives nearby and uses minimal documentation – after all, he is not going to use the courts to force repayment -- loans are easily and quickly obtained. In an emergency or if the poor need to borrow on a daily basis, there are few more readily available alternatives than the moneylender. No wonder he has so many in his clutches.

How then should public policy approach this problem? I will now describe three approaches: mandates and subventions, transforming institutions, and moving away from credit.

Approach 1: Mandates and Subventions

One approach is to push formal institutions into reaching out to the excluded, even if it is unprofitable. This is why, for example, we mandate that banks allocate a certain fraction of their loans to the 'priority sector' and that they open 25 per cent of their branches in unbanked areas. There are also interest subventions that are made available for loans to particular sectors. Furthermore, banks have been urged to open bank accounts for all under the Pradhan Mantri Jan Dhan Yojana (PMJDY), while today they are being exhorted to make loans to small businesses under the Mudra Scheme.

Because there are positive social benefits to financial inclusion that are not captured by the service provider (what economists call 'externalities'), such mandates are reasonable from a societal perspective. For instance, the higher familial and community status a farm worker gets from starting her own poultry farm and contributing to the family income may, on net, outweigh the costs the bank incurs on making the loan. The bank cannot monetise the status benefits, but a government can decide those benefits are worth generating and mandate them.

In a similar vein, there may be network benefits from universal access – for instance, direct transfer of benefits is easier when the vast majority of beneficiaries have a bank account, and the accounts themselves will be used heavily when account to account transfers are made easier through mobile phones *via* the soon-to-be-introduced Unified Payment Interface (UPI). Mandated account opening essentially creates the universal network with its associated positive network externalities.

There are, however, a number of risks emanating from mandates. The first is that there is no market test of usefulness, and indeed, these may not be possible – how does one measure the value of the enhanced social status of the poultry farmer? So mandates are driven by the beliefs of the political leadership, and may persist a long time even if they are not effective. Furthermore, some vested interests may benefit from specific mandates and push for their perpetuation long after they have ceased being useful. Bankers themselves, seeing little profit in obeying the mandate, will try and 'achieve' it at least cost by targeting the most accessible and least risky in the eligible category, and even mislabeling normal activity so that it fits in the eligible list. Finally, some mandates fall primarily on the public sector banks. As competition reduces their profitability, their capacity to carry out mandates and still earn enough to survive diminishes.

So while acknowledging the value of mandates at the RBI, we have tried to make them more effective. For example, the list of sectors eligible for priority sector treatment has been revised, with an emphasis on targeting the truly excluded. Specifically, the share of adjusted net bank credit (ANBC) that has to go to small and marginal farmers (including share croppers) is set at 8 per cent for March 2017, and that for micro enterprises set at 7.5 per cent. At the same time, the scope for banks to meet priority sector norms without lending to the truly excluded has been reduced. For example, large loans to firms producing agricultural products no longer qualify. Also, banks are now

required to meet their targets at the end of every quarter, rather than at the end of the year, which reduces the scope for window-dressing with short-term end-of-year credit. Finally, Priority Sector Lending Certificates, which allow a lender to 'sell' any over-achievement in particular categories to others who are deficient, are now being traded, thus encouraging those who have a better capacity to make such loans to do so. All in all, the priority sector mandate is now not only better targeted at the truly excluded, but will be delivered more efficiently.

Mandates are not costless. Rather than forcing banks to recover costs by overcharging ordinary customers, or by demanding recapitalisation by the government, better to bring the costs into the open by paying for the mandate wherever possible. So, for instance, accounts or cash machines opened in remote areas could attract a fixed subsidy, which would be paid to anyone who delivers them. Not only will the cost of the mandate become transparent and will be borne by the authorities, thus incentivising them to make sensible decisions about how long to impose the mandate, the mandate can be delivered by the most efficient service providers, attracted by the subsidy. This is why the RBI today explicitly subsidises cash recyclers set up in underserved areas, and why central and state governments are paying banks for maintaining and servicing specified accounts. Going forward, narrow targeting of mandates to the truly underserved and explicit payment for fulfilling the mandate so that they are delivered by the most efficient should be the norm.

Approach 2: Creating the Right Institutions

As I argued earlier, the moneylender is particularly effective because he knows the neighbourhood and its people, and can make a good assessment of who is credit worthy. A large national bank with a local branch suffers from two infirmities. First, the branch manager has typically been recruited through an all-India exam, is from a different state, and typically is not intimately familiar with the local people. While many good branch managers do indeed learn about the community, some do not. The higher socio-economic status of bank officers also creates a distance with the poorer segments of the community, and their high salary makes many branches in remote areas economically unviable even if they could solicit business intelligently. Finally, given that the excluded do not have formal documents, bank managers in large banks with bureaucratic centralised procedures find it hard to provide effective service – how does one convey to head office the rationale for a loan to an intelligent enthusiastic tribal who wants to set up a small shop, but who has no formal education or track record?

Local financial institutions, with local control and staffed by knowledgeable local people, could be more effective at providing financial services to the excluded. HDFC Bank, for example, has been very successful growing its loan portfolio in Kashmir by recruiting local youth as loan officers. Certainly, this is also the obvious lesson to be drawn from the success of micro finance institutions, who combine their local knowledge with stronger incentives for repayment through peer pressure and frequent collection of repayments. Indeed, this was also the rationale for local area banks, regional rural banks, and is a strong feature in the cooperative movement.

Yet, while there have been some grand successes among these institutions, each form has some deficiencies. Micro finance institutions do not have access to low cost deposit financing, though securitisation of loans has been a growing avenue of finance. Local area banks could not expand out of their local area, exposing them to the geographical concentration risks. Regional rural banks agitated for parity in salary structures with parent scheduled commercial banks, and having achieved parity, find that their costs are not optimally suited for the clientele

they need to service. There are some very successful cooperative banks, on par with any universal bank, but far too many suffer from governance problems. The RBI has been engaged in bringing stronger governance to urban cooperative banks, but split supervision with state authorities limits how much it can do.

To provide an alternative institutional avenue for these categories of institutions to fulfil their mission, the RBI has created a new institution called the small finance bank, where 'small' refers to the kind of customer the bank deals with, not its size. With 75 per cent of the loans mandated to be below 25 lakhs, the small finance bank is intended to provide services to the excluded. Thus far, the licenses have been largely given to micro-finance institutions and one local area bank, but there is no reason why these cannot be given to regional rural banks and co-operatives in the future. The hope is that these institutions will maintain a low cost structure, augmented by technology, to provide a menu of financial services to the excluded.

New institutions can also help ease the flow of credit. For instance, credit information bureaus have helped tremendously in solving both the information and incentive problem in retail credit. When an individual knows that a default will spoil their credit rating and cut off future access to credit, they have strong incentives to make timely payments. In rural India, we need to expand the reach of credit bureaus, including by bringing borrowing under Self Help Groups into their ambit. The use of Aadhaar in identifying individuals will also help eliminate duplicate records, while making existing records more accurate. Going forward, by the end of the year, the Credit Information Bureau of India will start providing individuals with one free credit report a year, so that they can check their credit rating and petition if they see possible discrepancies. An important proposal by the government is to give small businesses 'Udhyog Aadhaar' numbers, which are unique IDs tied to both the entity as well as the promoter. Such IDs could allow small firms to build credit histories with credit bureaus, especially as the histories are tied to specific promoters.

Land is often the single most valuable source of wealth in rural areas. The digitisation of land records, accompanied by a guarantee of certificates of final ownership by the state government, as proposed in Rajasthan, will ease the use of land as collateral against which funds can be borrowed. Even a formal recognition of share cropping agreements, as in the *pattas* registered by the state government in Andhra Pradesh, could ease access to credit for share croppers.

As a final example, MSMEs get squeezed all the time by their large buyers, who pay after long delays. All would be better off if the MSME could sell its claim on the large buyer in the market. The MSME would get its money quickly, while the market would get a claim on the better rated large buyer instead of holding a claim on the MSME. All this will happen as the three Trade-Receivables Discounting Systems (TReDS) which the RBI has licensed, start later this financial year. The key is to reduce transaction costs by automating almost every aspect of the transaction so that even the smallest MSMEs can benefit.

Approach 3: Don't Start with Credit

We have been trying for decades to expand credit. We have focused much less on easing payments and remittances, on expanding remunerative savings vehicles, or on providing easy-to-obtain insurance against crop failures. In the emerging financial inclusion paradigm, the Government and the RBI are trying to expand inclusion by encouraging these other products, allowing credit to follow them rather than lead. Indeed, many successful organisations working with the poorest of the poor try to get them to put aside some money as savings, no matter how little, before giving them loans. Some of our self-help groups (SHGs) work on this principle. Not only does the savings habit, once

inculcated, allow the customer to handle the burden of repayment better, it may also lead to better credit allocation.

Easy payments and cash out will make formal savings more attractive. Today, a villager who puts money into a bank has to either trudge the 'last miles' to the bank branch to take out her money, or wait for an itinerant banking correspondent to come by. We are engaged in strengthening the network of banking correspondents; by creating a registry of banking correspondents, giving them the ability to take and give cash on behalf of any bank through the Aadhaar Enabled Payment System (which will also give them adequate remuneration), and requiring that they are adequately trained in providing financial services. Cash-in-cash-out points will expand soon as the Postal Payment Bank and telecom affiliated payment banks make post offices and telephone kiosks entry points into the financial system. Perhaps most interestingly, transfers from bank account to bank account will become easier in a few weeks *via* mobile through the Unified Payment Interface. A villager needing to pay a shopkeeper only needs to know the latter's alias – say Ram@xyzbank.psp. He feeds that into his mobile app, writes the payment amount, puts in his password, and presses 'send' and the payment is made, with both getting messages to that effect. Neither needs to visit the bank to take out or deposit money, no point of sale machine is needed. With the price of smartphones falling sharply, we are on the verge of solving the last mile problem.

With the power of information technology, perhaps the analysis of the savings and payment patterns of a client can indicate which one of them is ready to use credit well. Small businesses, which use the services of an on-line internet platform to sell, can establish a verifiable record of revenues that can form the basis for loans. Indeed, we are encouraged by the emergence of full service entities that help the small business with marketing and logistics, while tying up with a finance company to provide the business with credit. This will help the carpet seller from Srinagar advertise his wares to the world, even while expanding his business. We also propose to encourage peer-to-peer lending platforms with light-touch regulation, anticipating that they may have innovative approaches to gathering the information necessary to lend.

Some Issues

Having highlighted the various approaches to expand inclusion, let me now focus on some important issues that arise in managing the process. These are 1) Know your customer requirements 2) Encouraging competition to prevent exploitation 3) Ensuring some flexibility and forgiveness in financial arrangements 4) The need for skilling and support 5) Encouraging financial literacy and ensuring consumer protection.

Know Your Customer

Missing basic documentation is often an impediment to obtaining financial services. Knowing this, the Reserve Bank has steadily eased the required documentation for basic financial services. For instance, recognising that proof of address is difficult, especially for those moving location, the RBI requires only one document showing permanent address be presented. Current address can be self-certified by the account owner, preventing the considerable problems customers face when they migrate inside the country. Unfortunately, the RBI's instructions sometimes do not percolate to every bank branch – which leads to unnecessary harassment for consumers, as vividly described by a columnist recently. Going forward, we have asked the Indian Banks' Association to devise common account forms, where minimum RBI requirements will be printed on the back of the form. It will, for instance, become clear, that a very basic account with some restrictions on amounts and transactions can be obtained with no official documents whatsoever.

Competition to Prevent Exploitation

As I have argued, the excluded are typically risky, as well as costly to service. At the same time, they are also liable to exploitation because they have so little access. Exploitation may come from a moneylender who charges usurious rates, or a banker demanding personal gratification for giving a government-subsidised loan. The fundamental way to deal with exploitation is to increase competition amongst suppliers of financial services. Regulation can help, but we should be careful that regulation does not shut out competition, thus enhancing exploitation.

Consider two examples:

Politicians are rightfully concerned about the poor being charged usurious rates. So they often ask regulators to set interest rate ceilings. Of course, a clever regulated lender can avoid interest rate ceilings through hidden and not-so-hidden fees for making the loan. But let us assume the even cleverer regulator can ferret out such practices (not always a valid assumption). Nevertheless, there is still a problem. The lender has to recoup not just the credit risk margin which compensates him for the higher default risk of lending to those on the economic edge, but also the fixed costs of making, monitoring, and recovering small loans. If the interest rate ceiling is set too low, the regulated lender will not bother to lend since it is not worth his while. With competition from the regulated stifled, the poor borrower is left to the tender mercies of the rapacious unregulated moneylender. So interest rate ceilings have to have a Goldilocks quality – not so high that they allow the uninformed poor to be exploited, and not so low that they kill any incentive the regulated might have to lend. This is the very thin line that the RBI has been following in setting interest rate ceilings for micro finance firms. As institutional frameworks develop to reduce risk in lending, and as competition amongst lenders increases, we can lower the maximum chargeable rate.

In a similar vein, our regulations sometime prohibit the taking of collateral for loans below a certain size to certain borrowers such as students or small businesses. However, if lenders are not forced to lend, the prohibition on taking collateral may lead to borrowers who can indeed offer collateral being denied a loan. The impossible trinity suggests that you cannot limit interest rates, prohibit the taking of collateral, and still expect the borrower to have the same level of access to loans. Put differently, unless a regulation mandates lending, which they rarely do, there is always a risk that ceilings on interest rates or prohibitions on taking collateral will cut off institutional lending to some of the eligible. Our regulations must be set bearing this in mind.

One reasonable compromise between protecting the poor and ensuring they have access is to allow only unsecured or collateral-free loans to qualify for priority sector treatment or interest subventions, but to also allow institutions to take collateral if offered on ordinary loans, provided they have a policy of charging lower rates on such secured loans. While this may force some who have collateral to pledge it even if they would not have to do so under current regulations (albeit with some compensation in terms of a lower borrowing rate), it mitigates the greater evil of those who have collateral to offer being denied credit altogether. This is certainly an issue we have to reflect on.

Flexibility and Forgiveness

When people complain about the high cost of credit to small businesses, they do not realise the biggest component of interest costs is the credit risk margin, not the real policy rate. The credit risk margin is not under the control of the central bank, it has to be brought down by focusing on improving the lending institutional infrastructure, as I have argued earlier. However, even though a system that allows for strong enforcement of repayment reduces the credit risk

margin lenders charge, it also imposes larger costs on unfortunate borrowers. So, for example, should a student who chose the wrong college for studies and ended up having to pay back huge loans with only a mediocre job be penalised for life? We need a system that has some flexibility in repayment, so that those who make bad choices or have bad luck can get some relief. At the same time, they should not escape all responsibility, else we will see people borrowing excessively and misusing the proceeds, knowing they can get away scot free.

Keeping this in mind, our master circular on natural calamities allows banks to restructure agricultural loans without classifying them NPA, provided there are widespread crop losses in the local area. This prevents individuals from exploiting the system, while giving collective relief when the area is hit. Similarly, we have advocated that student loans be structured with an optional moratorium period, so that a borrower can survive periods of unemployment without being permanently labeled a defaulter. Going forward, we should accept the possibility of individuals, including farmers, declaring bankruptcy and being relieved of their debts, provided this remedy is used sparingly, and the individual chooses bankruptcy as a last choice, knowing he will lose assets and be excluded from borrowing for a period.

Skilling and Support

There is a widely perpetuated myth that access to financial services is all that is necessary to set a poor farm worker on her way to riches. This is simply not true. Clearly, access to institutional credit can help her pay back a money lender, and thus give her some relief. Access to a bank account can allow her to put aside some savings, which protects them from the demands of needy relatives. But to generate income in a sustainable way, she needs help – in acquiring the skills necessary to raise chicken or cows or grow flowers, in marketing that product, and in learning how to manage funds. Often, credit offered without such support simply drives her further into debt.

Sometimes, people learn from neighbours as clusters start undertaking an activity. Sometimes people already know a marketable skill and only lack credit to buy the necessary raw material to produce or expand. More commonly, however, those who want to encourage micro-entrepreneurship have to work on a variety of supporting actions other than just credit, especially skilling. Fortunately, in India we have a flourishing NGO movement that often works with the government to provide the necessary support – as in the Jivika rural livelihoods program in Bihar. Increasingly, some banks have adopted a holistic approach to support as they encourage micro-entrepreneurship. As the Government's Skill India program expands, it will produce more people who can use credit well. Stronger linkages between the program and financial institutions will have to be built.

Financial Literacy and Consumer Protection

Finally, as the excluded are drawn into formal financial services, they will encounter aggressive selling and in some cases, outright mis-selling. At the Reserve Bank, we are conscious of our need to expand financial literacy so that the consumer is more aware. In the coming weeks, we will be launching a nationwide campaign trying to impart some basic messages on sound financial practice. We are also looking to have financial education included in the school curriculum across the country. We need to make a special effort in rural areas. The RBI, in June 2012, advised banks to set up Financial Literacy centres (FLC) in all the districts of the country. Banks have been further advised to scale up financial literacy efforts through conduct of outdoor Financial Literacy Camps, at least once a month, both

by the FLCs and also by all the rural branches. Banks have so far set up 1,329 FLCs as at the end of December 2015.

In 2015, the RBI came out with 5 principles that banks had to follow in dealing with customers. We asked banks to implement this Charter of Consumer Rights, and asked them to appoint an internal ombudsman to monitor the grievance redressal process. We now will examine how banks are faring, and whether further regulations are needed to strengthen consumer protection. We will especially focus on mis-selling of third party products such as insurance, as well as the extension of adequate grievance redressal to rural areas, including through the RBI's ombudsman scheme.

Conclusion

The country has come a long way in the process of financial inclusion, but still has a way to go. We are steadily moving from mandates, subsidies, and reliance on the public sector banks for inclusion to creating enabling frameworks that make it attractive for all financial institutions to target the excluded, even while the interests of the excluded are protected through education, competition and regulation. I am confident that in the foreseeable future, we will bring formal financial services to every Indian who wants them. Financial inclusion will be an important element in ensuring access and equity, necessary building blocks for the sustainable growth of our country. Thank you.

*IDRBT Banking Technology Excellence Awards: Remarks**

Raghuram G. Rajan

I congratulate all the awardees of the IDRBT Banking Technology Excellence Awards. IDRBT instituted these Awards in the year 2001, which reflects the long road traversed by the banking sector in terms of technology adoption. The last few years have seen the convergence of various factors in the payment systems sphere, which makes possible a near-revolutionary improvement in financial access. Unless we take concerted steps to address some of the challenges, however, the full potential of the opportunities may not be achieved. I intend to briefly touch upon some of these issues and challenges in my short remarks today.

Payments systems are the plumbing of the financial system; so long as there is no leakage or clogging, we are unaware of their functioning. But when they do back up, the situation becomes catastrophic quickly.

The Reserve Bank, as the regulator of payment and settlement systems in the country, develops the necessary regulatory framework, generally through a consultative process, to ensure that different types of payment systems cater to the needs of different segments of society. The aim is to ensure easy accessibility and interoperability of the payment infrastructure, while ensuring safety and security of transactions. We encourage a variety of payment channels not only because they cater to diverse needs but also because they add resilience in case some channel breaks down.

Banks have been the traditional gateway to payment services. However, with the fast pace of technological changes, this domain is no longer the monopoly of banks. Non-bank entities are providing innovative payment products and services, forcing banks to reflect upon their strategy – to compete or to collaborate? Banks may not have the wherewithal to compete effectively if they have not been investing in technology and associated personnel. However, if they collaborate without building these capabilities, they may be left with crumbs from the client while their partner takes the whole client cake.

From the RBI's perspective, we welcome both competition and collaboration. What we do find concerning is stasis – for instance, the long period when mobile companies and banks were not willing to work together for fear that one would capture the other's clients. The licensing of payment banks has broken that logjam, and a number of alliances are now under way. Let me broadly describe how we would like to see the payment system evolving.

Some Desirable Features of Payments Systems

Our regulations governing payments systems have to be ownership, institution, and technology neutral so that we encourage the most efficient outcomes. We are more open to experimentation at the early stages of a product or method of service, as will be clear in the soon-to-be-released peer-to-peer lending regulations. At the same time, we have to be more conscious of the risks to stability as innovations catch on and expand. This phased approach is now being called the sand-box approach elsewhere.

Second, we prefer payment platforms that offer broad based access, rather than those that limit access significantly. We would especially like critical channels to be publicly or widely owned rather than monopolised.

Third, we would like payment mechanisms to be cheap and scalable, so that they are suited to our

* Remarks by Dr. Raghuram G. Rajan, Governor, Reserve Bank of India, at the IDRBT Banking Technology Awards function on July 18, 2016, Hyderabad.

economy where ticket sizes are small but transaction volumes huge. An additional desirable element would be for the different payment systems to be interoperable – or at least be able to talk to each other.

Fourth, we need systems that offer security even to the unsophisticated user, and do not place a huge burden of care on them. This requires greater emphasis on transaction monitoring and identification of suspicious patterns by the system operator, rather than an insistence on ever increasing levels of care by the unsophisticated user.

And fifth, we need an effective process of consumer redressal that allows speedy and fair resolution of customer complaints. So long as customers adhere to a reasonable level of care, residual risks should be absorbed by the operator.

Some recent developments

Let me now describe some of what has been happening in payments and relate back to our desires.

- Various payment products and interfaces are now available – Internet banking, cards, mobile banking, ATMs and micro ATMs, prepaid payment instruments including e-wallets and m-wallets.
- Remittance facilities through National Electronic Funds Transfer system (NEFT), Real Time Gross Settlement system (RTGS), Immediate Payment System (IMPS), Instant Money Transfer (IMT), *etc.*, most of which can be accessed through multiple channels including net banking, mobile banking, ATMs and Business Correspondents.
- Leveraging on the high mobile density in the country, mobile banking services are being encouraged through interoperable USSD channel like *99# and the Unified Payments Interface (UPI) provided by National Payments Corporation of India (NPCI). I am especially enthused by UPI, as smartphones become more widely available. Transfers from bank account to bank account will become easier in a few weeks *via* smartphone through the Unified Payment Interface. A villager needing to pay a shopkeeper only needs to know the latter's alias – say Ram@xyzbank.psp. He feeds that into his mobile app, writes the payment amount, puts in his password, and presses 'send' and the payment is made, with both getting messages to that effect. Neither needs to visit the bank to take out or deposit money, no point of sale machine is needed. With the price of smartphones falling sharply, we are on the verge of solving the last mile problem.
- Government direct benefit payments are being made through Aadhaar linked payment systems like Aadhaar Payment Bridge System (APBS) and Aadhaar Enabled Payment System (AEPS).
- Bulk and repetitive payments of corporates and governments can be processed through centralised system of National Automated Clearing House (NACH) to which the decentralised system of Electronic Clearing Service (ECS) is also being migrated.
- In ensuring the safety and security of transactions to build confidence and trust in electronic payments some of the measures put in place include mandatory online alerts for card transactions, mandatory PIN entry for every transaction at ATM, additional factor of authentication for card transactions, need for entering PIN for even magstripe Debit cards when used at POS (Point of Sale), migration from magstripe to Chip and PIN cards in a

phased manner, processing of ATM transactions on chip data when EMV Chip and Pin cards are used, encouraging use of contactless cards using interoperable protocols, *etc.* Merchants who complain about 'dropped' transactions as we require additional factors of authentication should also recognise the additional traffic as customers feel safer using their cards. At the same time, we are open to innovative ideas on how to ease transaction costs while preserving security.

- Bharat Bill Payments System (BBPS) has been put in place to address the needs of the large bill payments market, to provide the convenience of anytime, anywhere, any bill payment facility to the users. It is expected to roll out shortly.
- Another significant area of development has been the Trade Receivables Discounting System (TReDS) which ought to be a game-changer for meeting the financing needs of Micro, Small and Medium Enterprises (MSME) segment. MSMEs get squeezed all the time by their large buyers, who pay after long delays. All would be better off if the MSME could sell its claim on the large buyer in the market. The MSME would get its money quickly, while the market would get a claim on the better rated large buyer instead of holding a claim on the MSME. All this will happen as the three Trade-Receivables Discounting Systems (TReDS) which the RBI has licensed, start later this financial year. The key is to reduce transaction costs by automating almost every aspect of the transaction so that even the smallest MSMEs can benefit.

With these changes taking place and more yet to come, the roles and responsibilities of the banks need to be underscored. Some of the challenges that merit attention are:

- Does the bank's vision and strategy take into account payment services aspects? Are there adequate human resources to project requirements and implement them?
- Adopting technology is more than automation. It calls for serious efforts at re-engineering business processes. Workaround solutions do not last long and the price for overhauling the system in the long run may be just too expensive to manage. There has to be a conscious evaluation of process dependencies taking into account customer experience, security issues *etc.* besides having a long term view of the developments, particularly those of interoperability within and across systems.
- Despite the huge potential, activation rates and usage levels of various electronic payment services remain at low levels, though growth is picking up. No doubt the fear of taxation as payments move from cash to electronic plays a part in dampening activity. As information technology brings down the possible space to avoid or evade tax, and as the benefits, for example in access to credit, of building verifiable histories of transactions increase, I have no doubt that merchants will push more for electronic payments. Some tax benefits to those merchants who show increases in digital transactions, and perhaps innovative ways to encourage customer participation, may be

beneficial. For example, service providers could enter every transaction into a high-payout monthly lottery, with a few lucky customers rewarded every month.

- At the same time, we should not rule out the possibility that the reluctance to transact is because of the unknown security consequences and costs of using technology. While banks find it more profitable to cater to the requirements of privileged customers, the digital divide should not widen, with more and more digital payment options being designed to serve the requirements of those who already have access to digital, while a large segment of society is left dependent on cash as they are neither aware of the options nor is the infrastructure made accessible at low cost. Creating appropriate customer awareness would not only enable the customers to choose their mix of payments taking into account time criticality, security and risk, and the cost involved, but also enable the banks to optimise their payment product mix depending upon their customer profiles.

- No technology-based or digital services can be offered without consideration for security of transactions. Recently, there have been a spate of frauds (through vishing and phishing) in some segments of payment services. Banks have a very high level of responsibility when adopting digital channels – to not only ensure security of the channel at infrastructure level, to protect data security and personal privacy at system level but also address the need to build customer awareness in security matters. There is no point creating security for the ideal customer, instead the system should incorporate the possibility of mistakes by the actual customer that we have. The RBI has set up an Information Technology (IT) subsidiary to support the IT requirements of the RBI and the sector. The IT subsidiary would focus on IT and cyber security (including related research) of the financial sector and assist in IT systems audit and assessment.

- A related matter is the issue concerning customer liability and risk management for electronic payment transactions. The Reserve Bank will soon be laying down the framework for customer liability in electronic payments. Banks have to necessarily build this aspect into their customer education and grievance handling processes.

To conclude, we are in the midst of a payments revolution. There is a tremendous opportunity for us to solve some of the critical problems of the financial system such as financial inclusion. However, opportunity also brings responsibility, and I am fully confident that the institutions represented here will rise to the challenge.

*Policy and Evidence**

Raghuram G. Rajan

Good morning. It is a pleasure to welcome learned statisticians and economists from across the world to this Statistics Day celebration at the RBI. I am sure you will spend the day discussing advances in the fields of economics and statistics. These discussions will be very valuable. We certainly need to improve the quality and timeliness of our statistics, and big data can be very helpful.

What I want to talk about this morning is, however, not the quality or timeliness of the data but the use of evidence in the policy dialogue. Some may believe that all it takes to convince the body politic of the necessity to choose one policy over another is to present the evidence, complete with careful, and well identified tests. Confronted with the evidence, the advocates of misguided policies will simply bow to the superiority of the other side's arguments and withdraw gracefully. Unfortunately, as many of you who advise policymakers know, this is not how the real world works.

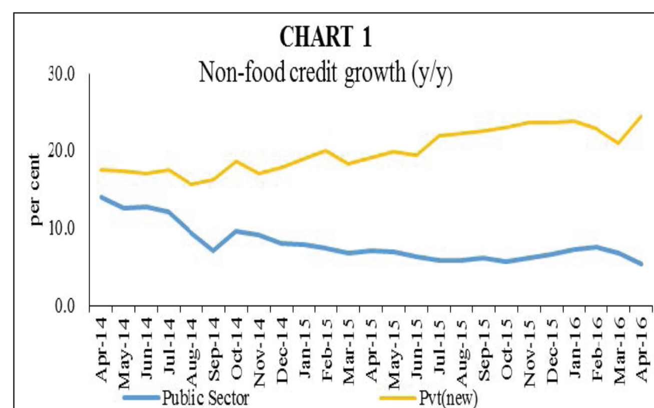
Let me make the point using a current debate in India. There is a belief in some quarters that the Reserve Bank has hurt economic growth by keeping interest rates and borrowing costs too high, that those high rates have reduced credit and spending but had little effect on inflation. Inflation has come down only because of good luck stemming from low energy prices. Furthermore, the RBI has compounded the growth slowdown by urging banks to clean up their balance sheets. The RBI, of course, stands by its policies. Nevertheless, this debate is very important because it could shape policy directions in India over the medium term.

Now what does the evidence say? I am going to offer some simple charts only, not detailed econometric tests, but they should indicate the rationale for our actions. Specifically, monetary policy has not been too tight. Instead, I will argue that the slowdown in credit growth has been largely because of stress in the public sector banks, stemming from past mistakes in lending. This will not be fixed just by a cut in policy rates. Instead, what is required is a clean-up of the balance sheets of public sector banks, which is underway and needs to be taken to its logical conclusion. I will then speculate why economic evidence finds it so hard to prevail in the public debate, not just in India but elsewhere in the world.

Public Sector Lending vs Private Sector Lending

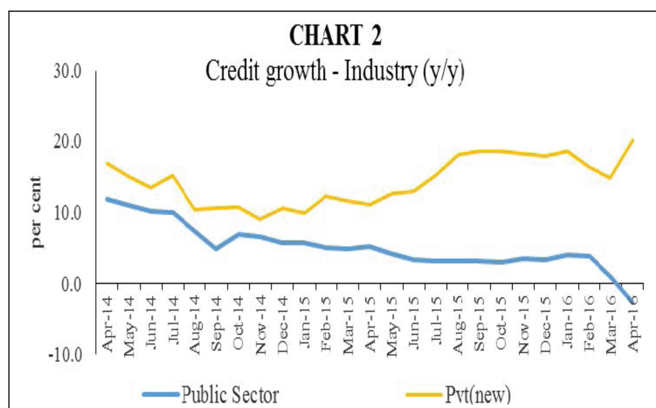
Let us start by looking at public sector bank credit growth compared with the growth in credit by the new private banks. As the trend in non-food credit growth shows (Chart 1), public sector bank non-food credit growth has been falling relative to credit growth from the new private sector banks (Axis, HDFC, ICICI, and IndusInd) since early 2014.

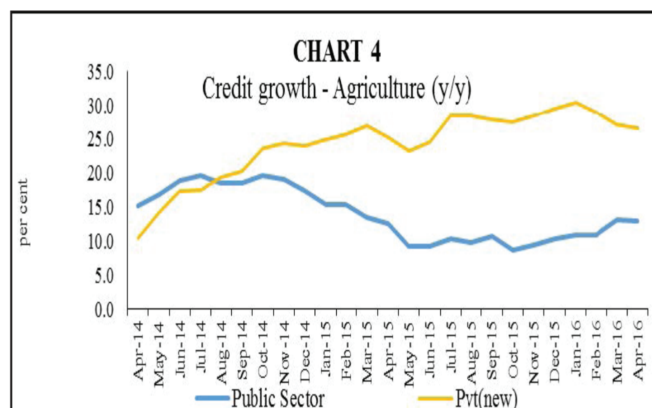
This is reflected not only in credit to industry (Chart 2), but also in micro and small enterprise credit (Chart 3).[1]



* Inaugural Address by Dr. Raghuram G. Rajan, Governor, Reserve Bank of India at the 10th Statistics Day Conference 2016, Reserve Bank of India on July 26, 2016, Mumbai.

[1] In Chart 2, the latest negative growth April number may be an aberration because of UDAY bonds being transferred from bank loan books to investments





The relative slowdown in credit growth, albeit not so dramatic, is also seen in agriculture (Chart 4), though public sector bank credit growth is picking up once again.

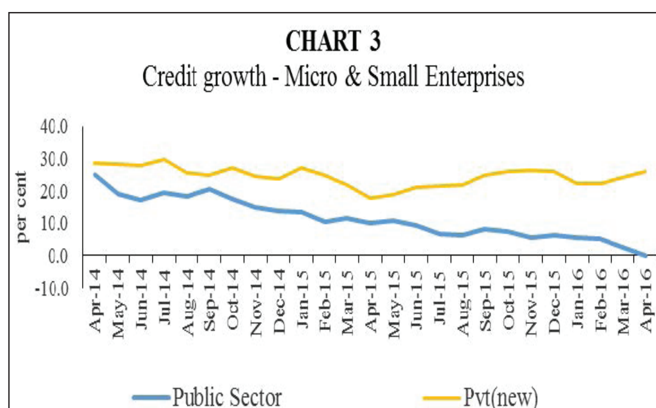
Whenever one sees a slowdown in lending, one could conclude there is no demand for credit – firms are not investing. But what we see here is a slowdown in lending by public sector banks *vis-a-vis* private sector banks. Why is that?

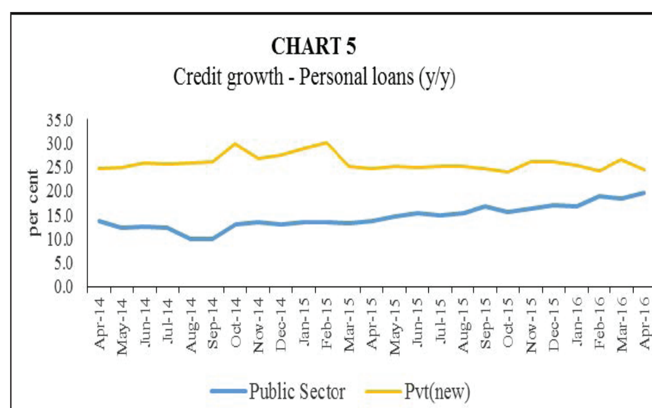
Such a simple identification test suggests that the problem is not that aggregate demand for credit is low because interest rates are too high. That would have implied a slowdown in credit across the board. Yet the real rates of credit growth from private sector banks to different sectors are extremely high, and private banks typically do not charge lower interest rates than public sector banks. This suggests strong demand for loans from them at prevailing interest rates. The obvious conclusion one should draw, therefore, is that the slowdown is because something is affecting credit supply from the public sector banks specifically.

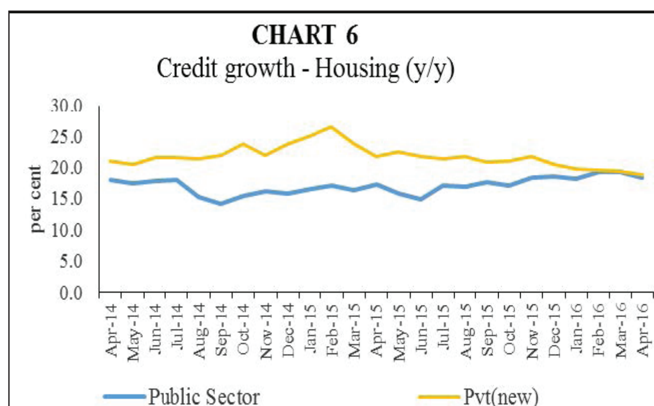
Could it be the lack of public sector bank capital? If we look at personal loan growth (Chart 5), and specifically housing loans (Chart 6), public sector bank loan growth approaches private sector bank growth.

The lack of capital therefore cannot be the primary culprit. Rather than an across-the-board shrinkage of public sector lending, there seems to be a shrinkage in certain areas of past high credit exposure, specifically in loans to industry and to small enterprises.

Additionally, the fact that the credit slowdown dates from early 2014 suggests that the bank cleanup, which started in earnest in the second half of fiscal year 2015, was not the cause. Indeed, the slowdown is best attributed to over-burdened public sector bank balance sheets and growing risk aversion in public sector bankers. Their aversion to increasing their activity can

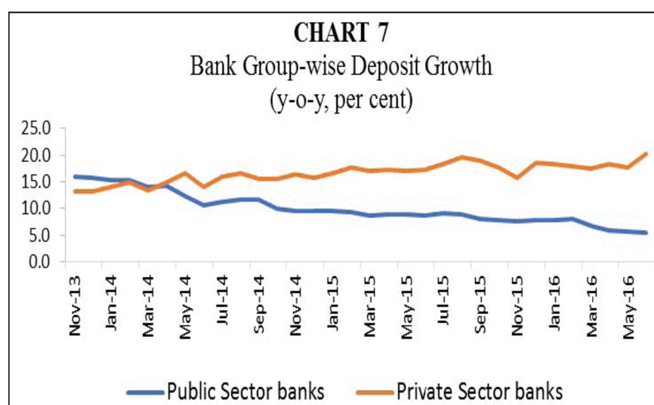






be seen in the rapid slowdown of their deposit growth also, relative to private sector banks (Chart 7). After all, why would public sector banks raise deposits aggressively if they are unwilling to lend?

In sum, the Indian evidence, supported by the narrative of experiences from other parts of the world such as Europe and Japan, suggests that what we are seeing is classic behavior by a banking system with balance sheet problems. We are able to identify the effects because parts of our banking system do not suffer from such problems. The obvious remedy to anyone with an open mind would be to tackle the source of the problem – to clean the balance sheets of public sector banks, a remedy that has worked well in other countries where it has been implemented. Clean up is part of the solution, not the problem, and that is what we are doing.

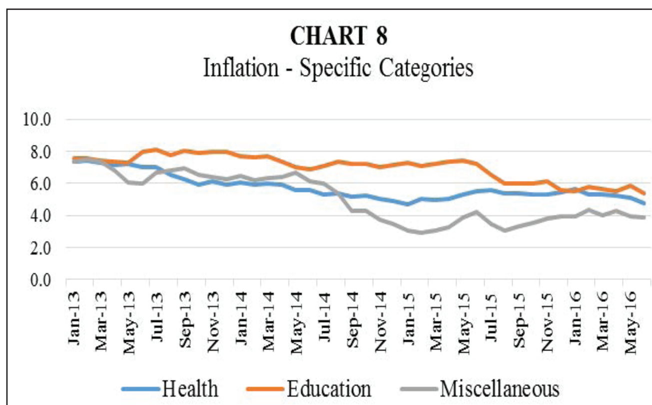


Another take on whether rates are too high

Let me now turn back to inflation. No doubt, the RBI has emphasised the fight against inflation, and a key element of any disinflationary process is to curtail aggregate demand. At the same time, because past excess investment and low global demand created overcapacity in certain sectors, the RBI could afford to be less aggressive in curtailing demand than in different circumstances. This is why we chose a gentle glide path to bringing down inflation, first down to 8 percent in 2015, then 6 percent in 2016, and now 5 percent in 2017. We have cut interest rates by 150 basis points since January 2015. With CPI inflation currently close to the upper bound of our inflation target, few could sensibly argue that we have not been adequately accommodative. Of course, our last policy statement indicated we expect it to come down to around 5 percent by March 2017.

Critics offer two contradictory arguments on inflation. On the one hand, they argue that we have killed demand and growth through high rates – though this itself seems at odds with the received wisdom that we are the fastest growing large economy in the world. On the other, they argue that our policy has had little effect on curbing inflation, that disinflation has been a result of the fall in oil and other commodity prices.

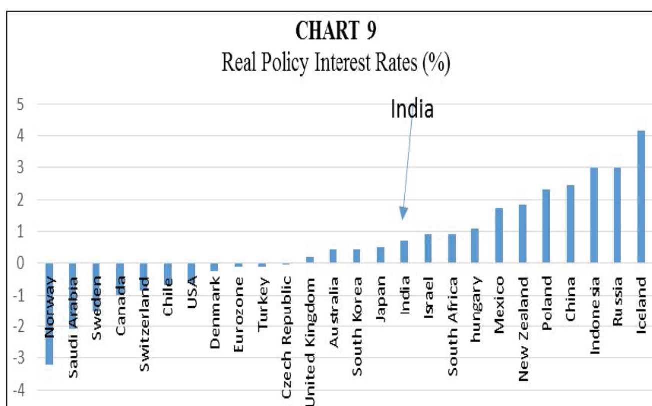
It is worth pointing out that the disinflation process started in late 2013, long before oil prices collapsed. Moreover, a significant part of the fall in oil prices globally has not been passed on domestically, as the government has hiked excise on petrol and diesel, and refinery margins have also waxed and waned. For instance, even as the price of the Indian crude basket fell 72 per cent between August 2014 and January 2016, the pump price of petrol fell only 17 per cent. Therefore, while I do want to acknowledge the benign international price environment in bringing down inflation, it is not



the entire story. To see this, we plot inflation in non-traded education and health care services in Chart 8, as well as the broader miscellaneous component of the CPI index. Here too, inflation has come down.

How could the Reserve Bank have brought down inflation without killing demand? By bringing down the public's expectations of inflation and by not giving in to the clamor to slash interest rates! Interestingly, the clamor builds up whenever year-on-year inflation is low relative to the policy rate, no matter whether low year-on-year inflation is because of mechanical base effects, and regardless of whether inflation is projected to go up in the future. No serious central bank determines policy on such a basis, but it sometimes is the focal point for the media debate here.

As a final piece of evidence on whether our policy is too tight, consider Chart 9 plotting real policy rates around the world. Given our real growth is amongst the highest in the world, while our inflation is in the



upper tier, one would expect our real policy rate to be high. Instead, it is right in the middle of the pack of large countries, and significantly lower than China, a country we often like to compare ourselves with. Once again, evidence seems contradictory to the views of the critics of our policy.

Finally, some legitimate concerns have been raised about whether our inflation target should include volatile components of inflation like vegetables and other foods. In reality, the RBI has typically looked through such volatility in setting policy rates. Even in the new inflation framework, the inflation target has to be breached three quarters in a row for the MPC to have to explain its failure. Volatile components like vegetables tend to be smoothed over three quarters. At the same time, it is not reasonable to drop food entirely from the target index. It is the single most important consumption category for most Indians still. Moreover, as Indians get richer, there are some structural shifts in consumption patterns that are reflected in higher prices for favored items. It would not be appropriate to ignore these structural shifts and the need for associated supply responses. It is heartening that after years of high pulse inflation, we are seeing a strong attempt by the Government to encourage pulse cultivation, and early sowing patterns suggest possible significant increases in pulse production.

Why do arguments persist despite contrary evidence?

Why is the debate uninfluenced by the data? Why is it that as we seem to be bringing inflation under control, public voices to abandon the fight are loud? I don't know for sure but let me hazard a guess; Is it possible the political economy of inflation is different from the received wisdom we were taught in class as students? And are there parallels to the political economy of bank cleanup?

Specifically, despite all the public commentary against inflation and its pernicious effect on the weaker

sections of society, there seems to be surprisingly little anxiety in public commentary about inflation so long as it stays in the high single digits. Industrialists welcome negative real rates of interest for obvious reasons. Many middle class savers value the high nominal interest rates on their fixed deposits, not realising that their principal is eroding significantly every year. The Keynesian economist is happy because monetary policy is extremely accommodative. The analysts cheer every cut in interest rates because markets are assumed to have a Pavlovian positive response to them. Even the poor are inured to their fate of seeing real incomes erode, and are only aggrieved when the price of some food staple sky-rockets. Interestingly, short term spikes in food staples are not really controllable by monetary policy, which then leads to the incorrect generalisation that since monetary cannot control the politically most important aspects of inflation, it cannot control inflation in general.

With no powerful and vocal political constituency getting agitated about generalised inflation so long as it is only moderately high, opponents of disinflationary policies are free to frame the debate as they wish. The persuasive way is to claim that interest rates are hurting growth. The argument is hard to refute because there is always some sympathetic borrower who is paying seemingly excessive rates. The high prevailing borrowing rate of some small borrower – say 15 per cent today – is held out as Exhibit A of the central bank's inconsiderate policies, never mind that the rate charged includes the policy rate of 6.5 per cent plus an additional spread of 8.5 per cent, consisting of a default risk premium, a term premium, an inflation risk premium, and the commercial bank's compensation for costs, none of which are directly affected by the policy rate.

The press is constantly urged to frame the debate as inflation versus growth, and with inflation still moderate, only the excessively conservative central bank could be against growth! Never mind that overly accommodative policy today will set up inflation for the future; Never mind that the last forty years of economic theory and practice suggests that the best way central banks can support growth over the medium term is by keeping inflation low and stable.

The reality, of course, is that high inflation is not stable. As we have seen in India's own past, and in other emerging markets, moderately high inflation tends quickly to become very high inflation. The currency then becomes volatile, leading occasionally to external stress. After all, one of the reasons we were termed the Fragile Five in the summer of 2013 was because of our high inflation. Moreover, the saver eventually recognises that high inflation erodes the value of his financial savings and switches to real assets like gold. Since we do not mine gold in the country, this also puts pressure on the current account.

In sum, the fragilities associated with high inflation accumulate, and eventually could lead to crisis. However, the belief that there is a strong powerful domestic constituency against inflation in India, which was drummed into our heads as students, may be a myth, certainly at moderately high levels of inflation. Without any political push back as inflation rises, what is to ensure macroeconomic stability?

Unlike more authoritarian Asian economies that used severe administrative measures to deal with bouts of high inflation during their growth phase, our democratic structure rightly does not permit such measures. So it is better that we tackle inflation up front by building the necessary institutions. Perhaps this is why successive governments, in their wisdom, have given the RBI a measure of independence. Certainly, such concerns would support the current government's decision to enshrine its commitment to low inflation through a formal inflation target and the creation of a monetary policy committee.

Interestingly, a similar public dynamic seems to be at work in attitudes towards cleaning up the public

sector banks. Clearly, over-levered promoters have no incentive to see the banks tighten screws and demand repayment. Some public sector bank CEOs with a short remaining tenure would prefer not taking stern action and recognising NPAs. They might indeed prefer transferring any problems to their successor. Investors in bank shares, at least initially, do not welcome disclosures of loan losses. And depositors, knowing the government stands fully behind public sector banks, are rightly unperturbed by the quality of bank balance sheets.

So it is easy to ignore the problem of loan losses and hope it somehow goes away, much as it is easy to ignore moderately high inflation. But as with inflation, loan losses have a tendency to increase. The lesson from other countries is that by the time losses get too big to ignore, they are too late to manage, and the system is in crisis. As with inflation, it is the task of the central bank to press for bank clean up earlier, when few amongst the public support the central bank's activism.

Fortunately, after an initial reluctance, banks have entered the spirit of the cleanup and some have gone beyond what was demanded of them. The stock market, after reacting negatively initially early this year, has been more supportive of public sector bank stock prices, probably reflecting the belief the cleanup is good over the medium term. Promoters are selling assets and paying up, and new asset reconstruction companies are being started to buy assets. To restore bank balance sheets to health, it is important this process be taken to its logical conclusion.

Criticism of the central bank using arguments unsupported by evidence is not just an Indian phenomenon. The Bank of England was criticised for laying out the economic costs of Brexit, the ECB has been criticised for doing too much to restore health to troubled peripheral economy financial sectors, and the Fed is under fire for departing from the Taylor Rule. Criticism comes with the territory, and central banks need to make the case for their policies. At the same time, it is important that governments around the world look beyond sometimes uninformed and motivated public criticism and protect the independence of their central bank to act. That is essential for stable sustainable growth.

*Information Technology – New Gauntlets for Banks**

R. Gandhi

Honourable Governor Dr. Raghuram G. Rajan, members of the Governing Council of IDRBT, Chiefs of banks, Heads of IT departments of banks, Director, IDRBT, Faculty members, Students, Ladies and Gentlemen. It gives me great pleasure to be present at the 12th IDRBT Banking Technology Awards.

2. I am glad to be back to be directly dealing with the subject of technology yet another time. I have the unique honour of having been and being associated with IDRBT in every possible role – as a recipient of training, as a faculty, as an invitee to the General Council, as the Director, as a member of the General Council and as the Chairman of the Council; that's a special privilege that I cherish a lot.

3. If one thing that changed the face and the inner core of banking and continuing to change, it is technology. Banking and finance lend themselves eminently suitable for such continuous application of technology; every new development in technology has been gleefully opted for by banking and finance. The ever increasing volume of transactions and ever changing customer expectations are the key differentiating drivers for such an extraordinary use. Of course the need to increase efficiency and quality, and reduce cost is also there, like any other vocation.

4. The Reserve Bank has been very aware of the potentialities of technology for gainful use within the banking system. Given the then prevailing adverse environment for free use of technology in the banking sector, the Reserve Bank carefully crafted an acceptable foundation and path for its adoption and increasing usage, thanks to the Rangarajan Committee 1 and Rangarajan Committee 2 in 1980s, Saraf and Barman Working Groups in 1990s and 2000s, besides establishing the IDRBT in 1996. Recently, the Reserve Bank has established a new institution, the Reserve Bank Information Technology (ReBIT) Pvt Ltd, as its wholly owned subsidiary, for increasing advanced level focus on cyber security and for building cutting edge capabilities for supervising financial technology usage in the banking sector. The Reserve Bank has also now constituted a Working Group on Financial Technology, to fully understand the new paradigm of Fin-Tech and to chart out the best way of using it.

5. Technology has thrown several gauntlets simultaneously on to the banking and financial sectors in recent times. I would like to highlight five of them.

6. First is the Cyber Security. Banks deal with hard cash and money and therefore have always been targets of crime; while the banks make good use of information technology (IT) for protecting cash and money, ironically use of IT by criminals have also increased substantially. Today, IT systems of banks are the prime target for cyber crimes and if one were to judge by the volume and value of incidents, the menace is steadily growing. It is of great concern – some of the recent incidents at Bangladesh Bank and several persistent instances in many banks are just the proverbial tip of the iceberg. If we need to provide safe and secure banking, then providing for safe IT systems is an undeniable requirement. It is essential that in every IT based initiative, security is addressed as a vital component. Banks need to bestow greater attention on Cyber security. The role of the Chief Information Security Officer (CISO) assumes great significance. It is heartening to note that all banks have a well anointed set up in the CISO. As I mentioned earlier, criminals have become IT savvy; cyber attacks are becoming highly sophisticated, use specialised analytical techniques and exploit minute vulnerabilities which had hitherto gone unnoticed. Continued vigilance and concerted proactive protective actions are warranted. We have a CISO forum under the aegis of the IDRBT; this forum, along with the ongoing research in IDRBT in cyber security should help banks exchange information, react quick enough to outsmart the perpetrators of cyber incidents and build in workable security related enhancements.

* Opening Remarks delivered by Shri R. Gandhi, Deputy Governor, Reserve Bank of India, at the 12th IDRBT Banking Technology Excellence Awards held on July 18, 2016 at IDRBT Hyderabad. Assistance provided by Shri S. Ganesh Kumar, CGM is gratefully acknowledged.

7. Second are the new technologies that are fast developing. One of the important characteristics of the IT world is that it is ever changing and dynamic. Cloud based computing, block chain processing technologies and virtualisation of IT systems are a few examples which hold potential for being used in a big way. The fruits of these would be in the form of safe, trackable and secure digital currency, distributed ledger-keeping and homogenous IT systems – all of which would ultimately result in better customer service. Banks and IDRBT can work together to study these, test them out and adapt for best use.

8. Third are the Fin-Tech companies – the new, non-conforming disruptors. For too long, banks thought their competitors are their fellow bankers; then they accepted the other financial institutions as their competitors. They always thought the technology companies are their enablers; with their help, the banks have been differentiating themselves from the rest of the crowd. The banks never thought the technology companies will be their direct competitors. I have been sounding since way back in early 2000s itself about this possibility; I used to say in this very platform that banking knowledge is no longer with the bankers and it is with the techies. The techies have now grown as Fin-Tech companies and are emerging as the direct competitors in the identified chunks of banking businesses; technology has today dissected the entire value chain of banking and finance and bundled out the chunks in innovative ways that it is they who intermediate between savers and investors, or between sender and receiver of funds. Banks need to handle them carefully without inhibiting innovations; banks have to find ways to cooperate, co-opt and compete with the Fin-Tech companies.

9. Actually, these Fin-Tech innovations are knocking at the doors of competition for central banks as well. We have all along been maintaining that there is no competitor to central banks for issuing currency. But this is being challenged by the developments with regard to e-currency. However, I still maintain, as I did way back in 2001, that e-currency is no substitute for currency; if at all, it can only be a better alternative to any other payment instrument. But, researchers and innovators on the field are and will be continuing their attempt to develop an e-currency. Despite my misgiving about its success, I do support research on this subject.

10. Fourth is the payment revolution engineered by technology. One of the major beneficiaries of the large scale use of IT in the banking industry is payment systems. India can now boast of having perhaps the world's best and state-of-the-art payment and settlement systems; and it is handling ever increasing volumes. While it is satisfying to note that there are new initiatives in payment systems aimed at providing better customer comfort, it is also essential to ensure that these systems are safe and result in overall efficiencies including reduced costs to the common man. How to take full advantage the payment revolution is a challenge.

11. Fifth are the varied choices of technology for financial inclusion. Financial Inclusion is an achievable reality, and the role of IT in this initiative is very significant and fundamental. More needs to be done here. We need to integrate account opening and KYC related requirements with other systems such as AADHAAR, allow use of funds without actual movement of cash, and ensure that the common persons have access to banking and financial services at their door steps. Varied technical solutions have the potential to achieve this and at reduced costs. Finding the right mix and adapting them for achieving the financial inclusion in the shortest possible time is a big challenge.

12. If the banking system has to meet these challenges squarely, the academics, the industry and banking professionals have to work together. IDRBT provides perfect settings for such a joint action. The CIOs Forum and CISOs Forum coordinated by IDRBT are the right channels. I am sure that these coordinating fora will be successful.

13. Finally, as regards this award function, as we will all fully endorse, recognition of good work done is always a successful motivating factor. IDRBT has been continuing to host these awards. I would also congratulate all the winners and hope that they will ever increase the bar; I look forward to more banks joining the pride of place in the years to come.

14. Thank you all for your patient attention.

*Targeted Attacks: Protection of Critical Infrastructure of the Country & Capacity Building**

R. Gandhi

I am indeed glad to be present here today as we conclude the deliberations on an important topical area – pertaining to cyber security and protection of critical infrastructure from cyber threats, coupled with capacity building in this crucial area of importance. I must congratulate the organisers on having chosen the theme of this summit, given the concerns emanating from cyber security related incidents.

2. We are at a critical juncture in the world of today which is characterised by rapid advances in the use of Information and Communication Technology (ICT) and where misuse of the facilities results in erosion of public confidence apart from resulting in financial loss and disruption of normal activities. Today's world is witnessing the embedded use of IT in almost all spheres of life; be it in business or financial sector; be it government or household sectors, use of ICT is pervasive; even as mundane as switching a light is today executed by use of ICT; in addition, networked devices are now the norm. New concepts such as centralised processing systems, the internet of things and mobile computing have all made life very easy; but this also has the attendant risks, prime among which is cyber security. The financial system which is at the nerve centre of economic activity is an easy target not only because it is one of the largest users of Information and Communications Technology but also because financial crime results in easy access to money; this also makes it important that cyber security is given its due importance.

3. Recent developments in banking as also payment and settlement systems have resulted in enhanced customer comfort and flexibility in terms of timing, location and choice of channels. These, however, also expose the customers as well as banks to risk of cyber-attacks. While the banks have better resilience in terms of risk mitigation structures and ability to absorb the losses and expenses, the customers may not be so privileged. A relatively small value fraud of a few thousands of rupees may endanger the purchase of basic needs and most customer may be ill-equipped to effectively handle the security features provided with the service. We have also heard of instances, elsewhere in the world, of even as small a value of one penny being robbed off every transaction, misusing the ICT capabilities, which have also resulted in loss of enormous amount of money. While it is recognised that the customer has to protect himself against disclosure of sensitive passwords, PINs *etc.*, they may only have limited ability to distinguish between the genuine customer service calls and fraudulent operators.

Nature of cyber crime

4. Cyber criminals and the attacks they launch on financial sector and its users come with different faces. There are organised criminals who are looking to attack the financial institutions, with a view to siphon away funds, illegally. Then there are those who steal confidential data from financial institutions which may also include customer related information. The latter are more interested in ex-filtration of data, though no loss happens immediately. These stolen data then land in the hands of petty criminals, who defraud the banks directly or by enticing the customers to share more information such as passwords and pins where after actual loss takes place.

* Speech delivered by Shri R. Gandhi, Deputy Governor in the Valedictory Session of the 9th Annual Summit 'CYBER & NETWORK SECURITY' organised by ASSOCHAM along with the Council of Europe, Strasbourg, France on 29th July 2016 in Hotel Hyatt, Bhikaji Cama Place, New Delhi. Assistance provided by Shri S Ganesh Kumar, CGM is gratefully acknowledged.

5. A variation of these attacks is to masquerade as bank officials and extract information from customers, based on random calls to phone numbers obtained from various sources, or even by blind trials which result in at least a few attempts resulting in success.

6. There are other cyber criminals who steal money by putting through fraudulent transactions, or changing the particulars, so that they are able to take large sums away and vanish. In such cases, customer may not be directly contacted, but his particulars are taken through malware or other means. Recent incidents of this type have set the alarm bells ringing. I would like to draw your attention to the recent cyber incident reported by one of our banks, which I am sure all of you would have seen, particularly when similar incident at a central bank in the neighbourhood is still fresh in our memory.

7. Yet another vicious cyber-attack, which we really tread is what is categorised as cyber warfare; this is expected to be of organised attacks, sometimes by backing of large terrorist organisations and often with covert state sponsorship, made against enemy country information assets.

8. The different nature of cyber-crimes naturally require responses which are designed to fight each type of threat, with specifically designed tools and practices. I am sure that during the deliberations of the day, these have all been discussed threadbare so I shall not dwell in details about these. I would, however, outline a set of five commandments which if followed in letter and spirit would mitigate the impact of cyber related risks.

Defence strategies – Protection is better than repenting later on

9. The strategy to build preventive and detective defences depends on the specific link in the asset that one is trying to protect. The ecosystem for financial transaction not only includes banks and their customers, but also network service providers, IT infrastructure providers, providers of managed services such as data centres, software developers, providers of security solutions and providers of the end-point device which is used for accessing the financial service, including the ATMs which may or may not be bank-owned / managed devices.

10. The devices which are used to provide the entire ecosystem produce huge quantity of information and activity logs, which contain crucial information which can throw light on potential attacks, even before the attack takes place. However, the humungous quantity of log data renders it impossible to analyse using conventional outlier detections. Conventional techniques result in considerable false alarms and restrict genuine activity, causing inconvenience and also creating mis-trust among the users about the security products and techniques.

11. Therefore, the focus has now been shifting to techniques which are not rule based, but having ability to identify the normal activity patterns and detect the anomalous and potentially harmful activity. Needless to say, these involve machine learning and soft computing techniques. Application of these techniques is expected to generate better hit-rate in terms of identifying threats, without generating high level of false alarms. As each alarm requires response and is resource intensive in terms of time, money and manpower, the ability of the expert systems to distinguish the malicious behaviour from and casual digressions from the normal activity pattern will determine the value of these tools in the security infrastructure.

12. In addition to the tools, the most important component of the critical infrastructure protection is the skills, experience and alertness of the manpower deployed in this activity. The skill sets required for security are getting diversified from conventional IT skills to investigative skills of criminal investigator,

data scientists having ability to deal with huge data requirements and with innovative minds to stay one step ahead of the cyber-criminal.

13. As the strength of overall security is only as much as the strength of its individual components, it is necessary that all the stakeholders have to work hand in hand to address the threat to the information systems. The forums such as this provide great opportunity to interact and understand the role that each one of us has to play and to also ensure that our actions and plans are complementary and not at cross purposes.

Cyber Security Preparedness – Five Commandments for safety in banking

14. Let me start with a most common requirement. **Thou shall know your customer** – which is my first commandment. All of us are aware of the requirements relating to Know Your Customer or KYC as commonly referred to. Much has been said, discussed and detailed about KYC that I shall not repeat all of them; suffice to say now that it is essential to know our customer well or else we shall have to face the consequences which may be detrimental to our business objectives.

15. The second commandment of mine states that **Thou shall know your employee**. Most of the cyber frauds have some direct or indirect role of an insider, who generally happens to be an employee of the organisation which has been the target of the cyber security attack. There is an urgent need for an organisation to not only perform the antecedent verification of an employee at the time of recruitment, but also continuously monitor employee behaviour, trends in operational usage of the organisational resources, interaction levels with peers and subordinates and the like. Today, IT tools provide a lot of information on employee behaviour and patterns; it is essential that organisations ascribe adequate importance to these aspects.

16. The third commandment reads as follows: **Thou shall keep your IT systems up-to-date and free of all risky components** such as viruses, spams, malware, spoofing software and so on. Today, there are centralised IT system facilities which can ensure that the updates are implemented centrally and also monitored centrally.

17. The fourth commandment is **Thou shall provide for maximum IT Governance**. The broad requirement in this area relates to the need for ensuring good IT practices such as 'maker and checker' for financial transaction processing, a four-eyes principle for IT based operations, regular monitoring of system and operational logs, conduct of regular, periodical and well defined IT system audit followed by suitable corrective action wherever required, and a separate distinct CISO (Chief Information Security Officer) who would continuously monitor the quality and efficacy of IT and IS Security in the organisation.

18. My final commandment is **Thou shall ensure continued Cyber Security Awareness** amongst all players in the chain. The world of cyber related threats is changing very fast and what is current on any day becomes obsolete the very next day. If continued cyber vigil is to be ensured then a continuous process of awareness building, education, re-enforcement, tests, trials and upgradation is a must. It is this area which we generally tend to be rather lax and which is exploited by cyber-baiters.

19. Let me dwell a bit on what the central bank of this country is doing in this regard. In terms of providing a comprehensive framework for IT implementation, we at the Reserve Bank have been proactive and follow an approach of consultation and congruence in the security framework. Right from the early days when the RBI provided guidance on computerisation, we have been conscious of the role that IT plays in meeting the emerging customer needs and the opportunities and challenges of using technology, including cyber related

aspects. I will draw your attention to a few recent initiatives in this regard by the RBI.

20. The Reserve Bank has recently issued on June 2, 2016 a comprehensive set of guidelines for Cyber Security framework in banks. These guidelines built over the earlier work emphasise the importance of having a focussed attention to cyber threats and framework for mitigating the threats and to protect the information assets. I would like to redraw your attention to the recent cyber incident at one of our banks. Apparently there has been no monetary loss in the recent incident. But it is too early to conclude what and how of the incident at this juncture; however, the need for vigil over the sensitive systems like remittances is once again brought to the fore, with particular focus on configuration of the systems and the human aspects in managing the systems. Banks need to put in place preventive measures such as appropriate controls framework around the systems, reconciliation of transactions in on real / near real time basis, controls over the message creation and transmission, applying timely security patches to the interfaces, if any, close monitoring of transactions and disabling USB, and Internet access on the connected nodes. Equally important is the timely detective measures. It is pertinent to prepare ourselves to face such incidents, by having a robust crisis management plan. I am sure the banks are taking earnest steps to comply with the provisions of the Circular as soon as possible. Time has come to scale up the cyber security preparedness to meet the emerging threats.

21. Information dissemination is a key facilitator in combating the menace of cyber related incidents. While the Reserve Bank obtains information from banks on cyber incidents, including those which did not fructify into loss of money or information, such information is also shared amongst the banks along with suggestions aimed at best practises. The Institute for Development and Research in Banking Technology also has a system to collate such information and share the generic aspects amongst the CISOs of banks. All these, I am sure will help the banks in further enhancing their cyber security related capabilities.

22. Let me end with a positive note. The banking sector – similar to other sectors of the Indian economy has always been very responsive to change and has adapted itself very well to meet the challenges which keep emerging frequently. It has also proved that it cannot only adapt well but also quickly so that response times are fast to prevent recurrence of negative incidents. The same fervour, I am sure, will be witnessed in the area of cyber security as well and will leave a mark of confidence in the minds of the customers of banks. This will ensure that banks provide for a safe and secure processing environment when the depositor's money is safe and where all other customers can conduct their banking transactions safely and securely.

23. I am sure that there are many take-aways from today's summit. I am also confident that these would be put to operational use when you all return to your respective organisations. I am grateful to you all for inviting me and for listening to my thoughts and I wish you all safe and secure IT based operations.

24. Thank you.

ARTICLE

Flow of Funds Accounts of the Indian Economy: 2014-15

*Flow of Funds Accounts of the Indian Economy: 2014-15**

The financial resource gap of the economy narrowed in 2014-15 in an environment characterised by ongoing fiscal consolidation, decline in global commodity prices and moderation in net capital formation. Currency and deposits remained the most preferred financial instruments. Indicators of financial interconnectedness highlighted the growing importance of non-bank financial corporations as suppliers of finance in the Indian economy.

I. Introduction

Flow of Funds (FoF) accounts map instrument-wise financial flows between different sectors of the economy on a whom-to-whom basis. This article presents the FoF for 2014-15 - which has been aligned with the United Nations System of National Accounts (SNA), 2008 - along with revised data commencing from 2011-12, the earliest year for which national accounts under the new series are available. Furthermore, the sectoral classification of FoF in this article corresponds more closely with that adopted by the Central Statistics Office (CSO) in the new series of national accounts as well as in its 'Sequence of Accounts'[1].

The FoF accounts divide the economy into five institutional sectors, namely (i) the financial corporations sector, which includes the central bank (CB), other depository corporations (ODCs) - commercial banks, co-operative banks, deposit-taking non-banking financial companies (NBFCs-D) and deposit-taking housing finance companies (HFCs-D) - and other financial corporations (OFCs) that mainly comprise all-India financial institutions, non-deposit taking non-banking financial companies (NBFCs-ND), non-deposit taking housing finance companies (HFCs-ND), insurance corporations, provident funds and pension funds and mutual funds; (ii) non-financial corporations, including both public[2] and private[3] non-financial corporations; (iii) general government (GG) that comprises the central government and the state governments[4]; (iv) the household (HH) sector; and (v) rest of the world (RoW).[5]

Financial instruments across sources and uses of funds of the various institutional sectors include currency and deposits, debt securities, loans and borrowings, equity, investment funds (such as mutual funds), insurance, pension and provident funds, monetary gold, other accounts (including trade debt) and other liabilities/assets not elsewhere classified (NEC).

The remainder of the article is organised into six sections. Section II presents the financial resource gaps across different sectors. Section III analyses movements in sectoral and instrument-wise FoF. Measures of financial interconnectedness and select indicators of financial development are covered in Section IV. The divergence in the overall saving-investment gap and financial resource gap is presented in Section V. Concluding observations are set out in Section VI.

* Prepared in the National Accounts Analysis Division of the Department of Economic and Policy Research, Reserve Bank of India (RBI), Mumbai. The detailed statements 1 to 9 relating to flow of funds have been released separately on www.rbi.org.in; the hyperlinks to these statements are provided in the Press Release on the August 2016 issue of the RBI Bulletin in which this article appears. The previous article appeared in the December 2015 issue of the RBI Bulletin. The RBI has been compiling FoF since the early 1960s.

[1] Divergences – sectoral as well as overall - between the FoF accounts compiled by the RBI and the 'Financial Accounts' compiled by the CSO in 2015 are on account of differences in the coverage and sources of data.

[2] Public non-financial corporations cover central public sector non-departmental non-financial enterprises, state power utilities and port trusts.

[3] Private non-financial corporations refer to both public and private limited non-financial companies.

[4] Local bodies and autonomous institutions are not included.

[5] Key differences from the earlier classification are that (a) public non-financial and financial corporations under central public sector enterprises are classified separately from the (general) government sector; (b) deposit-taking NBFCs are classified together with banks under ODCs instead of being shown together with non-deposit taking NBFCs under the erstwhile 'other financial institutions' sector. Furthermore, in line with the SNA 2008 and in a break from the earlier FoF accounts, intra-sectoral transactions are included under sources and uses of funds of the different sectors, wherever applicable.

II. Sectoral Financial Resource Gaps

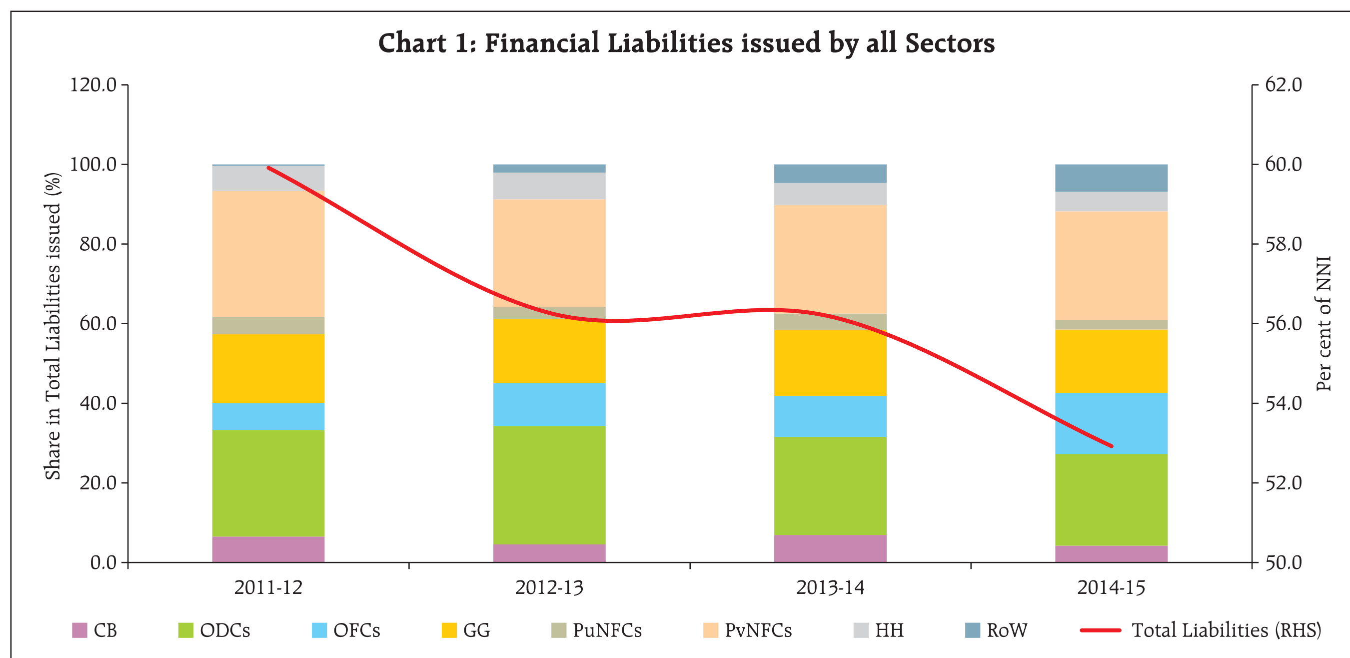
The overall financial resource balance in the economy - measured by the net acquisition of financial assets less net increase in liabilities - as a proportion to net national income (NNI) at current market prices, narrowed in 2014-15 from its level a year ago. This improvement was primarily driven by a reduction in net borrowings of non-financial corporations, which benefited from saving on input costs due to decline in commodity prices, and general government reflecting the ongoing fiscal consolidation at the central government level. Net lending by financial corporations moderated from a year ago, mainly on account of the deceleration in bank credit on asset quality concerns in an environment of subdued investment activity. Although net lending by households was unchanged from its preceding year's level, they remained the largest suppliers of finance to the economy (Table 1).

Table 1: Sectoral Financial Resource Balance (% of NNI at current market prices)

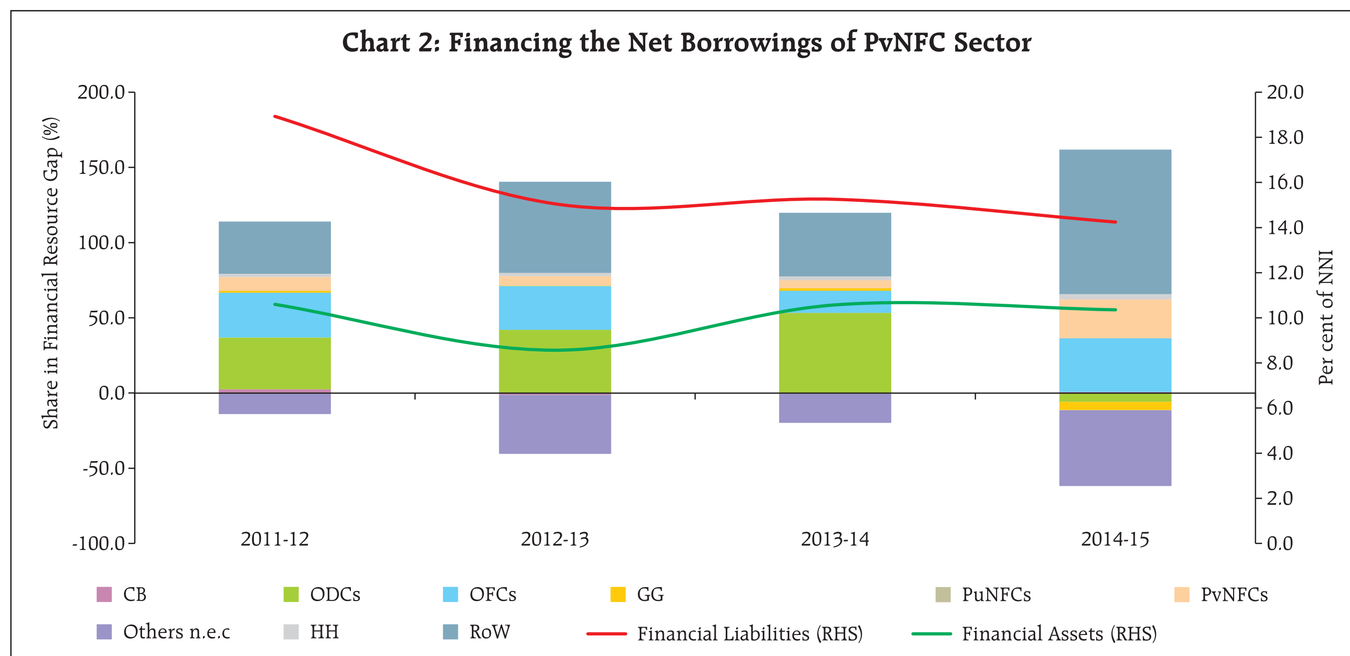
		2011-12	2012-13	2013-14	2014-15
1	**Non-Financial Corporations**	**-9.0**	**-7.6**	**-6.6**	**-5.2**
	1.a Public Non-Financial Corporations	-0.6	-0.9	-1.9	-1.1
	1.b Private Non-Financial Corporations	-8.4	-6.7	-4.8	-4.1
2	**Financial Corporations**	**2.1**	**1.4**	**1.8**	**0.5**
3	**General Government**	**-9.8**	**-7.6**	**-8.8**	**-8.5**
4	**Household Sector**	**8.3**	**8.4**	**8.7**	**8.7**
5	**Total (1+2+3+4)**	**-8.4**	**-5.4**	**-4.9**	**-4.5**

III. Sectoral Movements in FoF[6]

Total liabilities of all sectors (including the RoW sector) declined steadily from over 60 per cent of NNI in 2011-12 to about 53 per cent in 2014-15 (Chart 1). Private non-financial corporations (PvNFCs), ODCs and the central government have generally accounted for relatively higher shares; even so, the combined share of these three sectors in total liabilities declined from 43 per cent in 2011-12 to 32 per cent in 2014-15. On the other hand, the combined shares of OFCs, the RoW and state governments rose to 15 per cent in 2014-15 from 7 per cent in 2011-12.



6 Reference to financial assets and liabilities are in flow terms *i.e.*, change in net acquisition of financial assets and change in liabilities during the year.



III.1 Non-Financial Corporations

III.1.a *Private Non-Financial Corporations*[7]

With softer international commodity prices, operating expenses of PvNFCs decelerated and more than offset the decline in sales, resulting in an improvement in their profit margins. On the other hand, the presence of considerable slack and the lacklustre business environment muted their capital expenditure and borrowing requirements. As a consequence, the financial resource gap of the PvNFC sector declined from its level a year ago (Chart 2 and Statement 2.2).

In terms of its financing, the share of the RoW sector increased substantially in 2014-15 in the form of robust foreign investment inflows, both direct and portfolio. Financing by insurance corporations and NBFCs-ND also remained strong. While bank financing declined - reflecting risk aversion among banks on account of stressed balance sheets - the improvement in the profitability of PvNFCs enabled them to build up financial assets in the banking system in the form of deposits.

III.1.b *Public Non-Financial Corporations*[8]

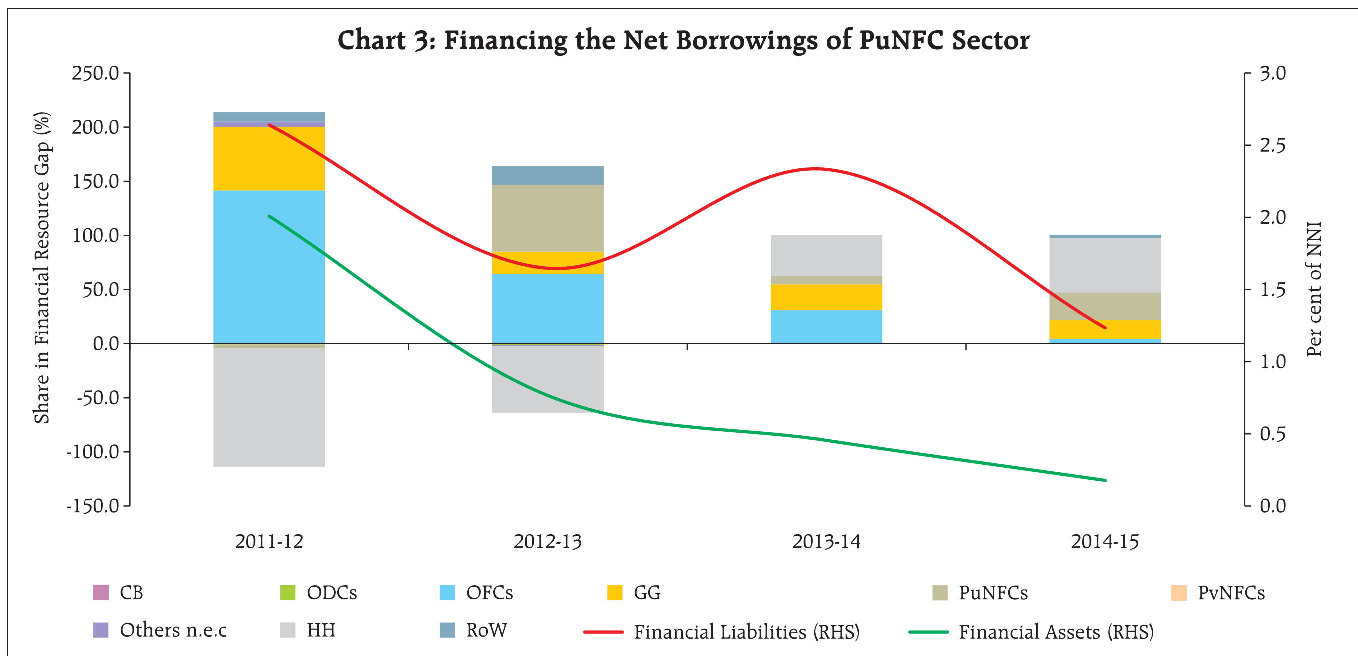
Pulled down by a large decline in capital expenditure, the financial resource balance of public non-financial corporations (PuNFCs) narrowed, notwithstanding a contraction of 20 per cent in net profits. While DISCOMs faced an accumulation of liabilities to the banking system and OFCs, central public sector non-financial enterprises (CPSNFEs) improved their resource position on account of the decline in fixed investment alluded to earlier (Chart 3 and Statement 2.1).

III.2 *General Government*

The moderation in the financial resource gap of the GG sector essentially reflected the improvement in the finances of the central government in 2014-15. Although the central government remained steadfast in its commitment to fiscal targets, there was a slippage in the gross fiscal deficits of states from budgeted levels

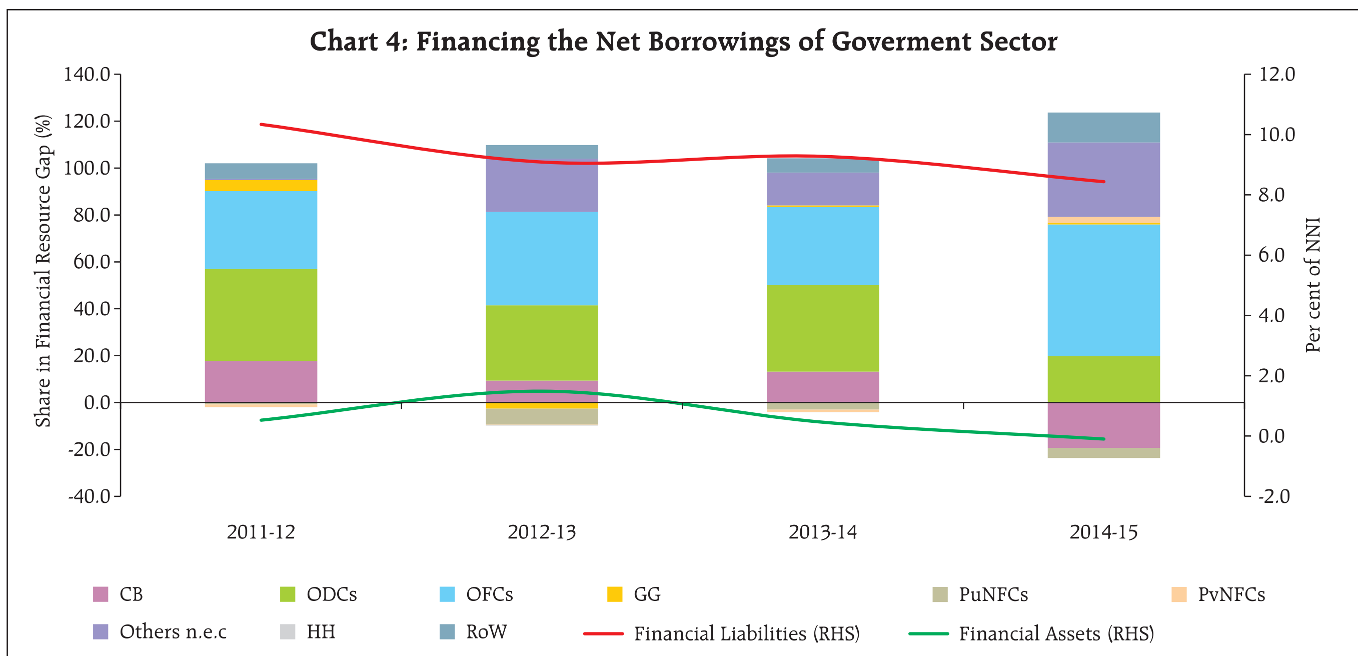
[7] For expositional convenience, the analysis in respect of the domestic non-financial sectors *viz.*, the PvNFCs, PuNFCs, general government and household sectors is framed in terms of their financial resource gaps whereas the discussion in the case of the RoW and the domestic financial sector *viz.*, the central bank, ODCs and OFCs are focused on the composition of financial sources and uses.

[8] According to the Public Enterprise Survey of 2014-15, 224 of the 235 central public sector operating enterprises were associated with non-financial activities; the total number of operating enterprises excludes 7 insurance companies. Apart from the information provided in the Survey, balance sheet information received separately from 51 state power utilities and 9 port trusts were used to compile the flow of funds.



due to an increase in capital outlays and some categories of revenue expenditure (Chart 4 and Statement 3).

On the financing side, OFCs - primarily insurance companies - provided the bulk of resources to the GG sector. This was followed by ODCs, although lower than in the preceding year. The contribution of the RoW sector, however, increased in 2014-15, reflecting the issuance of non-interest bearing non-negotiable rupee securities to the International Monetary Fund (IMF) as part of the payments towards quota subscriptions under the 14th general quota review by which India's quota is the eighth largest among IMF member countries.[9]



9 Transactions such as non-interest bearing non-negotiable rupee securities issued to IMF are part of the internal debt of the central government but are not reckoned as a financing item of the centre's fiscal deficit, as these do not involve net cash outgo. This is one of the reasons for the differential between incremental debt flows and the fiscal deficit in India. Furthermore, the central government budget records external debt at historical exchange rates. In this article, flows in central government external debt are based on its valuation at current exchange rates.

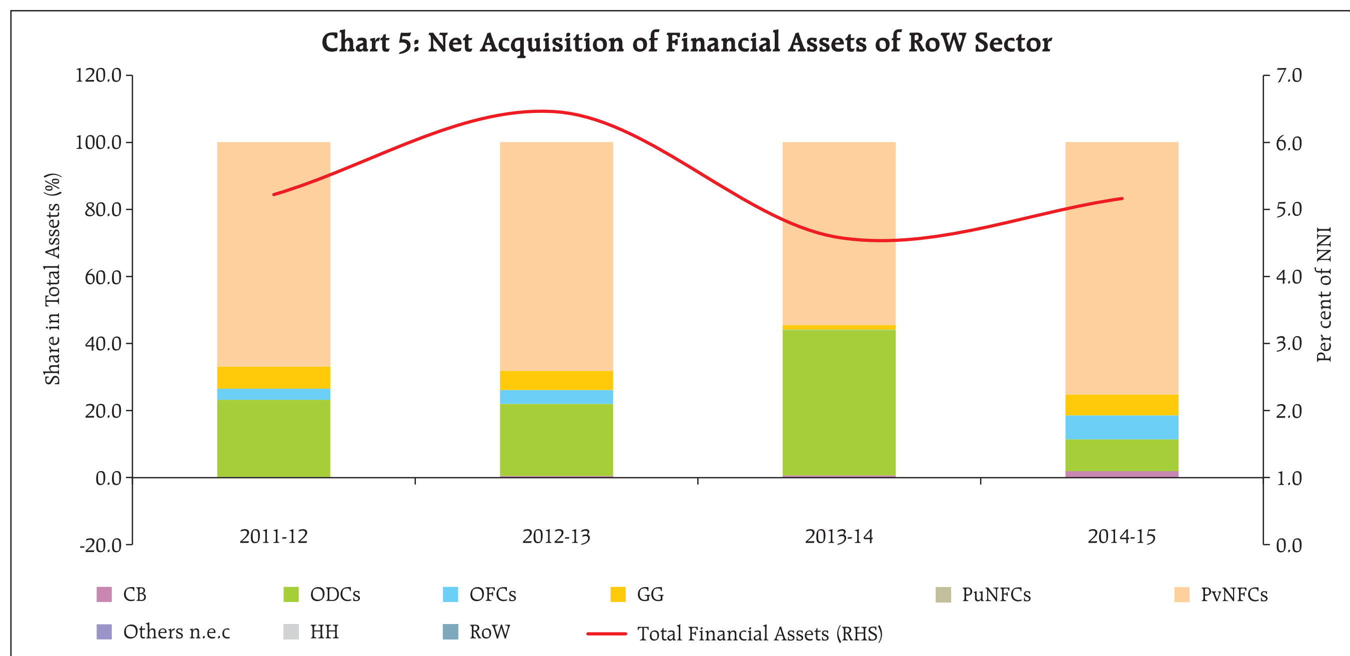


Chart 5: Net Acquisition of Financial Assets of RoW Sector

There was also an increase in the holdings of government securities by foreign portfolio investors.

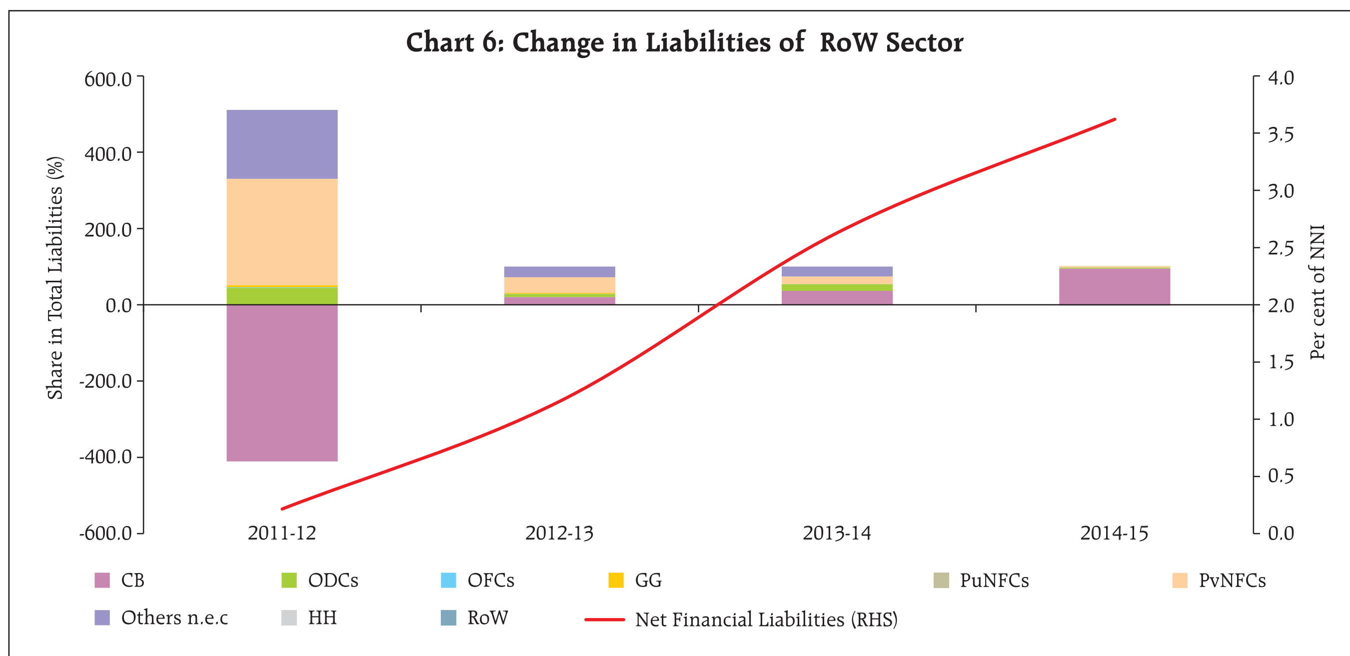
III.3 *Rest of the World*

A combination of push factors – ultra accommodative monetary policy stances in advanced economies – and pull factors – improved perceptions about the Indian economy; easing of norms for foreign direct investment; allowing portfolio investors to invest coupons from government securities outside the residual maturity limit of three years set in July 2014 (which was subsequently extended to corporate bonds) – resulted in substantial financial flows into India from the RoW sector. While these inflows mainly took the form of equity investments, flows into debt securities also picked up from a contraction in the preceding year. Net inflows in the form of loans or external commercial borrowings by PvNFCs moderated during 2014-15, mainly due to large repayments. In the aggregate, net foreign assets of the RoW sector in PvNFCs and GG picked up in 2014-15 (Chart 5 and Statement 5). With accretions to non-resident deposits with Indian commercial banks falling away in relation to the bulge of FCNR(B) deposits accumulated through the special swap window in the previous year, the RoW sector's financial assets in the form of deposits with ODCs moderated.

Financial inflows from the RoW sector comfortably met the economy's external financing requirement during 2014-15 and also enabled a substantial accretion to foreign exchange reserves, which were largely invested in foreign debt securities (Chart 6).

III.4 Household Sector

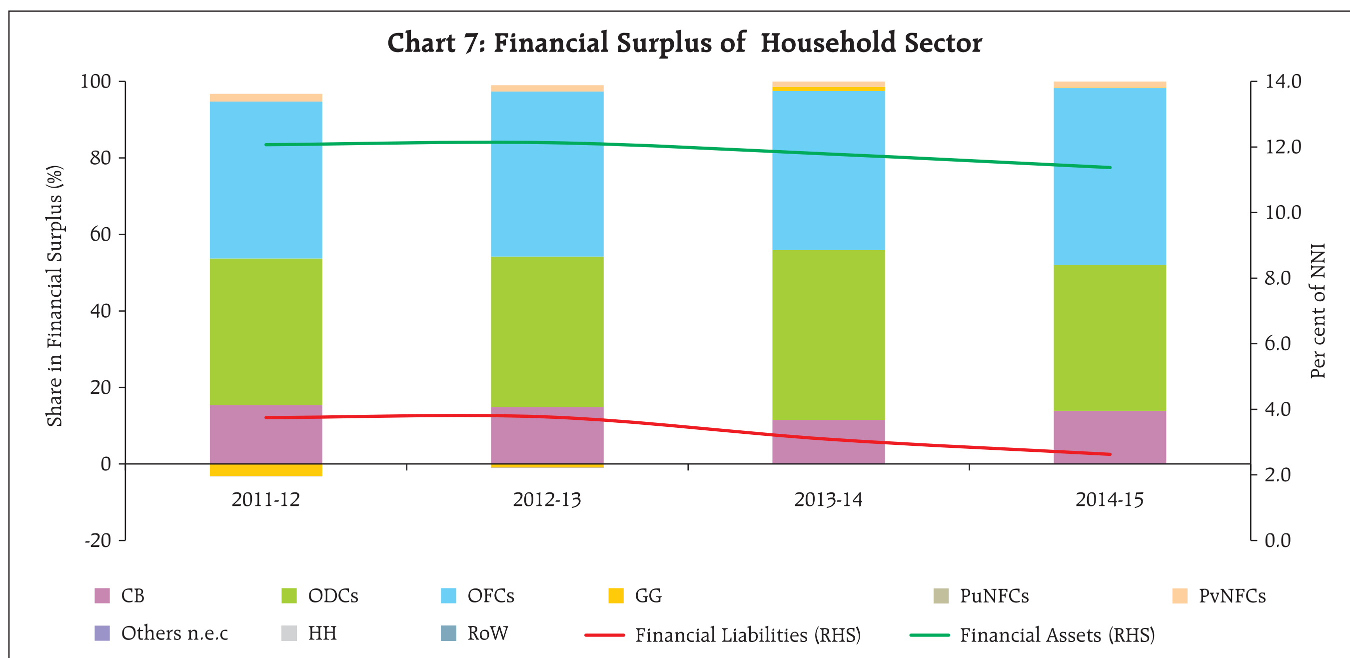
The financial surplus of the household sector, as a share of NNI, remained unchanged during 2014-15 (Chart 7 and Statement 4). Among its financial uses, the share of ODCs (mainly reflecting commercial bank deposits) recorded a moderate decline during 2014-15, partly in response to the reduction in term deposit rates. On the other hand, the shares of other financial corporations (reflecting household investment in instruments such as insurance funds, provident and pension funds and mutual funds) and the central bank (reflecting currency holdings of households) increased.



III.5 Financial Corporations

III.5.a Central Bank

Financial flows emanating from the RBI during 2014-15 were influenced by (i) the institution of a revised liquidity management framework with effect from early September 2014; and (ii) the changes in the RBI's accounting policies as recommended by the Technical Committee (Chairman: Shri Y. H. Malegam). A major accounting change relates to the classification of repos under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) as lending to commercial and co-operative banks (instead of purchase of government securities) and reverse repos as deposits with the RBI (instead of sale of government securities). As a result, net repo operations are now being shown



as the RBI's credit to the banks and the commercial sector (instead of the RBI's credit to the general government).

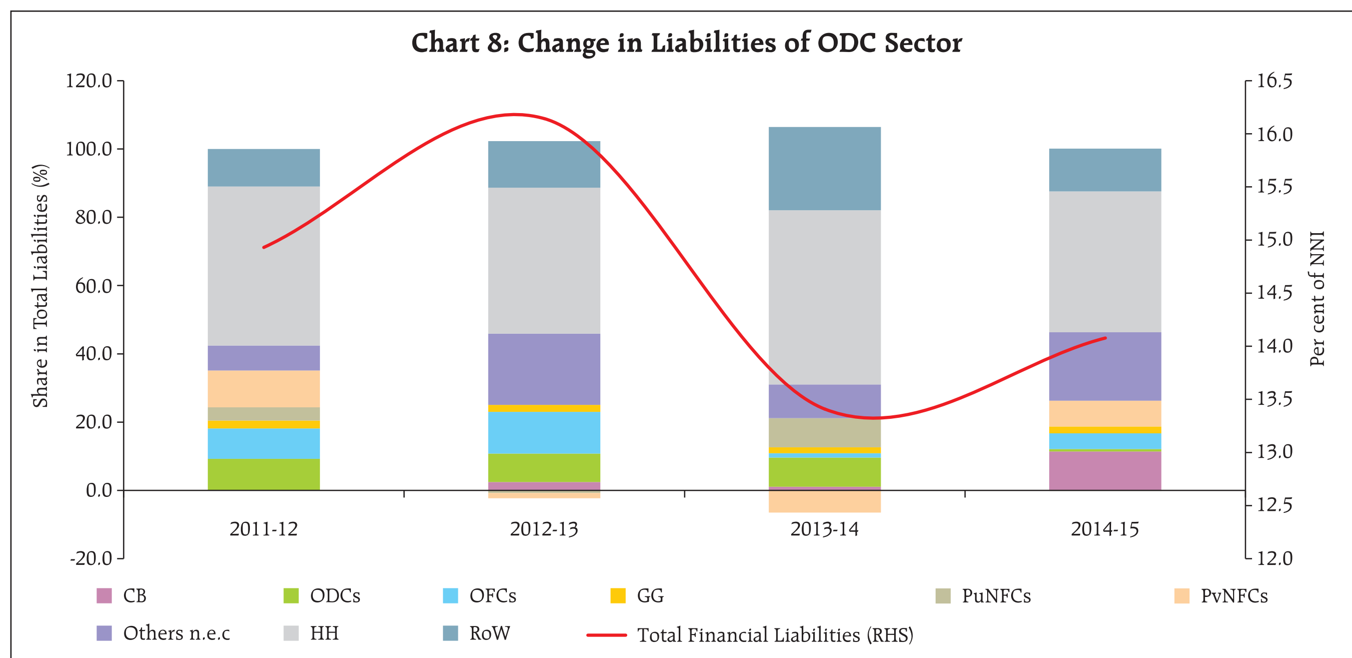
The rate of expansion of total financial liabilities of the RBI was considerably lower during 2014-15 than in the previous year. On the one hand, the demand for currency (largely by the household sector) increased at a faster pace while deposits of banks (ODCs) with the RBI under 'deposits - others' also increased substantially, largely reflecting LAF reverse repo operations. On the other hand, banks' deposits with the RBI - representing banks' reserves both statutory and excess - slackened, *pari passu* with a slowdown in their deposit mobilisation from the public. At the same time, balances held in the Currency and Gold Revaluation Account (CGRA), shown under 'other liabilities' of the RBI, declined during 2014-15 as against a substantial expansion in the previous year.

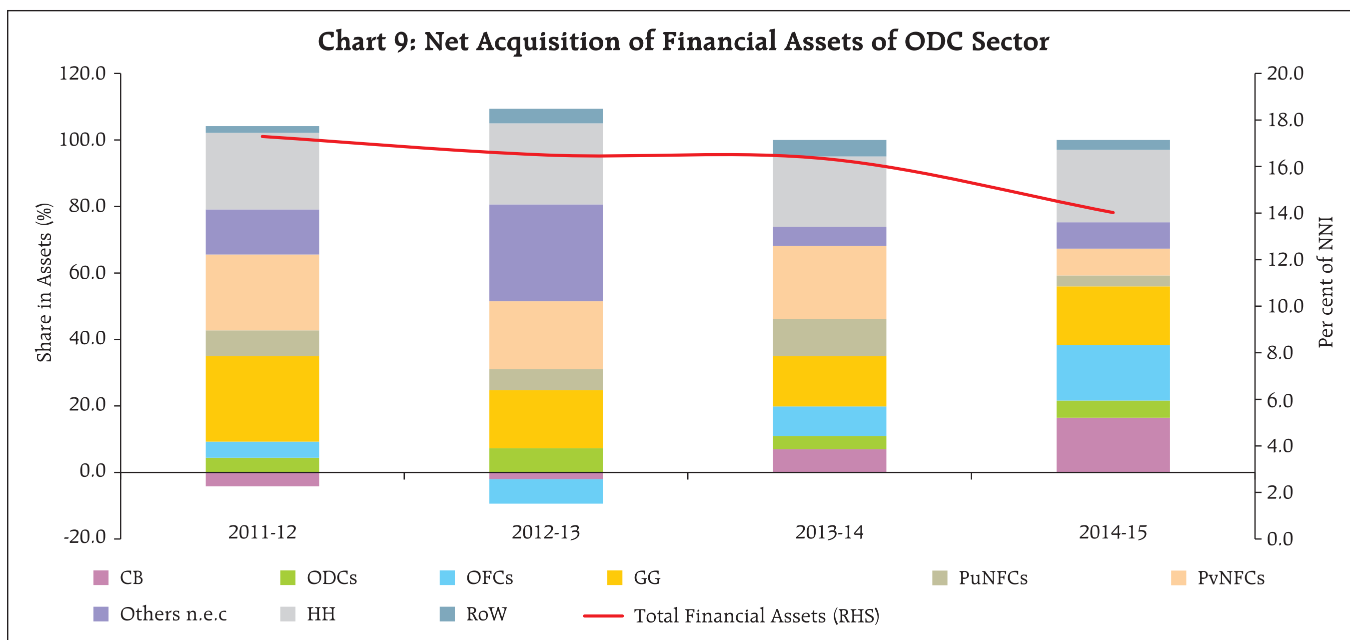
On the financial assets side, foreign currency assets of the RBI expanded substantially during 2014-15 in the face of strong financial inflows. LAF reverse repo operations and OMO sales conducted with a view to sterilising the domestic liquidity impact of foreign exchange interventions as also the accounting changes alluded to above were reflected in a contraction in the RBI's holdings of central government debt securities, offsetting the increase in loans (LAF repos and marginal standing facility) provided to banks.

III.5.b Other Depository Corporations

Compositional shifts were observed within the total liabilities of ODCs during 2014-15 (Chart 8 and Statement 1.2). First, the base effect of the substantial mobilisation of FCNR(B) deposits from the rest of the world during 2013-14 was clearly evident. Secondly, in the face of lower credit off-take and the consequent reduction in resource requirements, the issuances of certificates of deposit (CDs) by banks dwindled in 2014-15 and turned in a substantial outflow. Thirdly, deposits of PvNFCs increased during 2014-15, reflecting easing of resource pressures. Fourthly, loans from the RBI increased significantly, as discussed earlier. Finally, deposits of the household sector were sluggish during 2014-15, even as they remained the predominant component.

Financial assets of ODCs declined during 2014-15, largely on account of slackening of credit to private and public non-financial corporations as well as a reduction

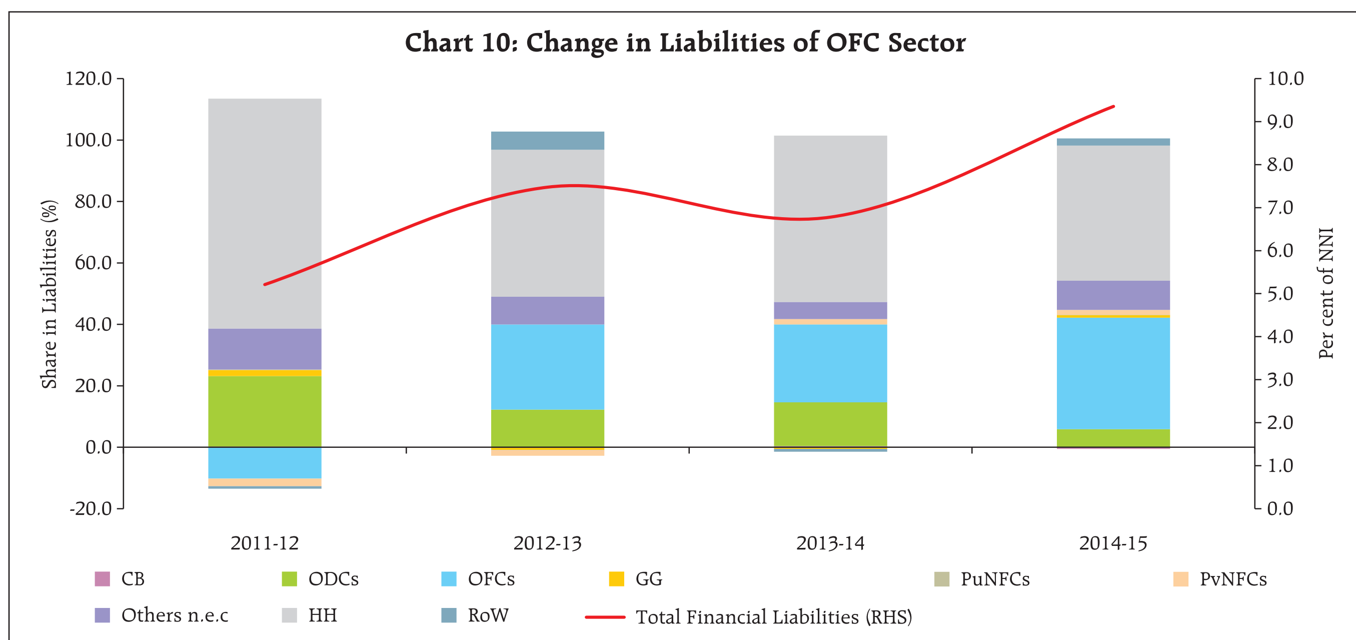




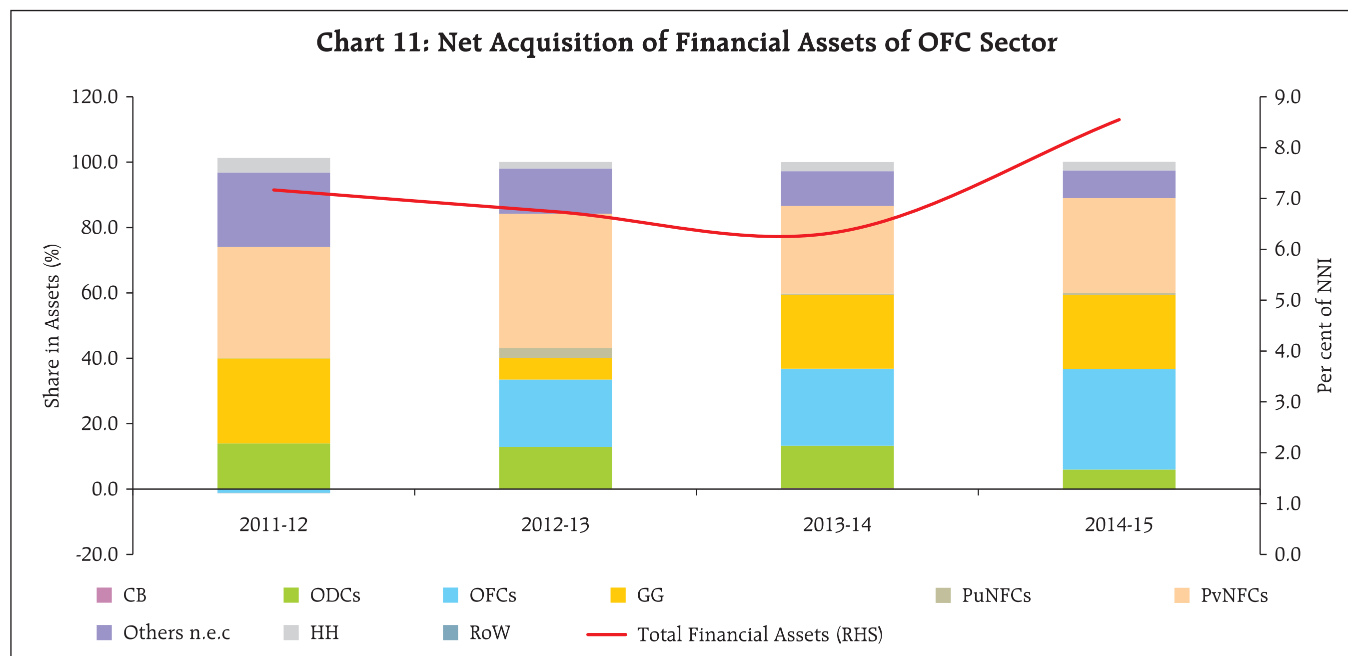
in intra-ODCs transactions (Chart 9). Partially offsetting this contraction were the sizable increase in credit to the OFCs as well as higher deposits with the RBI, as discussed earlier.

III.5.c Other Financial Corporations

Financial liabilities of OFCs picked up in 2014-15, largely driven by the substantial issuances of non-convertible debentures (NCDs) and commercial paper (both classified under debt securities) by non-deposit taking NBFCs.[10] Competitive rates *vis-à-vis* bank lending rates have boosted the share of these securities in the total liabilities of OFCs in recent years (Chart 10 and Statement 1.3). Mutual funds (under the OFC sector) continued to be the predominant holder of CPs, even as the share of banks (under ODCs) increased sharply



[10] Nearly 70 per cent of the outstanding amount of CPs was issued by leasing and finance companies and financial institutions, which are classified under the OFC sector.



during 2014-15. Despite a fall in their share, households remained the predominant source of funds for the OFCs, largely reflecting their investment in life insurance and provident funds.

On the financial assets side, intra-sectoral flows expanded substantially, particularly amongst NBFCs-ND, insurance companies and mutual funds. The share of PvNFCs also moved up in 2014-15, mirroring the comparatively stronger expansion in NBFC-ND's credit to sectors such as infrastructure, medium and large-scale industries and transport (Chart 11). Investment by OFCs (largely insurance companies) in debt securities of the central and state governments increased further in 2014-15.

III.8 Financial Flows by Instruments

Compositional shifts in the instrument-wise flow of funds were evident in 2014-15. Currency and deposits were the preferred financial instruments as in previous years, even as debt securities gained importance in 2014-15 in view of the significant increase in the foreign currency assets of the RBI. The share of loans and borrowings declined steadily over 2011-12 to 2014-15. This was largely because of the slackening of non-food credit extended by ODCs to PvNFCs and increase in issuance of CPs to OFC sector. In the aggregate, debt securities, deposits and loans and borrowings accounted for more than 60 per cent of total liabilities issued during 2011-12 to 2014-15. Amongst the remaining financial instruments, the share of 'equity and investment fund shares' and 'insurance, pension and provident funds' increased to 17 per cent and 6.1 per cent, respectively in 2014-15 (Chart 12 & Statement 7).

IV.1 Financial Interconnectedness

In the context of FoF, the power of dispersion index (PDI) and the sensitivity of dispersion index (SDI) are alternative measures of financial interconnectedness across sectors of the economy[11]. While the PDIs of all sectors have hovered around unity since 2011-12, the contour of the PDI shifted somewhat towards the RoW

[11] The power of dispersion index (PDI) measures the direct and indirect financing demand in the aggregate induced by a unit shock (additional financing demand) from a certain sector. 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.

If A is the inter-industry technical coefficient matrix and $B = [1 - A]^{-1}$ is the Leontief inverse matrix, PDI for industry j is defined as: $\frac{1}{n}\sum_i B_{ij} / \frac{1}{n^2}\sum_{ij} B_{ij}$ where B_{ij} 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: $\frac{1}{n}\sum_j B_{ij} / \frac{1}{n^2}\sum_{ij} B_{ij}$. 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*.

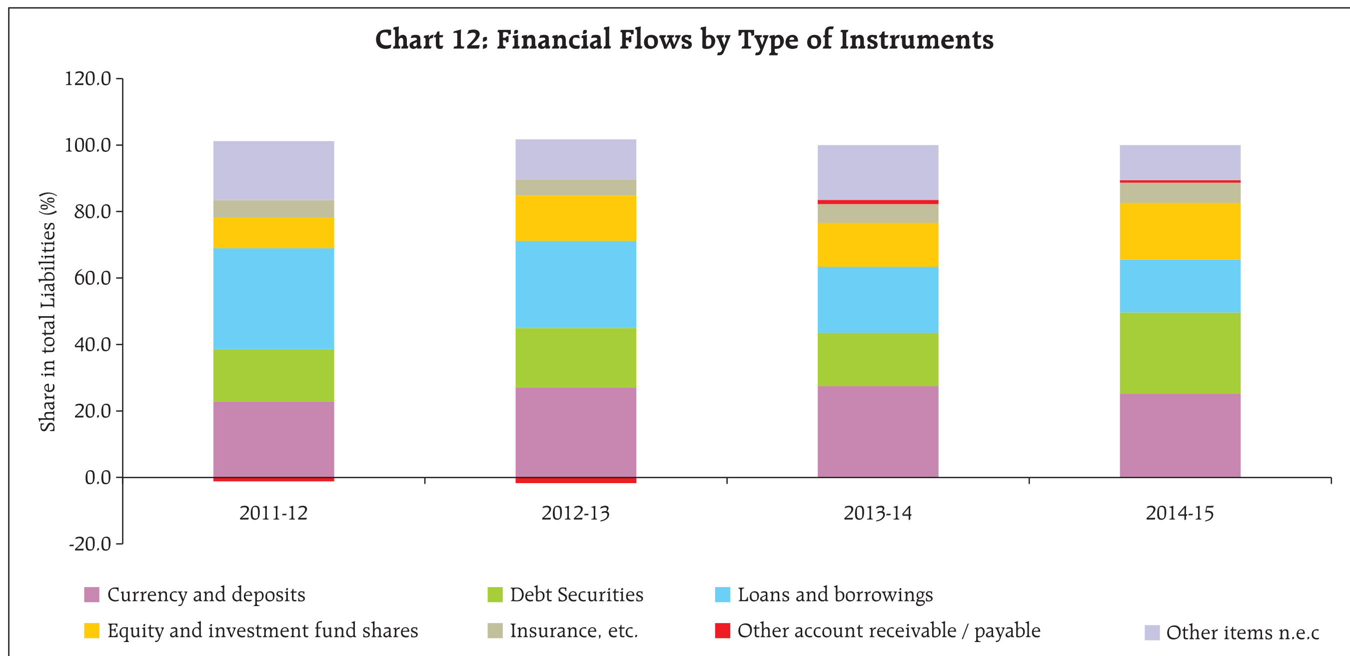


Chart 12: Financial Flows by Type of Instruments

during 2014-15, reflecting increasing inter-linkages with the global economy (Chart 13).

On the other hand, SDIs for the ODCs and households have been much higher than those of the other sectors, largely reflecting their significant roles as suppliers of finance (Chart 14). Even so, the SDI contour for 2014-15 moved away from ODCs and households towards OFCs, in particular. This underlines the growing importance of OFCs as finance suppliers, not only within their own sector but also to PvNFCs and the government sector.

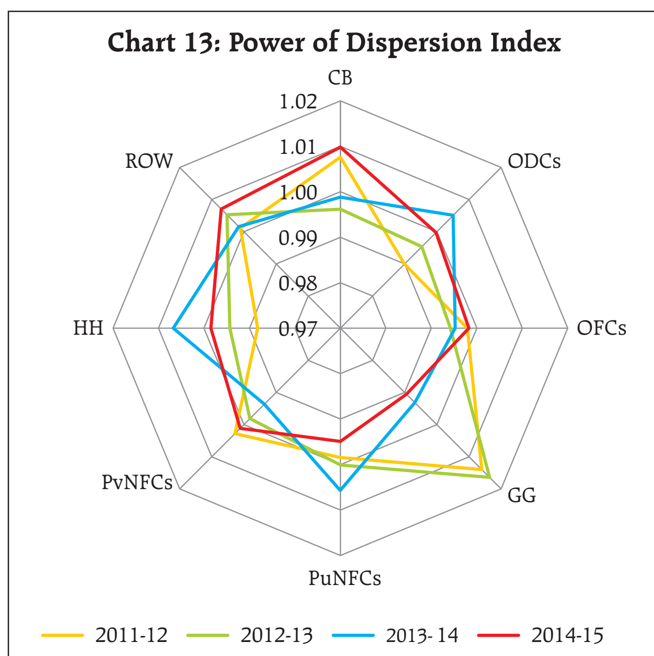


Chart 13: Power of Dispersion Index

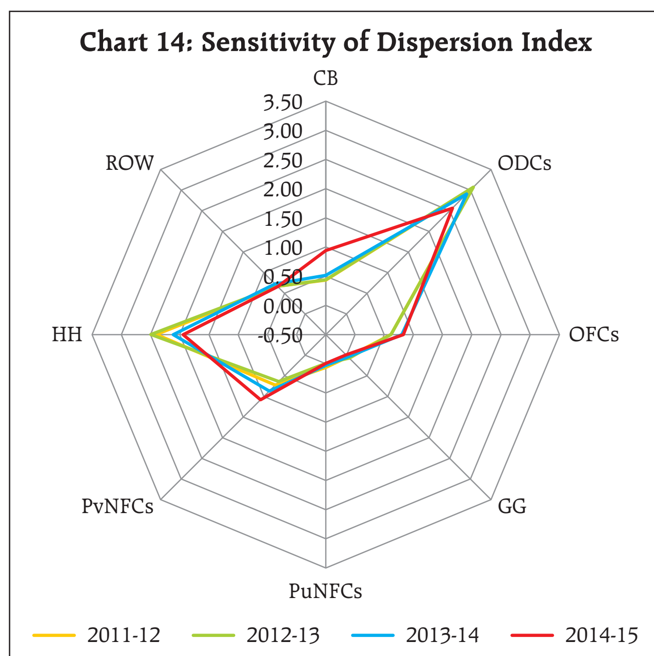


Chart 14: Sensitivity of Dispersion Index

IV. 2 Select Indicators of Financial Development

The role of the financial system in the economy can be gauged by behavioural ratios based on the issue and acceptance of financial liabilities by various sectors of the economy as they borrow from and lend to each other. In a secular perspective, these ratios provide insights into the relationship between financial development and overall economic growth.

The finance ratio, defined as the ratio of total financial liabilities in a year to national income, declined to 0.53 in 2014-15 from 0.56 in 2012-13. This suggests a deceleration in the pace of financial deepening in the economy, attributable to the moderation in liabilities issued by ODCs in 2014-15 (Table 2).

The intermediation ratio reflects the degree of dependence of the economy on the financial sector. Measured as the ratio of liabilities of the financial sector (or secondary issues) to liabilities issued by the non-financial sector (or primary issues), it has shown an uneven profile in recent years – falling to 0.72 in 2013-14 before rising to 0.74 in 2014-15. The pick-up in the ratio in 2014-15 occurred on the back of an increase in intra-sectoral liabilities of the OFCs, particularly those issued to insurance companies.

The relationship between financial development and the growth of physical investment is captured by the financial inter-relations ratio, defined as the ratio of total liabilities issued to net domestic capital formation. The ratio dipped to 1.8 in 2012-13 before picking up to around 2 in 2014-15, which is indicative of total issuances of liabilities outpacing physical investment.

V. Correspondence between FoF and Saving-Investment Balances

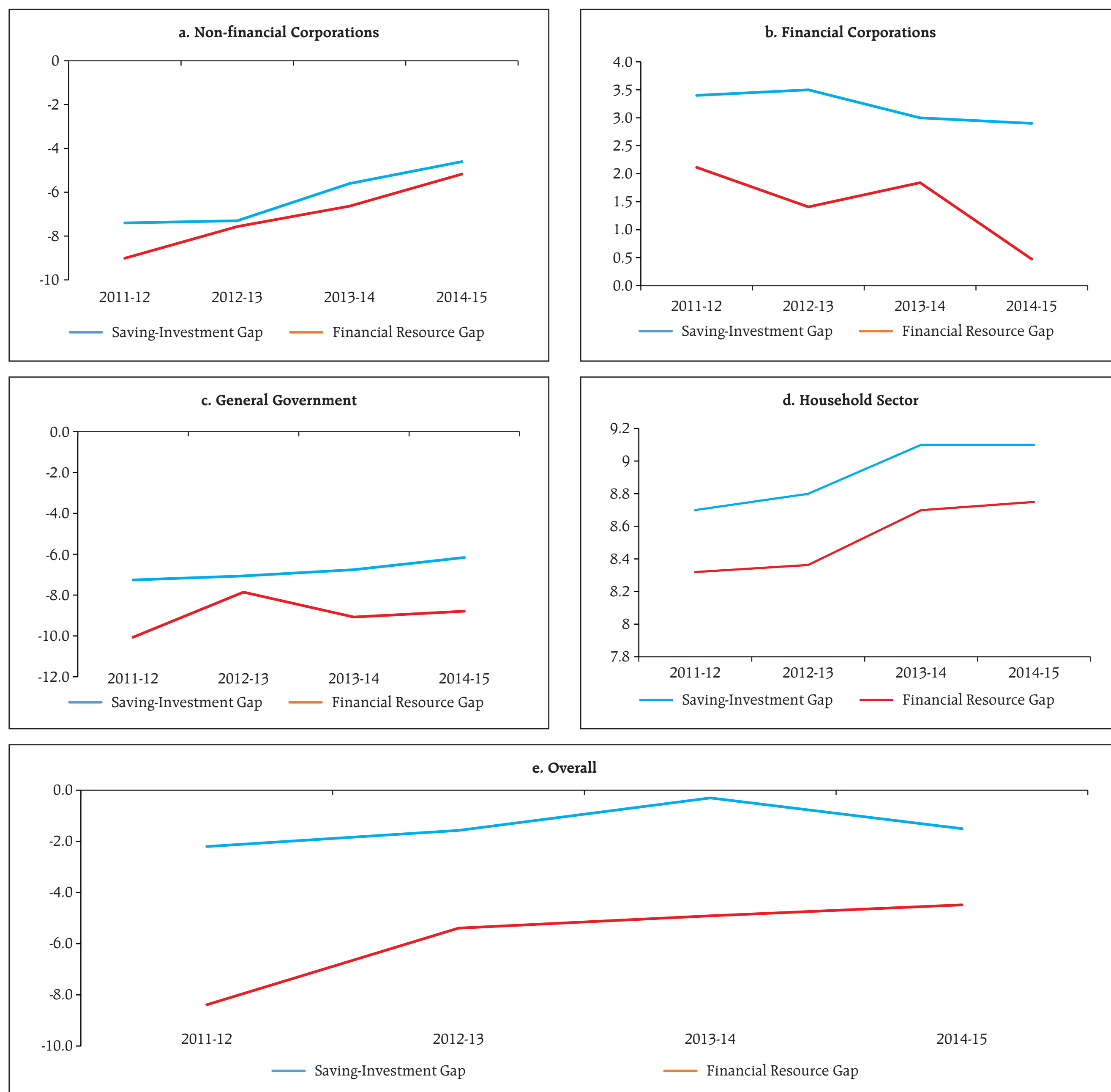
The CSO's sequence of accounts provides measures of sectoral and economy-wide saving-investment balances. The FoF accounts depict the financing of these resource balances, although gaps in coverage, valuation and timing impede a perfect correspondence between the two. Nevertheless, directional co-movements are discernible (Chart 15 and Annex I).

Table 2: Financial Ratios: 2011-12 to 2014-15

(Amount in ₹ Billion)

	2011-12	2012-13	2013-14	2014-15
1. Secondary Issues#	18,584	22,257	23,374	24,807
2. Primary Issues##	27,800	27,118	32,437	33,448
2.1 Domestic Sectors	27,634	26,103	29,825	29,462
2.2 Rest of the World	167	1,015	2,612	3,986
3. Total Issues (1+2)	46,384	49,375	55,811	58,255
4. Net Domestic Capital Formation@	24,858	27,828	27,131	29,430
5. National Income@	77,421	87,746	99,344	1,10,076
6. Finance Ratio (Ratio of 3 to 5)	0.60	0.56	0.56	0.53
7. Financial Inter-relations Ratio (Ratio of 3 to 4)	1.87	1.77	2.06	1.98
8. New Issue Ratio (Ratio of 2 to 4)	1.12	0.97	1.20	1.14
9. Intermediation Ratio (Ratio of 1 to 2)	0.67	0.82	0.72	0.74

#: Refers to issues by financial intermediaries (i.e. ODCs and OFCs).
##: Refers to issues by all sectors other than financial intermediaries.
@ At current prices.



*: Saving-Investment balance includes net capital transfers.
Note: The difference between saving-investment and financial resource gap in the case of household sector is entirely on account of investment in valuables.

V. Conclusion

The FoF accounts for 2014-15 provide interesting insights into the working of the Indian economy and the movements in financial flows driven by it. From an economy-wide perspective, there was a decline in issuances of financial liabilities in the economy reflecting moderation in domestic resource requirements. This is corroborated by a narrowing of the current account deficit.

Within the financial sector, a noteworthy development was the rising importance of OFCs (other than deposit-taking entities) pointing to their growing role in intermediating financial flows in the economy. Moreover, they also increased their share in households' financial surplus, reflecting a shift in preference of the latter's choice of savings instruments for mutual funds, insurance and pension funds and away from the traditional bank deposits. At the same time, financial linkages among the OFCs proliferated, increasing their vulnerability to intra-sectoral shocks.

Turning to the corporate sector, the decline in financial resource requirements alongside compositional shifts in financing patterns is indicative of several factors at work – asset quality concerns among banks; and deleveraging and repayments to the banking sector. In addition, a sizeabl pick-up in deposits by the corporate sector in the banking system narrowed its financing gap.

As regards households, their financial surplus remained unchanged but underwent a compositional change, migrating from depository corporations to other financial corporations. This could imply greater sensitivity to return differentials across financial instruments and consumption smoothing.

Key indicators thrown up by the FoF point to growing financial intermediation in the economy. While this is indicative of institutional deepening, the relatively higher financial inter-relations ratio suggests higher absorption of resources into uses within the financial sector in view of subdued capital formation in the economy.

Annex I

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

(Per cent)

		2011-12	2012-13	2013-14	2014-15
1.i	**Public Non-Financial Corporations**				
	(i) Net Saving	-0.1	-0.2	-0.3	-0.5
	(ii) Net Capital Formation	2.7	2.5	2.2	2.0
	(iii) Resource Gap [(i) - ii)]	-2.5	-2.3	-2.3	-2.4
1.ii	**Private Non-Financial Corporations**				
	(i) Net Saving	4.8	5.2	6.2	7.9
	(ii) Net Capital Formation	9.9	10.4	9.9	10.7
	(iii) Resource Gap [(i) - ii)]	-4.8	-5.1	-3.3	-2.3
2	**Financial Corporations**				
	(i) Net Saving	3.4	3.4	2.9	3.0
	(ii) Net Capital Formation	0.5	0.3	0.3	0.4
	(iii) Surplus [(i) - ii)]	3.4	3.5	3.0	2.9
3	**General Government**				
	(i) Net Saving	-3.3	-3.0	-2.7	-2.3
	(ii) Net Capital Formation	2.7	2.7	3.0	3.6
	(iii) Resource Gap [(i) - ii)]	-7.0	-6.8	-6.5	-5.9
4	**Household Sector**				
	(i) Net Saving	22.5	21.0	19.3	17.3
	(ii) Net Capital Formation	13.7	12.3	10.3	8.2
	(iii) Surplus [(i) - ii)]	8.7	8.8	9.1	9.1
5	**Total (1 to 4)**				
	(i) Net Saving	27.2	26.3	25.4	25.3
	(ii) Net Capital Formation	29.5	28.2	25.6	24.8
	(iii) Resource Gap [(i) - ii)]	-2.3	-1.8	-0.1	0.5
6	**Valuables**	3.3	3.1	1.6	1.8
7	**Errors and Omissions**	-0.7	0.4	0.0	0.2
8	**Overall Resource Gap [5(iii)-6-7]**	-4.9	-5.3	-1.7	-1.5

Note: The sectoral data on net saving are adjusted for capital transfers receivable/payable.
Source: Central Statistical Office.

CURRENT STATISTICS

Select Economic Indicators

Reserve Bank of India

Money and Banking

Prices and Production

Government Accounts and Treasury Bills

Financial Markets

External Sector

Payment and Settlement Systems

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

No. 1: Select Economic Indicators

Item	2015-16	2014-15		2015-16	
		Q3	Q4	Q3	Q4
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	7.2	6.7	6.2	6.9	7.4
1.1.1 Agriculture	1.2	-2.4	-1.7	-1.0	2.3
1.1.2 Industry	8.8	3.4	6.9	10.3	9.2
1.1.3 Services	8.2	11.7	8.3	8.5	8.1
1.1a Final Consumption Expenditure	6.6	5.3	5.2	7.4	7.6
1.1b Gross Fixed Capital Formation	3.9	3.7	5.4	1.2	-1.9
	2015-16	**2015**		**2016**	
		May	**Jun.**	**May**	**Jun.**
	1	2	3	4	5
1.2 Index of Industrial Production	0.1	2.5	4.2	1.2	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	9.3	10.8	10.7	8.9	9.7
2.1.2 Credit	10.9	9.3	8.8	9.4	9.4
2.1.2.1 Non-food Credit	10.9	9.5	9.0	9.6	9.8
2.1.3 Investment in Govt. Securities	5.4	13.9	13.9	4.7	6.2
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	13.1	11.3	10.2	12.5	14.3
2.2.2 Broad Money (M3)	10.5	10.8	10.6	9.8	10.6
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	21.50	21.50	21.50	21.25	21.25
3.3 Cash-Deposit Ratio	4.8	4.9	4.8	4.7	4.8
3.4 Credit-Deposit Ratio	77.7	75.5	75.7	76.0	75.6
3.5 Incremental Credit-Deposit Ratio	89.8	34.1	44.3	-12.3	2.4
3.6 Investment-Deposit Ratio	28.1	29.9	29.7	28.7	28.7
3.7 Incremental Investment-Deposit Ratio	16.9	57.9	51.0	57.1	49.9
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.75	7.50	7.25	6.50	6.50
4.2 Reverse Repo Rate	5.75	6.50	6.25	6.00	6.00
4.3 Marginal Standing Facility (MSF) Rate	7.75	8.50	8.25	7.00	7.00
4.4 Bank Rate	7.75	8.50	8.25	7.00	7.00
4.5 Base Rate	9.30/9.70	9.75/10.00	9.70/10.00	9.30/9.70	9.30/9.70
4.6 MCLR	-	-	-	8.90/9.15	8.90/9.15
4.7 Term Deposit Rate >1 Year	7.00/7.50	8.0/8.5	8.0/8.5	7.0/7.5	7.0/7.6
4.8 Savings Deposit Rate	4.00	4.00	4.00	4.00	4.00
4.9 Call Money Rate (Weighted Average)	7.35	7.52	7.08	6.44	6.33
4.10 91-Day Treasury Bill (Primary) Yield	7.27	7.85	7.69	6.85	6.73
4.11 182-Day Treasury Bill (Primary) Yield	7.17	7.90	7.75	6.95	6.82
4.12 364-Day Treasury Bill (Primary) Yield	7.11	7.83	7.72	6.96	6.90
4.13 10-Year Government Securities Yield	7.42	7.64	7.87	7.48	7.51
5 RBI Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (₹ Per Foreign Currency)	66.33	63.76	63.60	67.41	68.01
5.2 INR-Euro Spot Rate (₹ Per Foreign Currency)	75.10	69.91	71.23	75.54	75.10
5.3 Forward Premia of US$ 1-month (%)	6.78	7.34	7.36	6.59	6.35
3-month (%)	6.63	7.28	7.30	6.44	6.32
6-month (%)	6.57	7.09	7.23	6.42	6.12
6 Inflation (%)					
6.1 All India Consumer Price Index	4.9	5.0	5.4	5.8	5.8
6.2 Consumer Price Index for Industrial Workers	5.6	5.7	6.1	6.6	6.1
6.3 Wholesale Price Index	-2.5	-2.2	-2.1	0.8	1.6
6.3.1 Primary Articles	0.2	-1.1	-0.5	4.6	5.5
6.3.2 Fuel and Power	-11.6	-9.4	-8.9	-6.1	-3.6
6.3.3 Manufactured Products	-1.1	-0.5	-0.8	0.9	1.2
7 Foreign Trade (% Change)					
7.1 Imports	-15.3	-15.9	-13.7	-14.6	-7.3
7.2 Exports	-15.9	-19.7	-14.0	-1.3	1.3

Reserve Bank of India

No. 2: RBI - Liabilities and Assets

(₹ Billion)

Item	As on the Last Friday/ Friday						
	2015-16	2015	2016				
		Jul.	Jun. 24	Jul. 8	Jul. 15	Jul. 22	Jul. 29
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	16,512.44	14,550.17	17,105.03	17,309.38	17,288.36	17,135.72	17,011.16
1.1.2 Notes held in Banking Department	0.16	0.11	0.17	0.15	0.15	0.13	0.12
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**16,512.60**	**14,550.28**	**17,105.20**	**17,309.53**	**17,288.51**	**17,135.85**	**17,011.29**
1.2 Assets							
1.2.1 Gold Coin and Bullion	694.86	637.23	715.90	729.07	729.07	729.07	729.07
1.2.2 Foreign Securities	15,804.14	13900.64	16,376.69	16,568.71	16,546.12	16,394.04	16,269.93
1.2.3 Rupee Coin	3.14	1.94	2.15	1.29	2.85	2.27	1.82
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	6,481.57	4,923.11	5,246.34	4,994.91	4,919.42	4,860.25	5,017.50
2.1.1.1 Central Government	1.01	1.01	1.00	1.00	1.01	1.00	1.01
2.1.1.2 Market Stabilisation Scheme	–	–	–	–	–	–	–
2.1.1.3 State Governments	1.99	0.42	0.42	0.42	0.42	0.42	0.42
2.1.1.4 Scheduled Commercial Banks	3,906.19	3,657.25	3,940.21	3,884.46	3,981.70	3,867.42	4,025.35
2.1.1.5 Scheduled State Co-operative Banks	37.97	33.37	34.20	34.73	35.15	34.38	35.61
2.1.1.6 Non-Scheduled State Co-operative Banks	14.07	13.24	13.58	15.18	14.60	14.96	15.30
2.1.1.7 Other Banks	211.08	190.52	212.30	213.08	213.40	213.95	214.76
2.1.1.8 Others	2,309.26	1,027.30	1,044.62	846.03	673.13	728.10	725.05
2.1.2 Other Liabilities	9,627.82	9,019.53	10,178.54	9,893.91	9,851.89	9,835.62	9,909.35
2.1/2.2 Total Liabilities or Assets	**16,109.39**	**13,942.64**	**15,424.88**	**14,888.82**	**14,771.29**	**14,695.86**	**14,926.83**
2.2 Assets							
2.2.1 Notes and Coins	0.16	0.11	0.17	0.15	0.15	0.13	0.12
2.2.2 Balances held Abroad	6,553.25	7,402.99	6,645.90	6,340.19	6,333.08	6,463.72	6,743.09
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	–	8.65	86.45	–	–
2.2.3.2 State Governments	11.92	19.39	10.60	25.13	12.59	12.97	12.30
2.2.3.3 Scheduled Commercial Banks	2,465.69	292.86	827.43	611.02	425.32	299.68	261.16
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	145.93	40.61	52.26	40.30	48.72	52.86	52.60
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	6,122.94	5,386.15	7,020.48	7,040.90	7,041.60	7,042.30	7,043.01
2.2.6 Other Assets	809.50	800.55	868.04	822.48	823.39	824.20	814.57
2.2.6.1 Gold	631.16	556.01	650.27	662.23	662.23	662.23	662.23

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
Jun. 1, 2016	27.03	112.59	–	258.44	0.75	–	–	150.00	–193.25
Jun. 2, 2016	27.03	86.07	–	300.06	0.85	–	–	–	–358.25
Jun. 3, 2016	31.85	19.22	46.80	115.20	0.05	–	–	–	–55.72
Jun. 4, 2016	–	69.90	–	–	–	–	–	–	–69.90
Jun. 6, 2016	22.18	11.79	–	245.94	13.95	–	–	–	–221.60
Jun. 7, 2016	30.02	11.62	122.65	–	12.67	–	–	–	153.72
Jun. 8, 2016	219.35	26.09	29.50	–	–	–1.70	–	–	221.06
Jun. 9, 2016	48.46	358.45	200.03	–	0.50	1.70	–	–	–107.76
Jun. 10, 2016	33.95	176.99	185.70	357.67	0.23	–	–	–	–314.78
Jun. 13, 2016	29.45	21.68	–	156.60	–	–	–	–	–148.83
Jun. 14, 2016	18.60	19.90	142.00	100.03	0.40	–	–	–	41.07
Jun. 15, 2016	138.84	23.00	–	–	–	–	–	–	115.84
Jun. 16, 2016	52.45	59.04	101.25	–	–	–	–	–	94.66
Jun. 17, 2016	30.20	44.91	47.75	100.03	–	–	–	–	–66.99
Jun. 18, 2016	–	15.07	–	–	–	–	–	–	–15.07
Jun. 20, 2016	32.37	39.71	–	116.05	0.30	–	–	–	–123.09
Jun. 21, 2016	28.22	22.84	73.00	115.13	6.25	–3.33	–	105.00	71.17
Jun. 22, 2016	25.17	36.24	–	22.91	–	–	–	–	–33.98
Jun. 23, 2016	178.08	248.32	–	–	15.01	–	–	–	–55.23
Jun. 24, 2016	102.75	196.98	190.02	–	0.70	1.11	–	–	97.60
Jun. 27, 2016	34.75	76.58	–	–	0.40	–1.02	–	–	–42.45
Jun. 28, 2016	32.28	271.13	100.00	31.79	1.00	–0.17	–	–	–169.81
Jun. 29, 2016	29.27	264.47	–	90.37	–	–	–	–	–325.57
Jun. 30, 2016	47.67	224.89	–	110.12	21.15	–	–	–	–266.19

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

i) Operations in OTC segment

Item	2015-16	2015	2016	
		Jun.	May	Jun.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	10,209.00	565.00	554.00	1,918.00
1.1 Purchase (+)	63,299.00	5,530.00	4,369.00	3,948.00
1.2 Sale (–)	53,090.00	4,965.00	3,815.00	2,030.00
2 ₹ equivalent at contract rate (₹ Billion)	630.89	37.51	37.20	129.76
3 Cumulative (over end-March) (US $ Million)	10,209.00	8,574.00	1,893.00	3,811.00
(₹ Billion)	630.89	548.93	125.56	255.32
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	–4,253.00	2,592.00	–5,748.00	–7,431.00

ii) Operations in currency futures segment

Item	2015-16	2015	2016	
		Jun.	May.	Jun.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	0.00	0.00	0.00	0.00
1.1 Purchase (+)	9462.00	0.00	790.00	1,750.00
1.2 Sale (–)	9462.00	0.00	790.00	1,750.00
2 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million)	0.00	0.00	0.00	0.00

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

Item	As on June 30, 2016		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	895	0	895
2. More than 1 month and upto 3 months	2,006	2,092	-86
3. More than 3 months and upto 1 year	18,593	24,616	-6,023
4. More than 1 year	0	2,217	-2,217
Total (1+2+3+4)	**21,494**	**28,925**	**-7,431**

No. 5: RBI's Standing Facilities

(₹ Billion)

Item	As on the Last Reporting Friday							
	2015-16	2015	2016					
		Jun. 26	Feb. 19	Mar. 18	Apr. 29	May 27	Jun. 24	Jul. 22
	1	2	3	4	5	6	7	8
1 MSF	0.1	–	21.5	0.1	12.5	–	0.7	2.8
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	–	127.1	–	–	–	–	–	–
2.2 Outstanding	–	36.6	–	–	–	–	–	–
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	27.7	20.3	22.9	27.7	27.6	23.4	22.1	19.0
4 Others								
4.1 Limit	–	–	–	–	–	–	–	–
4.2 Outstanding	–	–	–	–	–	–	–	–
5 Total Outstanding (1+2.2+3.2+4.2)	27.8	56.9	44.4	27.8	40.1	23.4	22.8	21.9

Money and Banking

No. 6: Money Stock Measures

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jun. 26	May 27	Jun. 10	Jun. 24
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	15,972.5	14,309.9	16,604.1	16,770.3	16,558.3
1.1 Notes in Circulation	16,415.6	14,774.3	17,110.8	17,262.7	17,105.0
1.2 Circulation of Rupee Coin	211.6	192.5	216.3	216.3	218.6
1.3 Circulation of Small Coins	7.4	7.4	7.4	7.4	7.4
1.4 Cash on Hand with Banks	662.1	664.4	730.5	716.2	772.8
2 Deposit Money of the Public	10,052.8	9,138.6	9,945.0	9,890.3	10,137.5
2.1 Demand Deposits with Banks	9,898.3	9,048.1	9,812.0	9,756.7	10,004.9
2.2 'Other' Deposits with Reserve Bank	154.5	90.5	133.0	133.6	132.5
3 M_1 (1 + 2)	**26,025.4**	**23,448.5**	**26,549.1**	**26,660.6**	**26,695.7**
4 Post Office Saving Bank Deposits	607.8	497.1	607.8	607.8	607.8
5 M_2 (3 + 4)	**26,633.1**	**23,945.6**	**27,156.8**	**27,268.4**	**27,303.5**
6 Time Deposits with Banks	90,150.8	84,662.9	92,219.9	92,799.4	92,875.9
7 M_3 (3 + 6)	**116,176.2**	**108,111.3**	**118,769.0**	**119,460.0**	**119,571.6**
8 Total Post Office Deposits	2,076.2	1,797.9	2,076.2	2,076.2	2,076.2
9 M_4 (7 + 8)	**118,252.3**	**109,909.2**	**120,845.1**	**121,536.2**	**121,647.8**

No. 7: Sources of Money Stock (M_3)

(₹ Billion)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jun. 26	May 27	Jun. 10	Jun. 24
	1	2	3	4	5
1 Net Bank Credit to Government	**32,384.8**	**32,046.2**	**35,506.2**	**36,425.9**	**36,092.2**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	4,250.0	4,443.5	6,301.3	6,946.5	6,604.6
1.1.1 Claims on Government	6,167.0	5,206.9	6,756.3	6,948.0	7,020.5
1.1.1.1 Central Government	6,162.2	5,198.1	6,750.7	6,921.8	7,009.9
1.1.1.2 State Governments	4.8	8.8	5.6	26.2	10.6
1.1.2 Government deposits with RBI	1,917.0	763.4	455.0	1.4	415.9
1.1.2.1 Central Government	1,916.6	762.9	454.5	1.0	415.5
1.1.2.2 State Governments	0.4	0.4	0.4	0.4	0.4
1.2 Other Banks' Credit to Government	28,134.9	27,602.6	29,204.9	29,479.3	29,487.6
2 Bank Credit to Commercial Sector	**78,030.7**	**71,492.2**	**77,635.8**	**77,882.4**	**77,927.2**
2.1 RBI's credit to commercial sector	200.8	63.3	75.8	76.9	75.3
2.2 Other banks' credit to commercial sector	77,829.9	71,428.9	77,560.0	77,805.5	77,851.9
2.2.1 Bank credit by commercial banks	72,496.1	66,306.2	72,264.4	72,510.0	72,559.5
2.2.2 Bank credit by co-operative banks	5,285.3	5,062.9	5,241.5	5,241.7	5,237.5
2.2.3 Investments by commercial and co-operative banks in other securities	48.4	59.7	54.1	53.8	55.0
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**25,337.2**	**23,546.8**	**25,573.5**	**25,660.0**	**25,889.2**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	23,834.8	22,478.7	24,071.0	24,157.5	24,386.7
3.1.1 Gross foreign assets	23,836.8	22,479.0	24,073.1	24,159.6	24,388.8
3.1.2 Foreign liabilities	2.0	0.3	2.1	2.1	2.1
3.2 Other banks' net foreign exchange assets	1,502.5	1,068.1	1,502.5	1,502.5	1,502.5
4 Government's Currency Liabilities to the Public	**219.1**	**200.0**	**223.8**	**223.8**	**226.0**
5 Banking Sector's Net Non-monetary Liabilities	**19,795.6**	**19,173.8**	**20,170.3**	**20,731.9**	**20,562.9**
5.1 Net non-monetary liabilities of RBI	9,541.7	8,695.4	9,797.3	9,759.1	10,005.0
5.2 Net non-monetary liabilities of other banks (residual)	10,253.9	10,478.4	10,372.9	10,972.8	10,557.9
M_3 (1+2+3+4–5)	**116,176.2**	**108,111.3**	**118,769.0**	**119,460.0**	**119,571.6**

No. 8: Monetary Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jun. 26	May 27	Jun. 10	Jun. 24
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	26,025.4	23,448.5	26,549.1	26,660.6	26,695.7
NM_2 (NM_1+ 1.2.2.1)	65,238.9	60,277.0	66,670.9	67,051.8	67,099.0
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	116,156.4	107,728.6	118,658.1	119,346.7	119,446.7
1 Components					
1.1 Currency with the Public	15,972.5	14,309.9	16,604.1	16,770.3	16,558.3
1.2 Aggregate Deposits of Residents	97,039.6	90,889.3	98,971.7	99,514.8	99,790.0
1.2.1 Demand Deposits	9,898.3	9,048.1	9,812.0	9,756.7	10,004.9
1.2.2 Time Deposits of Residents	87,141.2	81,841.2	89,159.7	89,758.1	89,785.0
1.2.2.1 Short-term Time Deposits	39,213.5	36,828.6	40,121.9	40,391.1	40,403.3
1.2.2.1.1 Certificates of Deposit (CDs)	2,068.2	2,223.4	2,261.6	1,945.7	3,211.6
1.2.2.2 Long-term Time Deposits	47,927.7	45,012.7	49,037.8	49,367.0	49,381.8
1.3 ‘Other’ Deposits with RBI	154.5	90.5	133.0	133.6	132.5
1.4 Call/Term Funding from Financial Institutions	2,989.8	2,438.9	2,949.3	2,928.0	2,966.0
2 Sources					
2.1 Domestic Credit	115,922.7	108,318.8	119,117.8	120,291.1	120,008.8
2.1.1 Net Bank Credit to the Government	32,384.8	32,046.2	35,506.2	36,425.9	36,092.2
2.1.1.1 Net RBI credit to the Government	4,250.0	4,443.5	6,301.3	6,946.5	6,604.6
2.1.1.2 Credit to the Government by the Banking System	28,134.9	27,602.6	29,204.9	29,479.3	29,487.6
2.1.2 Bank Credit to the Commercial Sector	83,537.9	76,272.7	83,611.6	83,865.3	83,916.7
2.1.2.1 RBI Credit to the Commercial Sector	200.8	63.3	75.8	76.9	75.3
2.1.2.2 Credit to the Commercial Sector by the Banking System	83,337.0	76,209.4	83,535.8	83,788.4	83,841.4
2.1.2.2.1 Other Investments (Non-SLR Securities)	5,412.0	4,735.9	5,907.3	5,898.2	5,909.5
2.2 Government’s Currency Liabilities to the Public	219.1	200.0	223.8	223.8	226.0
2.3 Net Foreign Exchange Assets of the Banking Sector	21,586.9	20,044.1	22,121.9	22,234.9	22,324.9
2.3.1 Net Foreign Exchange Assets of the RBI	23,834.8	22,478.7	24,071.0	24,157.5	24,386.7
2.3.2 Net Foreign Currency Assets of the Banking System	–2,247.8	–2,434.6	–1,949.0	–1,922.7	–2,061.8
2.4 Capital Account	18,310.9	17,319.0	19,057.1	18,980.5	19,262.9
2.5 Other items (net)	3,261.5	3,515.3	3,748.4	4,422.5	3,850.1

No. 9: Liquidity Aggregates

(₹ Billion)

Aggregates	2015-16	2015	2016		
		Jun.	Apr.	May	Jun.
	1	2	3	4	5
1 NM_3	**116,156.4**	**107,728.6**	**118,694.1**	**118,658.1**	**119,446.7**
2 Postal Deposits	2,076.2	1,797.9	2,076.2	2,076.2	2,076.2
3 L_1 (1 + 2)	**118,232.5**	**109,526.4**	**120,770.2**	**120,734.2**	**121,522.9**
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)	**118,261.8**	**109,555.7**	**120,799.5**	**120,763.5**	**121,552.2**
6 Public Deposits with Non-Banking Financial Companies	372.1	324.6	..	..	372.1
7 L_3 (5 + 6)	**118,633.9**	**109,880.3**	..	..	**121,924.3**

No. 10: Reserve Bank of India Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jun. 26	May 27	Jun. 10	Jun. 24
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	16,634.6	14,974.3	17,334.6	17,486.5	17,331.1
1.2 Bankers' Deposits with the RBI	5,018.3	3,883.7	4,097.2	4,120.4	4,200.3
1.2.1 Scheduled Commercial Banks	4,738.7	3,652.1	3,839.5	3,860.9	3,940.2
1.3 'Other' Deposits with the RBI	154.5	90.5	133.0	133.6	132.5
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	21,807.4	18,948.5	21,564.8	21,740.5	21,663.9
2 Sources					
2.1 RBI's Domestic Credit	7,295.3	4,965.2	7,067.4	7,118.3	7,056.2
2.1.1 Net RBI credit to the Government	4,250.0	4,443.5	6,301.3	6,946.5	6,604.6
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)	4,245.6	4,435.2	6,296.2	6,920.8	6,594.4
2.1.1.1.1 Loans and Advances to the Central Government	–	–	–	22.2	–
2.1.1.1.2 Investments in Treasury Bills	–	–	–	–	–
2.1.1.1.3 Investments in dated Government Securities	6,159.5	5,195.9	6,748.3	6,898.2	7,007.7
2.1.1.1.3.1 Central Government Securities	6,149.0	5,185.4	6,737.8	6,887.8	6,997.3
2.1.1.1.4 Rupee Coins	2.8	2.2	2.5	1.4	2.2
2.1.1.1.5 Deposits of the Central Government	1,916.6	762.9	454.5	1.0	415.5
2.1.1.2 Net RBI credit to State Governments	4.3	8.3	5.1	25.8	10.2
2.1.2 RBI's Claims on Banks	2,844.5	458.4	690.2	94.9	376.4
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	2,844.5	458.0	690.2	94.9	376.4
2.1.3 RBI's Credit to Commercial Sector	200.8	63.3	75.8	76.9	75.3
2.1.3.1 Loans and Advances to Primary Dealers	27.0	20.3	23.4	24.3	22.1
2.1.3.2 Loans and Advances to NABARD	–	–	–	–	–
2.2 Government's Currency Liabilities to the Public	219.1	200.0	223.8	223.8	226.0
2.3 Net Foreign Exchange Assets of the RBI	23,834.8	22,478.7	24,071.0	24,157.5	24,386.7
2.3.1 Gold	1,334.3	1,233.2	1,333.2	1,366.2	1,366.2
2.3.2 Foreign Currency Assets	22,500.6	21,245.7	22,738.0	22,791.5	23,020.7
2.4 Capital Account	8,728.0	8,145.0	8,869.2	8,815.3	9,033.9
2.5 Other Items (net)	813.7	550.5	928.1	943.9	971.1

No. 11: Reserve Money - Components and Sources

(₹ Billion)

Item	Outstanding as on March 31/ last Fridays of the month/ Fridays						
	2015-16	2015	2016				
		Jun. 26	May 27	Jun. 3	Jun. 10	Jun. 17	Jun. 24
	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)	21,807.4	18,948.5	21,564.8	21,670.6	21,740.5	21,766.1	21,663.9
1 Components							
1.1 Currency in Circulation	16,634.6	14,974.3	17,334.6	17,362.3	17,486.5	17,452.2	17,331.1
1.2 Bankers' Deposits with RBI	5,018.3	3,883.7	4,097.2	4,173.8	4,120.4	4,181.0	4,200.3
1.3 'Other' Deposits with RBI	154.5	90.5	133.0	134.5	133.6	132.9	132.5
2 Sources							
2.1 Net Reserve Bank Credit to Government	4,250.0	4,443.5	6,301.3	6,980.2	6,946.5	6,408.0	6,604.6
2.2 Reserve Bank Credit to Banks	2,844.5	458.4	690.2	3.1	94.9	654.5	376.4
2.3 Reserve Bank Credit to Commercial Sector	200.8	63.3	75.8	67.3	76.9	77.6	75.3
2.4 Net Foreign Exchange Assets of RBI	23,834.8	22,478.7	24,071.0	24,361.9	24,157.5	24,322.4	24,386.7
2.5 Government's Currency Liabilities to the Public	219.1	200.0	223.8	223.8	223.8	223.8	226.0
2.6 Net Non- Monetary Liabilities of RBI	9,541.7	8,695.4	9,797.3	9,965.6	9,759.1	9,920.3	10,005.0

No. 12: Commercial Bank Survey

(₹ Billion)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2015-16	2015	2016		
		Jun. 26	May 27	Jun. 10	Jun. 24
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	90,263.3	84,635.9	92,080.7	92,611.2	92,864.5
1.1.1 Demand Deposits	8,890.0	8,054.1	8,755.8	8,694.7	8,939.5
1.1.2 Time Deposits of Residents	81,373.4	76,581.7	83,324.9	83,916.5	83,925.0
1.1.2.1 Short-term Time Deposits	36,618.0	34,461.8	37,496.2	37,762.4	37,766.2
1.1.2.1.1 Certificates of Deposits (CDs)	2,068.2	2,223.4	2,261.6	1,945.7	3,211.6
1.1.2.2 Long-term Time Deposits	44,755.4	42,120.0	45,828.7	46,154.1	46,158.7
1.2 Call/Term Funding from Financial Institutions	2,989.8	2,438.9	2,949.3	2,928.0	2,966.0
2 Sources					
2.1 Domestic Credit	104,171.4	97,001.2	105,474.9	105,995.1	106,056.3
2.1.1 Credit to the Government	26,239.3	25,980.4	27,305.6	27,573.9	27,577.8
2.1.2 Credit to the Commercial Sector	77,932.1	71,020.8	78,169.4	78,421.2	78,478.5
2.1.2.1 Bank Credit	72,496.1	66,306.2	72,264.4	72,510.0	72,559.5
2.1.2.1.1 Non-food Credit	71,443.6	65,191.9	71,157.8	71,541.9	71,555.7
2.1.2.2 Net Credit to Primary Dealers	97.8	47.2	71.1	87.3	82.6
2.1.2.3 Investments in Other Approved Securities	15.8	21.0	16.1	15.3	16.6
2.1.2.4 Other Investments (in non-SLR Securities)	5,322.4	4,646.3	5,817.7	5,808.6	5,819.9
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	–2,247.8	–2,434.6	–1,949.0	–1,922.7	–2,061.8
2.2.1 Foreign Currency Assets	1,847.4	1,461.7	2,133.7	2,096.5	2,034.5
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	3,009.6	2,821.6	3,060.2	3,041.3	3,090.9
2.2.3 Overseas Foreign Currency Borrowings	1,085.6	1,074.7	1,022.5	977.8	1,005.4
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	2,290.1	3,773.7	3,788.1	4,391.2	4,244.7
2.3.1 Balances with the RBI	3,874.4	3,652.1	3,839.5	3,860.9	3,940.2
2.3.2 Cash in Hand	574.4	579.5	638.8	625.2	680.8
2.3.3 Loans and Advances from the RBI	2,158.7	458.0	690.2	94.9	376.4
2.4 Capital Account	9,341.1	8,932.4	9,946.2	9,923.6	9,987.3
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	1,619.5	2,333.2	2,337.8	3,000.8	2,421.4
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	3,954.8	3,299.0	3,773.1	3,899.8	3,816.7
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	–256.0	–433.0	–265.2	–320.4	–379.8

No. 13: Scheduled Commercial Banks' Investments

(₹ Billion)

Item	As on March 18, 2016	2015	2016		
		Jun. 26	May. 27	Jun. 10	Jun. 24
	1	2	3	4	5
1 SLR Securities	26,255.1	26,001.4	27,321.7	27,589.2	27,594.3
2 Commercial Paper	817.9	614.0	864.5	842.5	884.7
3 Shares issued by					
3.1 PSUs	77.1	75.8	78.0	77.6	77.7
3.2 Private Corporate Sector	435.5	384.8	446.0	461.5	454.4
3.3 Others	55.9	36.7	62.9	42.9	42.9
4 Bonds/Debentures issued by					
4.1 PSUs	930.7	762.3	1,191.7	1,104.0	1,118.6
4.2 Private Corporate Sector	1,324.4	1,112.0	1,277.2	1,249.5	1,263.0
4.3 Others	511.2	490.5	678.0	732.2	681.9
5 Instruments issued by					
5.1 Mutual funds	641.7	623.1	691.4	707.8	694.3
5.2 Financial institutions	629.0	628.1	627.4	591.9	602.5

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

(₹ Billion)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2015-16	2015	2016		2015-16	2015	2016	
		Jun.	May	Jun.		Jun.	May	Jun.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	214	213	218	218	147	146	148	148
1 Liabilities to the Banking System	**2,312.4**	**1,671.0**	**2,275.9**	**2,170.4**	**2,250.3**	**1,616.6**	**2,153.3**	**2,096.2**
1.1 Demand and Time Deposits from Banks	1,583.2	1,242.4	1,536.8	1,469.6	1,522.1	1,189.0	1,470.3	1,403.0
1.2 Borrowings from Banks	645.0	371.3	601.9	598.0	644.0	370.4	571.7	590.5
1.3 Other Demand and Time Liabilities	84.2	57.3	137.2	102.7	84.2	57.2	111.3	102.7
2 Liabilities to Others	**103,899.7**	**96,699.5**	**105,920.6**	**106,456.4**	**101,303.1**	**94,270.4**	**102,885.8**	**103,743.4**
2.1 Aggregate Deposits	95,756.3	89,795.3	97,723.8	98,559.6	93,272.9	87,457.5	95,140.9	95,955.3
2.1.1 Demand	9,095.8	8,247.9	8,966.5	9,151.7	8,890.0	8,054.1	8,755.8	8,939.5
2.1.2 Time	86,660.5	81,547.4	88,757.3	89,407.9	84,382.9	79,403.4	86,385.1	87,015.9
2.2 Borrowings	3,011.5	2,453.9	3,289.5	2,994.7	2,989.8	2,438.9	2,949.3	2,966.0
2.3 Other Demand and Time Liabilities	5,131.9	4,450.3	4,907.3	4,902.2	5,040.4	4,374.0	4,795.6	4,822.1
3 Borrowings from Reserve Bank	**2,324.7**	**772.5**	**957.4**	**827.4**	**2,324.7**	**772.0**	**957.4**	**827.4**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	2,324.7	772.5	957.4	827.4	2,324.7	772.0	957.4	827.4
4 Cash in Hand and Balances with Reserve Bank	4,571.0	4,346.7	4,601.3	4,743.4	4,448.8	4,231.7	4,478.3	4,621.0
4.1 Cash in Hand	586.7	592.2	654.3	693.9	574.38	579.6	638.8	680.8
4.2 Balances with Reserve Bank	3,984.4	3,754.4	3,947.1	4,049.5	3,874.4	3,652.1	3,839.5	3,940.2
5 Assets with the Banking System	**2,980.4**	**2,458.0**	**2,985.1**	**2,939.4**	**2,604.0**	**2,099.0**	**2,489.6**	**2,558.7**
5.1 Balances with Other Banks	1,759.6	1,596.0	1,734.7	1,835.5	1,616.8	1,433.3	1,576.6	1,677.7
5.1.1 In Current Account	124.9	98.3	137.3	152.8	108.8	81.5	120.0	137.0
5.1.2 In Other Accounts	1,634.7	1,497.7	1,597.4	1,682.8	1,508.0	1,351.8	1,456.5	1,540.7
5.2 Money at Call and Short Notice	513.6	264.5	463.7	463.1	348.9	125.6	257.8	314.3
5.3 Advances to Banks	273.3	186.0	298.6	273.0	260.5	177.4	258.3	262.5
5.4 Other Assets	433.8	411.4	488.1	367.8	377.8	362.7	397.0	304.2
6 Investment	**27,000.9**	**26,726.9**	**28,290.6**	**28,372.7**	**26,255.1**	**26,001.4**	**27,321.7**	**27,594.3**
6.1 Government Securities	26,981.7	26,703.5	28,069.6	28,348.0	26,239.3	25,980.4	27,305.6	27,577.8
6.2 Other Approved Securities	19.2	23.4	221.0	24.7	15.8	21.0	16.1	16.6
7 Bank Credit	**74,689.6**	**68,310.8**	**74,480.3**	**74,776.9**	**72,496.1**	**66,306.2**	**72,264.4**	**72,559.5**
7a Food Credit	1,215.2	1,249.2	1,269.3	1,166.5	1,052.5	1,114.4	1,106.6	1,003.8
7.1 Loans, Cash-credits and Overdrafts	72,492.8	66,098.1	72,321.2	72,642.4	70,337.2	64,125.4	70,161.1	70,476.5
7.2 Inland Bills-Purchased	264.3	351.5	287.3	264.4	257.1	345.7	267.6	253.9
7.3 Inland Bills-Discounted	1,313.5	1,208.8	1,279.7	1,258.4	1,288.7	1,188.7	1,250.0	1,223.0
7.4 Foreign Bills-Purchased	205.5	224.3	208.3	219.0	204.4	223.5	207.2	218.2
7.5 Foreign Bills-Discounted	413.6	428.2	383.8	392.7	408.8	423.0	378.5	387.9

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

(₹ Billion)

Item	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		Jun. 26	May 27	Jun. 24	2016-17	2016
	1	2	3	4	5	6
1 Gross Bank Credit	**66,500**	**61,756**	**66,457**	**66,295**	**-0.3**	**7.3**
1.1 Food Credit	**1,031**	**1,042**	**892**	**757**	**–26.5**	**–27.3**
1.2 Non-food Credit	**65,469**	**60,714**	**65,565**	**65,538**	**0.1**	**7.9**
1.2.1 Agriculture & Allied Activities	**8,829**	**7,946**	**8,992**	**9,044**	**2.4**	**13.8**
1.2.2 Industry	**27,307**	**26,301**	**26,633**	**26,469**	**–3.1**	**0.6**
1.2.2.1 Micro & Small	3,715	3,740	3,602	3,598	–3.2	–3.8
1.2.2.2 Medium	1,148	1,204	1,088	1,090	–5.1	–9.5
1.2.2.3 Large	22,444	21,357	21,943	21,782	–3.0	2.0
1.2.3 Services	**15,411**	**14,331**	**15,713**	**15,651**	**1.6**	**9.2**
1.2.3.1 Transport Operators	997	925	1,051	1,055	5.8	14.1
1.2.3.2 Computer Software	191	176	189	192	0.3	9.0
1.2.3.3 Tourism, Hotels & Restaurants	371	369	373	376	1.5	2.0
1.2.3.4 Shipping	104	104	101	100	–3.8	–3.7
1.2.3.5 Professional Services	1,046	862	1,133	1,135	8.5	31.7
1.2.3.6 Trade	3,811	3,700	3,858	3,872	1.6	4.6
1.2.3.6.1 Wholesale Trade	1,686	1,808	1,705	1,711	1.5	–5.4
1.2.3.6.2 Retail Trade	2,125	1,892	2,153	2,161	1.7	14.2
1.2.3.7 Commercial Real Estate	1,776	1,669	1,825	1,832	3.1	9.7
1.2.3.8 Non-Banking Financial Companies (NBFCs)	3,527	3,118	3,484	3,451	–2.2	10.7
1.2.3.9 Other Services	3,587	3,409	3,699	3,639	1.4	6.7
1.2.4 Personal Loans	**13,922**	**12,135**	**14,227**	**14,374**	**3.2**	**18.5**
1.2.4.1 Consumer Durables	178	159	186	187	5.5	18.1
1.2.4.2 Housing	7,468	6,534	7,663	7,734	3.6	18.4
1.2.4.3 Advances against Fixed Deposits	667	611	624	613	–8.1	0.4
1.2.4.4 Advances to Individuals against share & bonds	64	52	57	56	–12.2	9.4
1.2.4.5 Credit Card Outstanding	377	329	421	425	12.7	29.2
1.2.4.6 Education	682	639	679	683	0.1	7.0
1.2.4.7 Vehicle Loans	1,529	1,295	1,546	1,564	2.3	20.7
1.2.4.8 Other Personal Loans	2,958	2,518	3,050	3,112	5.2	23.6
1.2A Priority Sector	**22,259**	**20,585**	**22,452**	**22,588**	**1.5**	**9.7**
1.2A.1 Agriculture & Allied Activities	8,826	7,946	8,990	9,034	2.4	13.7
1.2A.2 Micro & Small Enterprises	8,476	8,046	8,480	8,495	0.2	5.6
1.2A.2.1 Manufacturing	3,715	3,740	3,602	3,598	–3.2	–3.8
1.2A.2.2 Services	4,761	4,306	4,879	4,898	2.9	13.7
1.2A.3 Housing	3,423	3,208	3,474	3,473	1.5	8.2
1.2A.4 Micro-Credit	188	176	187	184	–2.4	4.4
1.2A.5 Education Loans	601	587	582	599	–0.4	2.0
1.2A.6 State-Sponsored Orgs. for SC/ST	5	4	6	6	14.4	65.6
1.2A.7 Weaker Sections	4,774	4,186	4,886	4,927	3.2	17.7
1.2A.8 Export Credit	424	405	442	475	12.0	17.3

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

(₹ Billion)

Industry	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		Jun. 26	May 27	Jun. 24	2016-17	2016
	1	2	3	4	5	6
1 Industry	**27,307**	**26,301**	**26,633**	**26,469**	**–3.1**	**0.6**
1.1 Mining & Quarrying (incl. Coal)	**390**	**358**	**341**	**338**	**–13.3**	**–5.5**
1.2 Food Processing	**1,501**	**1,609**	**1,468**	**1,460**	**–2.7**	**–9.3**
1.2.1 Sugar	400	395	388	372	–7.0	–6.0
1.2.2 Edible Oils & Vanaspati	199	195	196	194	–2.6	–0.3
1.2.3 Tea	36	30	32	33	–7.0	11.2
1.2.4 Others	866	989	852	861	–0.6	–12.9
1.3 Beverage & Tobacco	**181**	**183**	**170**	**166**	**–8.4**	**–9.0**
1.4 Textiles	**2,058**	**1,982**	**2,034**	**1,992**	**–3.2**	**0.5**
1.4.1 Cotton Textiles	1,035	978	1,008	977	–5.6	–0.0
1.4.2 Jute Textiles	22	22	20	20	–9.9	–11.5
1.4.3 Man-Made Textiles	208	210	206	199	–4.2	–5.0
1.4.4 Other Textiles	793	772	800	796	0.3	3.1
1.5 Leather & Leather Products	**105**	**101**	**104**	**105**	**0.2**	**4.4**
1.6 Wood & Wood Products	**95**	**97**	**101**	**103**	**8.9**	**6.1**
1.7 Paper & Paper Products	**355**	**339**	**341**	**341**	**–4.1**	**0.4**
1.8 Petroleum, Coal Products & Nuclear Fuels	**512**	**492**	**526**	**523**	**2.2**	**6.4**
1.9 Chemicals & Chemical Products	**1,645**	**1,516**	**1,570**	**1,558**	**–5.3**	**2.7**
1.9.1 Fertiliser	285	233	255	251	–11.9	7.7
1.9.2 Drugs & Pharmaceuticals	535	499	516	522	–2.3	4.6
1.9.3 Petro Chemicals	365	342	357	336	–7.9	–1.6
1.9.4 Others	461	443	442	448	–2.7	1.3
1.10 Rubber, Plastic & their Products	**374**	**363**	**369**	**366**	**–2.1**	**0.8**
1.11 Glass & Glassware	**89**	**88**	**85**	**84**	**–5.2**	**–4.1**
1.12 Cement & Cement Products	**543**	**563**	**532**	**548**	**0.9**	**–2.7**
1.13 Basic Metal & Metal Product	**4,160**	**3,829**	**4,164**	**4,195**	**0.8**	**9.6**
1.13.1 Iron & Steel	3,115	2,846	3,126	3,139	0.8	10.3
1.13.2 Other Metal & Metal Product	1,046	983	1,038	1,056	1.0	7.4
1.14 All Engineering	**1,542**	**1,528**	**1,535**	**1,529**	**–0.8**	**0.0**
1.14.1 Electronics	382	387	377	377	–1.5	–2.8
1.14.2 Others	1,159	1,141	1,159	1,152	–0.6	1.0
1.15 Vehicles, Vehicle Parts & Transport Equipment	**690**	**686**	**686**	**686**	**–0.6**	**–0.1**
1.16 Gems & Jewellery	**727**	**705**	**693**	**695**	**–4.5**	**–1.4**
1.17 Construction	**745**	**724**	**766**	**755**	**1.3**	**4.4**
1.18 Infrastructure	**9,648**	**9,339**	**9,273**	**9,140**	**–5.3**	**–2.1**
1.18.1 Power	5,799	5,731	5,386	5,288	–8.8	–7.7
1.18.2 Telecommunications	913	892	951	910	–0.3	2.0
1.18.3 Roads	1,775	1,675	1,827	1,840	3.7	9.9
1.18.4 Other Infrastructure	1,161	1,041	1,109	1,102	–5.1	5.8
1.19 Other Industries	**1,945**	**1,800**	**1,876**	**1,884**	**–3.1**	**4.7**

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	2015	2016			
		Mar, 27	Feb, 26	Mar, 04	Mar, 18	Mar, 25
	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	422.3	476.6	477.1	483.5	491.4
2 Demand and Time Liabilities						
2.1 Demand Liabilities	148.1	148.1	155.0	152.3	152.5	155.4
2.1.1 Deposits						
2.1.1.1 Inter-Bank	33.7	33.7	29.0	27.2	30.6	33.0
2.1.1.2 Others	77.7	77.7	80.3	81.4	82.4	82.3
2.1.2 Borrowings from Banks	9.3	9.3	10.3	8.7	8.3	9.5
2.1.3 Other Demand Liabilities	27.4	27.4	35.4	35.0	31.1	30.6
2.2 Time Liabilities	854.6	854.6	881.0	879.9	883.8	885.9
2.2.1 Deposits						
2.2.1.1 Inter-Bank-Bank	499.2	499.2	475.5	471.3	472.4	467.0
2.2.1.2 Others	344.6	344.6	396.3	395.7	401.1	409.1
2.2.2 Borrowings from Banks	0.1	0.1	0.0	3.0	0.4	0.1
2.2.3 Other Time Liabilities	10.8	10.8	9.2	9.8	9.9	9.7
3 Borrowing from Reserve Bank	0.0	0.0	0.4	0.4	0.0	0.0
4 Borrowings from a notified bank / Government	450.9	450.9	444.7	443.2	447.7	435.1
4.1 Demand	174.9	174.9	156.4	155.7	163.4	164.0
4.2 Time	276.0	276.0	288.3	287.4	284.3	271.1
5 Cash in Hand and Balances with Reserve Bank	40.5	40.5	40.4	42.4	41.7	44.9
5.1 Cash in Hand	2.4	2.4	2.1	3.0	2.3	2.2
5.2 Balance with Reserve Bank	38.1	38.1	38.3	39.4	39.4	42.6
6 Balances with Other Banks in Current Account	10.0	10.0	7.1	6.2	6.5	6.2
7 Investments in Government Securities	282.4	282.4	289.4	291.1	289.4	291.1
8 Money at Call and Short Notice	198.8	198.8	162.8	172.3	184.4	172.2
9 Bank Credit (10.1+11)	426.4	426.4	477.4	482.0	488.1	484.0
10 Advances.						
10.1 Loans, Cash-Credits and Overdrafts	426.4	426.4	477.4	482.0	488.0	483.9
10.2 Due from Banks	709.2	709.2	705.7	704.1	704.8	693.9
11 Bills Purchased and Discounted	0.1	0.1	0.0	0.0	0.0	0.0

Prices and Production

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

Group/Sub group	2015-16			Rural			Urban			Combined		
	Rural	Urban	Combined	Jun. 15	May 16	Jun. 16	Jun. 15	May 16	Jun. 16	Jun. 15	May 16	Jun. 16
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**129.2**	**129.8**	**129.4**	**126.6**	**133.6**	**135.9**	**128.5**	**134.6**	**138.2**	**127.3**	**134.0**	**136.7**
1.1 Cereals and products	125.3	123.9	124.9	124.1	127.6	128.6	123.6	125.0	125.9	123.9	126.8	127.7
1.2 Meat and fish	130.9	132.1	131.3	130.4	137.5	138.6	134.4	142.1	143.9	131.8	139.1	140.5
1.3 Egg	122.1	120.5	121.5	122.1	124.4	126.7	120.9	127.0	130.9	121.6	125.4	128.3
1.4 Milk and products	129.2	128.2	128.8	128.7	132.4	133.5	127.3	130.4	131.0	128.2	131.7	132.6
1.5 Oils and fats	115.7	107.6	112.7	114.1	118.2	118.6	106.0	109.6	110.2	111.1	115.0	115.5
1.6 Fruits	132.7	125.6	129.4	133.2	138.1	137.0	132.3	133.5	135.5	132.8	136.0	136.3
1.7 Vegetables	142.1	148.5	144.2	135.2	141.8	152.4	146.7	151.4	173.7	139.1	145.1	159.6
1.8 Pulses and products	146.4	166.1	153.0	131.9	166.0	169.2	148.1	182.8	184.4	137.4	171.7	174.3
1.9 Sugar and confectionery	96.0	91.7	94.5	96.3	107.5	108.8	89.8	111.1	112.0	94.1	108.7	109.9
1.10 Spices	125.9	134.7	128.8	123.0	132.2	133.0	130.5	141.5	142.8	125.5	135.3	136.3
1.11 Non-alcoholic beverages	122.3	119.2	121.0	121.1	126.1	126.2	118.0	121.5	121.6	119.8	124.2	124.3
1.12 Prepared meals, snacks, sweets	133.2	132.6	132.9	131.2	138.3	139.2	130.5	136.3	136.9	130.9	137.4	138.1
2 Pan, tobacco and intoxicants	**130.9**	**135.6**	**132.2**	**128.2**	**136.0**	**137.1**	**132.1**	**142.2**	**142.7**	**129.2**	**137.7**	**138.6**
3 Clothing and footwear	**130.2**	**123.5**	**127.5**	**128.0**	**134.8**	**135.6**	**122.3**	**126.2**	**126.6**	**125.7**	**131.4**	**132.0**
3.1 Clothing	130.7	124.3	128.2	128.4	135.4	136.3	123.2	127.2	127.6	126.4	132.2	132.9
3.2 Footwear	127.0	118.7	123.6	125.1	131.1	131.5	117.6	120.7	121.1	122.0	126.8	127.2
4 Housing	**--**	**121.7**	**121.7**	**--**	**--**	**--**	**119.0**	**126.0**	**125.5**	**119.0**	**126.0**	**125.5**
5 Fuel and light	**124.4**	**115.3**	**121.0**	**122.6**	**127.4**	**128.0**	**115.1**	**115.0**	**115.5**	**119.8**	**122.7**	**123.3**
6 Miscellaneous	**118.9**	**116.3**	**117.6**	**117.9**	**122.5**	**123.3**	**116.0**	**118.7**	**119.6**	**117.0**	**120.7**	**121.5**
6.1 Household goods and services	124.5	120.4	122.6	122.8	128.5	129.2	119.2	123.2	123.2	121.1	126.0	126.4
6.2 Health	121.9	117.3	120.1	120.4	125.8	126.2	115.4	120.3	120.6	118.5	123.7	124.1
6.3 Transport and communication	113.7	109.7	111.5	114.2	115.1	116.3	111.7	110.7	112.3	112.9	112.8	114.2
6.4 Recreation and amusement	119.6	117.4	118.4	117.9	123.6	124.2	116.2	119.8	119.9	116.9	121.5	121.8
6.5 Education	124.2	125.4	124.9	122.0	129.1	130.2	123.8	128.0	129.4	123.1	128.5	129.7
6.6 Personal care and effects	114.0	113.4	113.7	113.0	119.7	119.9	112.5	118.5	118.8	112.8	119.2	119.4
General Index (All Groups)	**126.1**	**123.0**	**124.7**	**124.1**	**130.3**	**131.8**	**121.7**	**126.6**	**128.1**	**123.0**	**128.6**	**130.1**

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2015-16	2015	2016	
				Jun.	May	Jun.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2001	4.63	265	261	275	277
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	835	820	860	869
3 Consumer Price Index for Rural Labourers	1986-87	–	839	824	866	874

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

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

Item	2015-16	2015	2016	
		Jun.	May	Jun.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	26,534	26,646	29,639	29,745
2 Silver (₹ per kilogram)	36,318	37,481	40,693	41,196

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	2015-16	2015	2016		
			Jun.	Apr.	May (P)	Jun. (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**176.7**	**179.1**	**177.8**	**179.4**	**182.0**
1.1 PRIMARY ARTICLES	**20.118**	**249.6**	**249.1**	**251.9**	**255.3**	**262.8**
1.1.1 Food articles	**14.337**	**262.1**	**257.9**	**265.0**	**271.1**	**279.0**
1.1.1.1 Food Grains	4.090	253.0	245.9	262.1	266.4	272.7
1.1.1.1.1 Cereals	3.373	235.2	231.0	241.1	241.1	245.6
1.1.1.1.2 Pulses	0.717	336.7	316.1	360.9	385.8	400.2
1.1.1.2 Fruits & Vegetables	3.843	254.0	249.9	243.3	257.1	277.4
1.1.1.2.1 Vegetables	1.736	268.5	254.3	223.4	253.9	297.3
1.1.1.2.2 Fruits	2.107	242.0	246.2	259.8	259.8	260.9
1.1.1.3 Milk	3.238	250.6	249.9	254.6	255.6	258.0
1.1.1.4 Eggs, Meat & Fish	2.414	288.0	286.3	300.3	305.0	305.4
1.1.1.5 Condiments & Spices	0.569	342.6	326.3	348.4	353.8	352.3
1.1.1.6 Other Food Articles	0.183	245.1	246.8	248.5	243.8	248.1
1.1.2 Non-Food Articles	**4.258**	**219.5**	**218.7**	**225.9**	**226.4**	**231.2**
1.1.2.1 Fibres	0.877	207.2	209.0	213.4	220.6	238.8
1.1.2.2 Oil Seeds	1.781	214.9	218.6	220.2	222.1	224.1
1.1.2.3 Other Non-Food Articles	1.386	233.8	232.8	242.9	241.0	244.2
1.1.2.4 Flowers	0.213	215.7	167.0	214.4	191.3	174.0
1.1.3 Minerals	**1.524**	**216.2**	**251.1**	**200.6**	**186.2**	**199.0**
1.1.3.1 Metallic Minerals	0.489	286.3	324.7	264.8	250.1	259.4
1.1.3.2 Other Minerals	0.135	203.8	209.3	194.0	195.9	194.7
1.1.3.3 Crude Petroleum	0.900	180.0	217.4	166.8	150.0	166.8
1.2 FUEL & POWER	**14.910**	**179.8**	**193.5**	**175.4**	**180.3**	**186.5**
1.2.1 Coal	2.094	189.9	189.9	189.9	189.9	180.1
1.2.2 Mineral Oils	9.364	179.5	202.7	173.3	181.1	193.1
1.2.3 Electricity	3.452	174.3	170.5	172.3	172.3	172.3
1.3 MANUFACTURED PRODUCTS	**64.972**	**153.4**	**154.2**	**155.5**	**155.7**	**156.0**
1.3.1 Food Products	**9.974**	**174.2**	**172.5**	**184.6**	**185.3**	**186.9**
1.3.1.1 Dairy Products	0.568	206.7	208.6	205.8	206.5	207.4
1.3.1.2 Canning, Preserving & Processing of Food	0.358	165.1	164.2	168.3	168.7	167.1
1.3.1.3 Grain Mill Products	1.340	178.7	173.9	183.5	183.5	185.9
1.3.1.4 Bakery Products	0.444	150.5	152.6	150.3	150.3	150.8
1.3.1.5 Sugar, Khandsari & Gur	2.089	167.1	162.3	194.9	198.1	199.6
1.3.1.6 Edible Oils	3.043	148.6	149.2	152.1	152.4	154.3
1.3.1.7 Oil Cakes	0.494	250.4	241.2	263.5	263.3	269.5
1.3.1.8 Tea & Coffee Proccessing	0.711	192.8	198.3	207.1	203.7	201.7
1.3.1.9 Manufacture of Salt	0.048	201.5	199.8	199.8	199.8	199.8
1.3.1.10 Other Food Products	0.879	207.9	204.3	221.7	222.6	225.4
1.3.2 Beverages, Tobacco & Tobacco Products	**1.762**	**206.5**	**206.0**	**217.9**	**219.0**	**220.7**
1.3.2.1 Wine Industries	0.385	137.5	136.7	145.0	145.2	148.5
1.3.2.2 Malt Liquor	0.153	181.3	180.6	185.1	194.8	188.9
1.3.2.3 Soft Drinks & Carbonated Water	0.241	167.7	166.3	181.7	183.4	181.5
1.3.2.4 Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	247.0	246.9	260.5	260.4	263.6
1.3.3 Textiles	**7.326**	**140.2**	**141.4**	**140.4**	**140.6**	**140.9**
1.3.3.1 Cotton Textiles	2.605	156.6	158.9	156.9	157.6	158.5
1.3.3.1.1 Cotton Yarn	1.377	166.2	170.4	165.9	167.2	168.6
1.3.3.1.2 Cotton Fabric	1.228	145.8	146.0	146.7	146.8	147.2
1.3.3.2 Man-Made Textiles	2.206	131.3	133.9	128.7	128.8	128.4
1.3.3.2.1 Man-Made Fibre	1.672	130.1	133.9	126.8	126.8	126.8
1.3.3.2.2 Man-Made Fabric	0.533	134.9	133.4	134.8	135.0	133.6
1.3.3.3 Woollen Textiles	0.294	153.3	160.3	151.8	151.6	152.2
1.3.3.4 Jute, Hemp & Mesta Textiles	0.261	219.2	203.1	241.7	241.4	243.4
1.3.3.5 Other Misc. Textiles	1.960	115.8	115.4	116.3	116.3	116.2
1.3.4 Wood & Wood Products	**0.587**	**195.7**	**196.7**	**197.9**	**197.0**	**196.6**
1.3.4.1 Timber/Wooden Planks	0.181	164.5	161.9	165.6	163.0	166.5
1.3.4.2 Processed Wood	0.128	193.9	192.4	194.6	195.3	199.1
1.3.4.3 Plywood & Fibre Board	0.241	227.3	232.3	231.0	230.6	225.1
1.3.4.4 Others	0.038	150.0	150.6	152.1	150.8	150.0

No. 21: Wholesale Price Index (Concld.)

(Base: 2004-05 = 100)

Commodities	Weight	2015-16	2015	2016		
			Jun.	Apr.	May (P)	Jun. (P)
	1	2	3	4	5	6
1.3.5 Paper & Paper Products	**2.034**	**154.5**	**153.3**	**155.6**	**155.4**	**155.9**
1.3.5.1 Paper & Pulp	1.019	151.3	151.1	151.2	151.3	151.4
1.3.5.2 Manufacture of boards	0.550	135.6	134.9	134.5	134.0	135.3
1.3.5.3 Printing & Publishing	0.465	184.3	179.9	190.1	190.1	190.1
1.3.6 Leather & Leather Products	**0.835**	**144.9**	**144.4**	**146.1**	**145.7**	**145.5**
1.3.6.1 Leathers	0.223	116.1	115.8	114.5	114.5	114.7
1.3.6.2 Leather Footwear	0.409	160.6	160.5	162.7	161.9	161.7
1.3.6.3 Other Leather Products	0.203	144.9	143.4	147.4	147.4	146.5
1.3.7 Rubber & Plastic Products	**2.987**	**147.2**	**149.6**	**145.9**	**146.0**	**146.1**
1.3.7.1 Tyres & Tubes	0.541	176.8	177.0	175.8	177.2	175.4
1.3.7.1.1 Tyres	0.488	177.5	177.7	176.5	176.7	176.0
1.3.7.1.2 Tubes	0.053	170.6	170.6	169.7	182.0	169.7
1.3.7.2 Plastic Products	1.861	136.3	139.7	134.4	134.1	135.1
1.3.7.3 Rubber Products	0.584	154.6	155.9	154.7	155.1	153.9
1.3.8 Chemicals & Chemical Products	**12.018**	**150.5**	**151.5**	**150.1**	**150.1**	**150.9**
1.3.8.1 Basic Inorganic Chemicals	1.187	155.3	156.0	154.8	154.4	155.5
1.3.8.2 Basic Organic Chemicals	1.952	140.2	142.4	139.4	139.2	141.2
1.3.8.3 Fertilisers & Pesticides	3.145	155.0	154.4	156.0	156.0	156.7
1.3.8.3.1 Fertilisers	2.661	158.2	157.8	159.1	159.1	159.8
1.3.8.3.2 Pesticides	0.483	137.7	136.1	138.8	139.2	139.8
1.3.8.4 Paints, Varnishes & Lacquers	0.529	152.2	151.5	151.9	151.5	152.6
1.3.8.5 Dyestuffs & Indigo	0.563	141.9	141.8	142.5	142.9	143.6
1.3.8.6 Drugs & Medicines	0.456	129.6	130.4	128.6	128.7	129.0
1.3.8.7 Perfumes, Cosmetics, Toiletries etc.	1.130	163.2	163.5	163.8	163.8	163.9
1.3.8.8 Turpentine, Plastic Chemicals	0.586	154.1	154.9	153.3	153.3	153.8
1.3.8.9 Polymers including Synthetic Rubber	0.970	146.0	147.4	145.3	145.0	145.5
1.3.8.10 Petrochemical Intermediates	0.869	150.1	156.9	145.3	145.4	146.1
1.3.8.11 Matches, Explosives & other Chemicals	0.629	153.9	154.8	153.0	153.0	153.2
1.3.9 Non-Metallic Mineral Products	**2.556**	**177.3**	**176.8**	**178.6**	**178.7**	**177.7**
1.3.9.1 Structural Clay Products	0.658	198.4	197.0	199.5	200.0	197.8
1.3.9.2 Glass, Earthenware, Chinaware & their Products	0.256	141.5	141.6	142.8	142.9	142.9
1.3.9.3 Cement & Lime	1.386	173.6	173.7	175.4	175.4	174.8
1.3.9.4 Cement, Slate & Graphite Products	0.256	179.2	177.8	177.7	177.4	176.8
1.3.10 Basic Metals, Alloys & Metal Products	**10.748**	**154.6**	**158.7**	**154.2**	**154.9**	**153.9**
1.3.10.1 Ferrous Metals	8.064	141.7	146.7	140.0	141.2	139.5
1.3.10.1.1 Iron & Semis	1.563	139.4	145.7	137.2	138.2	135.5
1.3.10.1.2 Steel: Long	1.630	148.8	154.3	147.7	149.4	145.3
1.3.10.1.3 Steel: Flat	2.611	132.5	138.5	132.0	133.8	132.5
1.3.10.1.4 Steel: Pipes & Tubes	0.314	127.8	132.2	125.4	125.8	127.0
1.3.10.1.5 Stainless Steel & alloys	0.938	160.6	163.4	157.2	157.0	157.2
1.3.10.1.6 Castings & Forgings	0.871	144.0	145.6	140.1	139.8	140.1
1.3.10.1.7 Ferro alloys	0.137	149.8	150.7	149.5	152.4	152.4
1.3.10.2 Non-Ferrous Metals	1.004	164.2	165.9	163.6	163.5	164.2
1.3.10.2.1 Aluminium	0.489	137.3	139.4	136.3	136.0	137.6
1.3.10.2.2 Other Non-Ferrous Metals	0.515	189.7	191.1	189.6	189.5	189.6
1.3.10.3 Metal Products	1.680	210.4	211.8	216.7	215.8	217.1
1.3.11 Machinery & Machine Tools	**8.931**	**135.0**	**135.2**	**135.5**	**135.5**	**135.3**
1.3.11.1 Agricultural Machinery & Implements	0.139	149.1	149.3	149.6	149.6	149.6
1.3.11.2 Industrial Machinery	1.838	153.5	153.9	153.9	154.0	154.0
1.3.11.3 Construction Machinery	0.045	141.5	141.5	141.5	141.5	141.5
1.3.11.4 Machine Tools	0.367	167.6	165.8	175.8	175.8	175.0
1.3.11.5 Air Conditioner & Refrigerators	0.429	120.8	120.7	121.2	121.2	121.2
1.3.11.6 Non-Electrical Machinery	1.026	127.6	127.6	128.4	128.4	128.5
1.3.11.7 Electrical Machinery, Equipment & Batteries	2.343	138.2	138.2	139.4	139.2	138.9
1.3.11.8 Electrical Accessories, Wires, Cables etc.	1.063	155.5	157.2	153.1	152.6	152.2
1.3.11.9 Electrical Apparatus & Appliances	0.337	121.8	121.8	121.7	123.8	123.7
1.3.11.10 Electronics Items	0.961	89.2	89.3	89.5	89.4	89.2
1.3.11.11 IT Hardware	0.267	91.7	91.7	91.7	91.7	91.7
1.3.11.12 Communication Equipments	0.118	99.0	98.5	97.9	98.1	98.1
1.3.12 Transport, Equipment & Parts	**5.213**	**138.1**	**137.7**	**139.4**	**139.3**	**139.4**
1.3.12.1 Automotives	4.231	137.1	136.6	138.8	138.6	138.9
1.3.12.2 Auto Parts	0.804	140.3	140.3	140.2	140.1	139.9
1.3.12.3 Other Transport Equipments	0.178	151.0	152.0	150.8	150.9	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	2014-15	2015-16	April-May		May	
				2015-16	2016-17	2015	2016
	1	2	3	4	5	6	7
General Index	**100.00**	**176.9**	**181.1**	**178.8**	**178.7**	**179.7**	**181.8**
1 Sectoral Classification							
1.1 Mining and Quarrying	14.16	126.5	129.3	124.9	126.4	127.9	129.5
1.2 Manufacturing	75.53	186.1	189.8	187.9	185.1	187.3	188.6
1.3 Electricity	10.32	178.6	188.7	186.1	203.6	195.0	204.2
2 Use-Based Classification							
2.1 Basic Goods	45.68	167.8	173.8	172.4	179.8	177.4	184.4
2.2 Capital Goods	8.83	258.0	250.5	241.5	195.9	234.9	205.8
2.3 Intermediate Goods	15.69	153.8	157.6	155.3	159.9	157.4	163.1
2.4 Consumer Goods	29.81	178.9	184.3	182.6	181.9	178.7	180.7
2.4.1 Consumer Durables	8.46	231.0	257.1	255.6	278.4	252.4	267.6
2.4.2 Consumer Non-Durables	21.35	158.3	155.5	153.7	143.6	149.5	146.2

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–June			
	2016-17 (Budget Estimates)	2016-17 (Actuals)	2015-16 (Actuals)	Percentage to Budget Estimates	
				2016-17	2015-16
	1	2	3	4	5
1 Revenue Receipts	13,770.2	1,807.9	1,412.0	13.1	12.4
1.1 Tax Revenue (Net)	10,541.0	1,573.0	1,016.9	14.9	11.1
1.2 Non-Tax Revenue	3,229.2	234.8	395.2	7.3	17.8
2 Capital Receipts	6,010.4	3,310.5	2,897.9	55.1	45.6
2.1 Recovery of Loans	106.3	17.4	13.9	16.4	12.9
2.2 Other Receipts	565.0	29.8	17.1	5.3	2.5
2.3 Borrowings and Other Liabilities	5,339.0	3,263.2	2,867.0	61.1	51.6
3 Total Receipts (1+2)	19,780.6	5,118.3	4,309.9	25.9	24.2
4 Non-Plan Expenditure	14,280.5	3,644.3	3,160.3	25.5	24.1
4.1 On Revenue Account	13,274.1	3,416.6	2,884.7	25.7	23.9
4.1.1 Interest Payments	4,926.7	1,088.0	954.9	22.1	20.9
4.2 On Capital Account	1,006.4	227.7	275.6	22.6	26.0
5 Plan Expenditure	5,500.1	1,474.0	1,149.6	26.8	24.7
5.1 On Revenue Account	4,036.3	1,211.8	839.1	30.0	25.4
5.2 On Capital Account	1,463.8	262.2	310.5	17.9	23.0
6 Total Expenditure (4+5)	19,780.6	5,118.3	4,309.9	25.9	24.2
7 Revenue Expenditure (4.1+5.1)	17,310.4	4,628.4	3,723.8	26.7	24.2
8 Capital Expenditure (4.2+5.2)	2,470.2	490.0	586.1	19.8	24.3
9 Revenue Deficit (7-1)	3,540.1	2,820.5	2,311.8	79.7	58.6
10 Fiscal Deficit {6-(1+2.1+2.2)}	5,339.0	3,263.2	2,867.0	61.1	51.6
11 Gross Primary Deficit [10-4.1.1]	412.3	2,175.2	1,912.0	527.5	192.2

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

No. 24: Treasury Bills – Ownership Pattern

(₹ Billion)

Item	2015-16	2015	2016					
		Jun. 26	May 20	May 27	Jun. 3	Jun. 10	Jun. 17	Jun. 24
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	436.1	436.0	452.1	473.3	467.4	426.7	392.9	390.7
1.2 Primary Dealers	219.0	306.2	346.9	343.8	355.5	324.8	301.3	321.7
1.3 State Governments	453.0	690.3	450.9	490.9	459.2	549.2	544.2	589.2
1.4 Others	362.4	443.1	348.3	420.3	422.3	503.2	570.1	646.8
2 182-day								
2.1 Banks	186.5	323.5	249.7	241.1	235.3	237.9	237.9	224.2
2.2 Primary Dealers	412.7	289.7	364.2	346.9	359.4	334.2	347.9	340.5
2.3 State Governments	50.0	7.1	55.7	55.7	95.7	95.7	95.7	95.7
2.4 Others	62.9	160.7	105.2	130.7	123.9	146.6	132.8	153.9
3 364-day								
3.1 Banks	442.8	413.8	483.6	459.4	464.4	429.9	452.0	416.8
3.2 Primary Dealers	662.6	676.1	681.8	670.1	697.1	662.8	680.9	668.7
3.3 State Governments	19.6	19.6	19.6	19.6	19.6	19.6	19.6	25.2
3.4 Others	354.9	416.2	354.7	390.5	358.5	427.3	387.2	434.6
4 14-day Intermediate								
4.1 Banks	–	–	–	–	–	–	–	–
4.2 Primary Dealers	–	–	–	–	–	–	–	–
4.3 State Governments	1,224.9	739.8	1,012.6	1,040.1	1,073.0	814.3	945.0	915.5
4.4 Others	10.1	8.4	5.6	11.0	10.0	7.7	9.8	5.0
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	3,662.4	4,182.4	3,912.7	4,042.3	4,058.3	4,157.8	4,162.3	4,307.9

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

No. 25: Auctions of Treasury Bills

(Amount in ₹ 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										
2016-17										
Jun. 1	90	79	471.68	90.00	61	90.00	90.00	180.00	98.32	6.8536
Jun. 8	90	88	965.03	109.01	40	90.00	109.01	199.01	98.33	6.8121
Jun. 15	90	91	1,031.53	52.11	37	90.00	52.11	142.11	98.34	6.7706
Jun. 22	90	86	625.52	50.04	64	90.00	50.04	140.04	98.34	6.7706
Jun. 29	90	72	684.33	101.01	46	90.00	101.01	191.01	98.35	6.7292
182-day Treasury Bills										
2016-17										
Jun. 1	60	62	211.21	40.00	34	60.00	40.00	100.00	96.65	6.9513
Jun. 15	60	54	209.60	–	19	60.00	–	60.00	96.67	6.9083
Jun. 29	60	67	297.56	–	18	60.00	–	60.00	96.71	6.8225
364-day Treasury Bills										
2016-17										
May 11	60	69	216.20	–	30	60.00	–	60.00	93.52	6.9480
May 25	60	67	166.26	–	30	60.00	–	60.00	93.51	6.9595
Jun. 8	60	71	309.61	–	24	60.00	–	60.00	93.52	6.9480
Jun. 22	60	62	213.63	25.17	19	60.00	25.17	85.17	93.56	6.9022

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
June	1, 2016	5.40-6.60	6.31
June	2, 2016	5.40-6.45	6.28
June	3, 2016	5.30-6.60	6.26
June	4, 2016	4.75-6.50	5.68
June	6, 2016	5.40-6.60	6.31
June	7, 2016	5.40-6.95	6.42
June	8, 2016	5.40-6.75	6.47
June	9, 2016	5.40-6.70	6.42
June	10, 2016	4.00-6.40	6.15
June	13, 2016	5.40-6.60	6.38
June	14, 2016	5.40-6.60	6.36
June	15, 2016	5.40-6.70	6.37
June	16, 2016	4.50-6.75	6.37
June	17, 2016	5.00-6.60	6.36
June	18, 2016	4.75-6.15	5.83
June	20, 2016	5.40-6.60	6.29
June	21, 2016	5.40-7.10	6.29
June	22, 2016	5.40-6.60	6.27
June	23, 2016	5.40-6.65	6.37
June	24, 2016	5.40-6.60	6.38
June	27, 2016	5.00-6.60	6.29
June	28, 2016	5.40-7.05	6.32
June	29, 2016	5.40-6.50	6.25
June	30, 2016	5.00-7.00	6.42
July	1, 2016	5.00-6.60	6.25
July	2, 2016	4.70-6.15	5.70
July	4, 2016	5.00-6.50	6.22
July	5, 2016	5.20-6.60	6.21
July	7, 2016	5.20-6.55	6.29
July	8, 2016	5.00-6.65	6.44
July	11, 2016	5.00-6.60	6.42
July	12, 2016	5.00-6.60	6.34
July	13, 2016	5.25-6.60	6.38
July	14, 2016	5.10-6.60	6.34
July	15, 2016	5.00-6.55	6.32

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2015	2016			
	Jun. 26	May 13	May 27	Jun. 10	Jun. 24
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	2,306.6	2,516.4	2,305.0	1,875.3	1,802.4
1.1 Issued during the fortnight (₹ Billion)	342.0	77.8	93.2	216.3	170.1
2 Rate of Interest (per cent)	7.68-8.50	7.30-7.62	7.12-7.66	6.96-7.66	6.76-7.56

No. 28: Commercial Paper

Item	2015	2016			
	Jun. 30	May 15	May 31	Jun. 15	Jun. 30
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	2,706.1	3,774.7	3,632.0	3,831.7	3,376.4
1.1 Reported during the fortnight (₹ Billion)	593.4	1,032.9	911.1	899.4	959.4
2 Rate of Interest (per cent)	7.39-11.56	7.08-13.29	6.77-12.75	6.69-13.30	6.54-13.84

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Billion)

Item	2015-16	2015	2016					
		Jun. 26	May 20	May 27	Jun. 3	Jun. 10	Jun. 17	Jun. 24
	1	2	3	4	5	6	7	8
1 Call Money	221.1	165.1	260.0	314.5	224.0	225.0	187.5	274.8
2 Notice Money	49.3	54.7	1.7	1.9	50.1	3.7	49.0	3.1
3 Term Money	4.9	2.7	9.8	9.0	10.1	9.2	8.4	5.4
4 CBLO	1,287.62	1,289.2	1,670.3	1,470.3	1,510.9	1,228.1	1,574.0	1,322.0
5 Market Repo	1,245.0	1,223.0	1,495.3	1,768.6	1,576.1	1,729.4	1,665.2	1,583.5
6 Repo in Corporate Bond	1.2	0.4	–	0.9	–	0.9	0.4	0.7
7 Forex (US $ million)	55,345	54,544	57,872	58,309	62,942	59,114	55,917	59,331
8 Govt. of India Dated Securities	712.8	930.8	707.4	659.8	589.7	654.1	794.2	889.9
9 State Govt. Securities	27.5	34.2	22.9	39.7	34.1	40.7	34.9	37.4
10 Treasury Bills								
10.1 91-Day	40.8	38.1	40.8	28.2	59.2	59.5	48.9	44.2
10.2 182-Day	11.8	11.3	14.0	4.4	13.9	8.7	11.8	11.0
10.3 364-Day	19	29.3	4.8	13.1	9.0	19.9	24.7	23.3
10.4 Cash Management Bills		–	–	–	–	–	–	–
11 Total Govt. Securities (8+9+10)	811.9	1,043.6	789.9	745.2	705.8	782.8	914.5	1,005.8
11.1 RBI	4.5	1.6	1.1	31.8	30.7	0.4	1.1	21.0

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

(Amount in ₹ Billion)

Security & Type of Issue	2015-16		2015-16 (Apr.-Jun.)		2016-17 (Apr.-Jun.) *		Jun. 2015		Jun. 2016 *	
	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	**87**	**240.0**	**16**	**98.2**	**19**	**49.0**	**9**	**4.4**	**9**	**4.8**
1A Premium	78	225.7	14	96.5	18	45.5	7	4.1	9	4.5
1.1 Prospectus	73	142.5	14	23.2	18	48.2	9	4.4	9	4.8
1.1.1 Premium	65	134.2	12	21.9	17	44.9	7	4.1	9	4.5
1.2 Rights	14	97.5	2	75.0	1	0.8	–	–	–	–
1.2.1 Premium	13	91.4	2	74.6	1	0.7	–	–	–	–
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Prospectus	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Debentures	**9**	**27.1**	**1**	**4.1**	**4**	**19.0**	**–**	**–**	**–**	**–**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Prospectus	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	9	27.1	1	4.1	4	19.0	–	–	–	–
3.2.1 Prospectus	9	27.1	1	4.1	4	19.0	–	–	–	–
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Bonds	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 Prospectus	–	–	–	–	–	–	–	–	–	–
4.2 Rights	–	–	–	–	–	–	–	–	–	–
5 Total (1+2+3+4)	**96**	**267.2**	**17**	**102.3**	**23**	**68.0**	**9**	**4.4**	**9**	**4.8**
5.1 Prospectus	82	169.7	15	27.3	22	67.2	9	4.4	9	4.8
5.2 Rights	14	97.5	2	75.0	1	0.8	–	–	–	–

* : 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	2015-16	2015	2016				
			Jun.	Feb.	Mar.	Apr.	May	Jun.
		1	2	3	4	5	6	7
1 Exports	₹ Billion	17,144.2	1,423.4	1,419.8	1,527.7	1,375.6	1,487.2	1,519.0
	US $ Million	262,003.7	22,289.4	20,806.6	22,793.4	20,695.5	22,228.6	22,572.3
1.1 Oil	₹ Billion	1,985.8	184.3	131.5	145.5	136.7	137.6	173.3
	US $ Million	30,423.5	2,885.5	1,926.7	2,171.1	2,056.4	2,057.2	2,575.0
1.2 Non-oil	₹ Billion	15,158.5	1,239.1	1,288.3	1,382.1	1,238.9	1,349.6	1,345.8
	US $ Million	231,580.2	19,403.9	18,879.9	20,622.3	18,639.1	20,171.4	19,997.3
2 Imports	₹ Billion	24,859.3	2,114.8	1,860.9	1,809.3	1,694.1	1,875.5	2,065.2
	US $ Million	380,356.3	33,116.6	27,271.4	26,995.5	25,486.4	28,031.4	30,688.5
2.1 Oil	₹ Billion	5,400.7	554.1	325.8	321.7	376.0	397.3	488.0
	US $ Million	82,879.9	8,676.4	4,774.8	4,799.9	5,657.5	5,938.5	7,252.1
2.2 Non-oil	₹ Billion	19,458.6	1,560.8	1,535.1	1,487.6	1,318.0	1,478.2	1,577.2
	US $ Million	297,476.4	24,440.2	22,496.6	22,195.6	19,829.0	22,092.8	23,436.4
3 Trade Balance	₹ Billion	–7,715.0	–691.4	–441.1	–281.6	–318.5	–388.2	–546.2
	US $ Million	–118,352.6	–10,827.1	–6,464.8	–4,202.1	–4,790.9	–5,802.8	–8,116.2
3.1 Oil	₹ Billion	–3,414.9	–369.8	–194.3	–176.2	–239.4	–259.7	–314.8
	US $ Million	–52,456.4	–5,790.8	–2,848.1	–2,628.8	–3,601.1	–3,881.3	–4,677.1
3.2 Non-oil	₹ Billion	–4,300.1	–321.6	–246.8	–105.4	–79.1	–128.6	–231.4
	US $ Million	–65,896.2	–5,036.3	–3,616.7	–1,573.3	–1,189.9	–1,921.5	–3,439.1

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

No. 32: Foreign Exchange Reserves

Item	Unit	2015	2016					
		Jul. 24	Jun. 17	Jun. 24	Jul. 1	Jul. 8	Jul. 15	Jul. 22
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Billion**	**22,552**	**24,312**	**24,375**	**24,363**	**24,286**	**24,257**	**24,234**
	US $ Million	**353,648**	**363,826**	**360,798**	**363,172**	**361,943**	**363,351**	**362,687**
1.1 Foreign Currency Assets	₹ Billion	20,995	22,683	22,745	22,710	22,633	22,605	22,584
	US $ Million	329,245	339,574	336,580	338,713	337,494	338,898	338,257
1.2 Gold	₹ Billion	1,216	1,366	1,366	1,391	1,391	1,391	1,391
	US $ Million	19,074	20,329	20,329	20,576	20,576	20,576	20,576
1.3 SDRs	SDRs Million	2,889	1,066	1,066	1,066	1,066	1,066	1,066
	₹ Billion	257	101	101	100	100	100	99
	US $ Million	4,024	1,503	1,490	1,488	1,484	1,485	1,476
1.4 Reserve Tranche Position in IMF	₹ Billion	83	163	163	162	161	160	160
	US $ Million	1,304	2,420	2,399	2,395	2,389	2,391	2,377

No. 33: NRI Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2015-16	2015	2016		2015-16	2016-17
		Jun.	May	Jun.	Apr.-Jun.	Apr.-Jun.
	1	2	3	4	5	6
1 NRI Deposits	**126,929**	**119,892**	**126,748**	**126,187**	**5,886**	**1,298**
1.1 FCNR(B)	45,316	44,196	45,295	45,075	1,372	–241
1.2 NR(E)RA	71,468	66,020	71,425	71,147	4,280	1,468
1.3 NRO	10,145	9,676	10,028	9,965	234	71

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2015-16	2015-16	2016-17	2015	2016	
		Apr.-May	Apr.-May	May	Apr.	May
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**36,021**	**7,824**	**3,565**	**4,060**	**2,017**	**1,547**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**44,907**	**8,748**	**6,195**	**4,497**	**3,900**	**2,294**
1.1.1.1 Gross Inflows/Gross Investments	**55,559**	**10,535**	**7,456**	**5,390**	**4,531**	**2,925**
1.1.1.1.1 Equity	41,112	7,606	5,496	3,926	3,437	2,059
1.1.1.1.1.1 Government (SIA/FIPB)	3,574	581	582	503	453	129
1.1.1.1.1.2 RBI	32,494	6,404	2,185	3,179	1,154	1,031
1.1.1.1.1.3 Acquisition of shares	3,933	470	2,578	168	1,755	823
1.1.1.1.1.4 Equity capital of unincorporated bodies	1,111	151	151	76	76	76
1.1.1.1.2 Reinvested earnings	10,413	1,543	1,543	772	772	772
1.1.1.1.3 Other capital	4,034	1,386	417	693	322	95
1.1.1.2 Repatriation/Disinvestment	**10,652**	**1,787**	**1,262**	**893**	**631**	**631**
1.1.1.2.1 Equity	10,524	1,745	1,247	872	623	623
1.1.1.2.2 Other capital	128	42	15	21	8	8
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**8,886**	**924**	**2,630**	**437**	**1,883**	**747**
1.1.2.1 Equity capital	6,486	713	1,752	393	1,398	354
1.1.2.2 Reinvested Earnings	3,337	556	556	278	278	278
1.1.2.3 Other Capital	3,382	535	692	206	392	300
1.1.2.4 Repatriation/Disinvestment	4,320	880	370	440	185	185
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**–4,130**	**2,393**	**2,507**	**–1,907**	**2,012**	**494**
1.2.1 GDRs/ADRs	373	273	–	–	–	–
1.2.2 FIIs	–4,016	2,008	749	–1,962	1,133	–385
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	487	–111	–1,758	–56	–879	–879
1 Foreign Investment Inflows	**31,891**	**10,217**	**6,071**	**2,153**	**4,029**	**2,042**

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

(US$ Million)

Item	2015-16	2015	2016		
		Jun.	Apr.	May	Jun.
	1	2	3	4	5
1 Outward Remittances under the LRS	**4,642.6**	**300.3**	**632.2**	**628.3**	**683.7**
1.1 Deposit	109.9	14.2	18.6	13.1	16.3
1.2 Purchase of immovable property	90.8	11.2	11.7	9.1	7.5
1.3 Investment in equity/debt	317.9	24.5	29.2	25.8	26.4
1.4 Gift	533.0	44.3	70.5	62.4	56.3
1.5 Donations	3.9	0.2	0.5	0.3	0.9
1.6 Travel	651.4	38.8	182.0	229.1	221.9
1.7 Maintenance of close relatives	1,372.1	88.6	202.3	175.1	169.7
1.8 Medical Treatment	17.2	1.4	1.5	1.2	1.2
1.9 Studies Abroad	1,200.0	57.5	68.3	90.4	103.7
1.10 Others	346.4	19.7	47.6	21.7	79.8

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

Item	2014-15	2015-16	2015	2016	
			July	June	July
	1	2	3	4	5
36-Currency Export and Trade Based Weights (Base: 2004-05=100)					
1 Trade-Based Weights					
1.1 NEER	74.07	74.75	75.80	73.32	73.95
1.2 REER	108.96	112.07	112.58	111.62	112.58
2 Export-Based Weights					
2.1 NEER	75.22	76.45	77.59	74.79	75.13
2.2 REER	111.25	114.44	115.14	113.77	114.30
6-Currency Trade Based Weights					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	68.60	67.86	69.40	65.95	66.79
1.2 REER	119.92	123.57	124.64	124.10	125.67
2 Base: 2014-15 (April-March) =100					
2.1 NEER	100.00	98.93	101.18	96.14	97.36
2.2 REER	100.00	103.05	103.93	103.49	104.80

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

(Amount in US$ Million)

Item	2015-16	2015	2016	
		Jun.	May	Jun.
	1	2	3	4
1 Automatic Route				
1.1 Number	671	54	50	65
1.2 Amount	13,412	807	473	909
2 Approval Route				
2.1 Number	46	8	6	3
2.2 Amount	10,961	2,353	845	163
3 Total (1+2)				
3.1 Number	717	62	56	68
3.2 Amount	24,373	3,160	1,318	1,072
4 Weighted Average Maturity (in years)	6.20	8.75	5.20	4.90
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.45	1.59	1.63	1.65
5.2 Interest rate range for Fixed Rate Loans	0.00-13.00	0.00-5.00	1.00-14.00	0.00-12.00

No. 38: India's Overall Balance of Payments

(US $ Million)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**284,463**	**254,314**	**30,149**	**252,123**	**248,848**	**3,274**
1 CURRENT ACCOUNT (1.1+ 1.2)	**134,244**	**134,951**	**–707**	**124,652**	**124,990**	**–338**
1.1 MERCHANDISE	**71,818**	**103,379**	**–31,560**	**65,831**	**90,586**	**–24,755**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**62,426**	**31,573**	**30,854**	**58,821**	**34,404**	**24,417**
1.2.1 Services	41,380	21,344	20,036	39,413	23,336	16,077
1.2.1.1 Travel	5,648	3,626	2,023	5,904	3,580	2,324
1.2.1.2 Transportation	3,865	4,011	–145	3,550	3,666	–115
1.2.1.3 Insurance	503	239	263	520	249	271
1.2.1.4 G.n.i.e.	115	237	–122	133	230	–97
1.2.1.5 Miscellaneous	31,248	13,231	18,017	29,306	15,611	13,695
1.2.1.5.1 Software Services	17,995	613	17,382	18,064	736	17,328
1.2.1.5.2 Business Services	7,072	7,379	–307	7,291	8,664	–1,373
1.2.1.5.3 Financial Services	1,383	577	805	983	596	387
1.2.1.5.4 Communication Services	518	184	334	601	344	257
1.2.2 Transfers	17,534	1,110	16,425	15,729	768	14,961
1.2.2.1 Official	44	219	–175	41	225	–185
1.2.2.2 Private	17,490	891	16,600	15,689	542	15,146
1.2.3 Income	3,512	9,119	–5,607	3,679	10,300	–6,621
1.2.3.1 Investment Income	2,593	8,444	–5,851	2,839	9,749	–6,910
1.2.3.2 Compensation of Employees	919	675	245	839	551	288
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**149,447**	**119,363**	**30,085**	**127,313**	**123,858**	**3,455**
2.1 Foreign Investment (2.1.1+2.1.2)	**84,592**	**61,599**	**22,993**	**66,942**	**59,683**	**7,259**
2.1.1 Foreign Direct Investment	15,850	6,580	9,271	16,114	7,318	8,797
2.1.1.1 In India	14,134	3,646	10,487	14,752	3,367	11,384
2.1.1.1.1 Equity	10,153	3,574	6,579	10,895	3,343	7,553
2.1.1.1.2 Reinvested Earnings	2,735	–	2,735	3,098	–	3,098
2.1.1.1.3 Other Capital	1,246	72	1,174	758	25	733
2.1.1.2 Abroad	1,717	2,933	–1,217	1,363	3,950	–2,588
2.1.1.2.1 Equity	1,717	1,195	522	1,363	2,367	–1,004
2.1.1.2.2 Reinvested Earnings	–	834	–834	–	834	–834
2.1.1.2.3 Other Capital	–	904	–904	–	749	–749
2.1.2 Portfolio Investment	68,741	55,019	13,723	50,828	52,366	–1,538
2.1.2.1 In India	68,543	54,837	13,706	50,540	51,327	–787
2.1.2.1.1 FIIs	67,272	54,837	12,436	50,540	51,327	–787
2.1.2.1.1.1 Equity	53,992	48,344	5,648	40,988	40,805	183
2.1.2.1.1.2 Debt	13,280	6,493	6,788	9,552	10,522	–970
2.1.2.1.2 ADR/GDRs	1,271	–	1,271	–	–	–
2.1.2.2 Abroad	198	182	16	288	1,038	–751
2.2 Loans (2.2.1+2.2.2+2.2.3)	**34,399**	**30,109**	**4,290**	**32,714**	**31,444**	**1,270**
2.2.1 External Assistance	1,802	1,036	766	2,134	1,147	987
2.2.1.1 By India	15	97	–82	15	126	–111
2.2.1.2 To India	1,787	939	848	2,119	1,021	1,098
2.2.2 Commercial Borrowings	6,976	6,057	919	7,025	9,381	–2,356
2.2.2.1 By India	388	51	337	1,926	1,646	280
2.2.2.2 To India	6,588	6,006	582	5,099	7,735	–2,636
2.2.3 Short Term to India	25,621	23,016	2,605	23,556	20,917	2,639
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	25,621	22,406	3,215	22,505	20,917	1,588
2.2.3.2 Suppliers' Credit up to 180 days	–	610	–610	1,051	–	1,051
2.3 Banking Capital (2.3.1+2.3.2)	**22,999**	**21,340**	**1,659**	**18,939**	**27,941**	**–9,002**
2.3.1 Commercial Banks	21,810	21,340	470	18,904	27,941	–9,036
2.3.1.1 Assets	146	6,752	–6,606	3,001	12,954	–9,952
2.3.1.2 Liabilities	21,665	14,588	7,077	15,903	14,987	916
2.3.1.2.1 Non-Resident Deposits	16,866	12,866	4,000	15,052	10,664	4,388
2.3.2 Others	1,189	–	1,189	34	–	34
2.4 Rupee Debt Service	–	23	–23	–	22	–22
2.5 Other Capital	7,457	6,292	1,165	8,718	4,767	3,951
3 Errors & Omissions	**771**	**–**	**771**	**158**	**–**	**158**
4 Monetary Movements (4.1+ 4.2)	–	**30,149**	**–30,149**	–	**3,274**	**–3,274**
4.1 I.M.F.	–	–	–	–	–	–
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	–	30,149	–30,149	–	3,274	–3,274

No. 39: India's Overall Balance of Payments

(₹ Billion)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**17,704**	**15,828**	**1,876**	**17,019**	**16,798**	**221**
1 CURRENT ACCOUNT (1.1+ 1.2)	**8,355**	**8,399**	**–44**	**8,414**	**8,437**	**–23**
1.1 MERCHANDISE	**4,470**	**6,434**	**–1,964**	**4,444**	**6,115**	**–1,671**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**3,885**	**1,965**	**1,920**	**3,971**	**2,322**	**1,648**
1.2.1 Services	2,575	1,328	1,247	2,661	1,575	1,085
1.2.1.1 Travel	352	226	126	399	242	157
1.2.1.2 Transportation	241	250	–9	240	247	–8
1.2.1.3 Insurance	31	15	16	35	17	18
1.2.1.4 G.n.i.e.	7	15	–8	9	16	–7
1.2.1.5 Miscellaneous	1,945	823	1,121	1,978	1,054	924
1.2.1.5.1 Software Services	1,120	38	1,082	1,219	50	1,170
1.2.1.5.2 Business Services	440	459	–19	492	585	–93
1.2.1.5.3 Financial Services	86	36	50	66	40	26
1.2.1.5.4 Communication Services	32	11	21	41	23	17
1.2.2 Transfers	1,091	69	1,022	1,062	52	1,010
1.2.2.1 Official	3	14	–11	3	15	–12
1.2.2.2 Private	1,089	55	1,033	1,059	37	1,022
1.2.3 Income	219	568	–349	248	695	–447
1.2.3.1 Investment Income	161	526	–364	192	658	–466
1.2.3.2 Compensation of Employees	57	42	15	57	37	19
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**9,301**	**7,429**	**1,872**	**8,594**	**8,361**	**233**
2.1 Foreign Investment (2.1.1+2.1.2)	5,265	3,834	1,431	4,519	4,029	490
2.1.1 Foreign Direct Investment	986	410	577	1,088	494	594
2.1.1.1 In India	880	227	653	996	227	768
2.1.1.1.1 Equity	632	222	409	735	226	510
2.1.1.1.2 Reinvested Earnings	170	–	170	209	–	209
2.1.1.1.3 Other Capital	78	4	73	51	2	50
2.1.1.2 Abroad	107	183	–76	92	267	–175
2.1.1.2.1 Equity	107	74	32	92	160	–68
2.1.1.2.2 Reinvested Earnings	–	52	–52	–	56	–56
2.1.1.2.3 Other Capital	–	56	–56	–	51	–51
2.1.2 Portfolio Investment	4,278	3,424	854	3,431	3,535	–104
2.1.2.1 In India	4,266	3,413	853	3,412	3,465	–53
2.1.2.1.1 FIIs	4,187	3,413	774	3,412	3,465	–53
2.1.2.1.1.1 Equity	3,360	3,009	352	2,767	2,755	12
2.1.2.1.1.2 Debt	827	404	422	645	710	–65
2.1.2.1.2 ADR/GDRs	79	–	79	–	–	–
2.1.2.2 Abroad	12	11	1	19	70	–51
2.2 Loans (2.2.1+2.2.2+2.2.3)	**2,141**	**1,874**	**267**	**2,208**	**2,123**	**86**
2.2.1 External Assistance	112	64	48	144	77	67
2.2.1.1 By India	1	6	–5	1	8	–7
2.2.1.2 To India	111	58	53	143	69	74
2.2.2 Commercial Borrowings	434	377	57	474	633	–159
2.2.2.1 By India	24	3	21	130	111	19
2.2.2.2 To India	410	374	36	344	522	–178
2.2.3 Short Term to India	1,595	1,432	162	1,590	1,412	178
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	1,595	1,395	200	1,519	1,412	107
2.2.3.2 Suppliers' Credit up to 180 days	–	38	–38	71	–	71
2.3 Banking Capital (2.3.1+2.3.2)	**1,431**	**1,328**	**103**	**1,278**	**1,886**	**–608**
2.3.1 Commercial Banks	1,357	1,328	29	1,276	1,886	–610
2.3.1.1 Assets	9	420	–411	203	874	–672
2.3.1.2 Liabilities	1,348	908	440	1,074	1,012	62
2.3.1.2.1 Non-Resident Deposits	1,050	801	249	1,016	720	296
2.3.2 Others	74	–	74	2	–	2
2.4 Rupee Debt Service	–	1	–1	–	2	–2
2.5 Other Capital	464	392	73	589	322	267
3 Errors & Omissions	**48**	–	**48**	**11**	–	**11**
4 Monetary Movements (4.1+ 4.2)	–	**1,876**	**–1,876**	–	**221**	**–221**
4.1 I.M.F.	–	–	–	–	–	–
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	–	1,876	–1,876	–	221	–221

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

(US $ Million)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**134,243**	**134,930**	**–687**	**124,651**	**124,969**	**–318**
1.A Goods and Services (1.A.a+1.A.b)	**113,198**	**124,723**	**–11,525**	**105,244**	**113,921**	**–8,678**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**71,818**	**103,379**	**–31,560**	**65,831**	**90,586**	**–24,755**
1.A.a.1 General merchandise on a BOP basis	71,818	94,841	–23,023	68,053	85,295	–17,242
1.A.a.2 Net exports of goods under merchanting	–	–	–	–2,222	–	–2,222
1.A.a.3 Nonmonetary gold	–	8,538	–8,538	–	5,291	–5,291
1.A.b Services (1.A.b.1 to 1.A.b.13)	**41,380**	**21,344**	**20,036**	**39,413**	**23,336**	**16,077**
1.A.b.1 Manufacturing services on physical inputs owned by others	23	8	15	40	26	14
1.A.b.2 Maintenance and repair services n.i.e.	37	68	–31	31	83	–51
1.A.b.3 Transport	3,865	4,011	–145	3,550	3,666	–115
1.A.b.4 Travel	5,648	3,626	2,023	5,904	3,580	2,324
1.A.b.5 Construction	420	315	105	499	314	185
1.A.b.6 Insurance and pension services	503	239	263	520	249	271
1.A.b.7 Financial services	1,383	577	805	983	596	387
1.A.b.8 Charges for the use of intellectual property n.i.e.	74	1,206	–1,131	97	1,088	–991
1.A.b.9 Telecommunications, computer, and information services	18,555	914	17,642	18,750	1,192	17,558
1.A.b.10 Other business services	7,072	7,379	–307	7,291	8,664	–1,373
1.A.b.11 Personal, cultural, and recreational services	279	299	–20	338	150	188
1.A.b.12 Government goods and services n.i.e.	115	237	–122	133	230	–97
1.A.b.13 Others n.i.e.	3,405	2,466	940	1,277	3,499	–2,222
1.B Primary Income (1.B.1 to 1.B.3)	**3,512**	**9,119**	**–5,607**	**3,679**	**10,300**	**–6,621**
1.B.1 Compensation of employees	919	675	245	839	551	288
1.B.2 Investment income	2,107	8,075	–5,967	2,419	9,589	–7,170
1.B.2.1 Direct investment	1,146	3,333	–2,187	1,406	4,525	–3,119
1.B.2.2 Portfolio investment	28	1,635	–1,607	26	1,886	–1,860
1.B.2.3 Other investment	101	3,107	–3,005	160	3,177	–3,017
1.B.2.4 Reserve assets	832	1	831	826	1	825
1.B.3 Other primary income	485	369	116	421	160	261
1.C Secondary Income (1.C.1+1.C.2)	**17,533**	**1,088**	**16,445**	**15,729**	**747**	**14,982**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	17,490	891	16,600	15,689	542	15,146
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	16,963	804	16,159	15,155	463	14,692
1.C.1.2 Other current transfers	527	86	441	534	80	454
1.C.2 General government	42	198	–155	40	205	–165
2 Capital Account (2.1+2.2)	**84**	**77**	**7**	**73**	**62**	**11**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	7	20	–13	27	7	20
2.2 Capital transfers	77	57	20	46	55	–9
3 Financial Account (3.1 to 3.5)	**149,365**	**149,456**	**–91**	**127,240**	**127,091**	**149**
3.1 Direct Investment (3.1A+3.1B)	**15,850**	**6,580**	**9,271**	**16,114**	**7,318**	**8,797**
3.1.A Direct Investment in India	14,134	3,646	10,487	14,752	3,367	11,384
3.1.A.1 Equity and investment fund shares	12,888	3,574	9,313	13,994	3,343	10,651
3.1.A.1.1 Equity other than reinvestment of earnings	10,153	3,574	6,579	10,895	3,343	7,553
3.1.A.1.2 Reinvestment of earnings	2,735	–	2,735	3,098	–	3,098
3.1.A.2 Debt instruments	1,246	72	1,174	758	25	733
3.1.A.2.1 Direct investor in direct investment enterprises	1,246	72	1,174	758	25	733
3.1.B Direct Investment by India	1,717	2,933	–1,217	1,363	3,950	–2,588
3.1.B.1 Equity and investment fund shares	1,717	2,029	–312	1,363	3,201	–1,838
3.1.B.1.1 Equity other than reinvestment of earnings	1,717	1,195	522	1,363	2,367	–1,004
3.1.B.1.2 Reinvestment of earnings	–	834	–834	–	834	–834
3.1.B.2 Debt instruments	–	904	–904	–	749	–749
3.1.B.2.1 Direct investor in direct investment enterprises	–	904	–904	–	749	–749
3.2 Portfolio Investment	**67,471**	**55,019**	**12,452**	**50,828**	**52,366**	**–1,538**
3.2.A Portfolio Investment in India	67,272	54,837	12,436	50,540	51,327	–787
3.2.1 Equity and investment fund shares	53,992	48,344	5,648	40,988	40,805	183
3.2.2 Debt securities	13,280	6,493	6,788	9,552	10,522	–970
3.2.B Portfolio Investment by India	198	182	16	288	1,038	–751
3.3 Financial derivatives (other than reserves) and employee stock options	**2,942**	**4,642**	**–1,701**	**4,858**	**2,330**	**2,528**
3.4 Other investment	**63,102**	**53,066**	**10,036**	**55,441**	**61,803**	**–6,363**
3.4.1 Other equity (ADRs/GDRs)	1,271	–	1,271	–	–	–
3.4.2 Currency and deposits	18,055	12,866	5,189	15,086	10,664	4,422
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	1,189	–	1,189	34	–	34
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	16,866	12,866	4,000	15,052	10,664	4,388
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	13,723	15,567	–1,845	13,011	27,804	–14,793
3.4.3.A Loans to India	13,320	15,419	–2,100	11,070	26,033	–14,962
3.4.3.B Loans by India	403	148	255	1,941	1,771	169
3.4.4 Insurance, pension, and standardized guarantee schemes	54	54	–0	28	709	–681
3.4.5 Trade credit and advances	25,621	23,016	2,605	23,556	20,917	2,639
3.4.6 Other accounts receivable/payable - other	4,379	1,562	2,817	3,760	1,709	2,051
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**30,149**	**–30,149**	–	**3,274**	**–3,274**
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)	–	30,149	–30,149	–	3,274	–3,274
4 Total assets/liabilities	**149,365**	**149,456**	**–91**	**127,240**	**127,091**	**149**
4.1 Equity and investment fund shares	71,790	58,826	12,964	61,517	51,426	10,091
4.2 Debt instruments	71,925	58,919	13,006	61,963	70,681	–8,719
4.3 Other financial assets and liabilities	5,650	31,711	–26,062	3,760	4,984	–1,224
5 Net errors and omissions	**771**	–	**771**	**158**	–	**158**

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

(₹ Billion)

Item	Jan-Mar 2015 (PR)			Jan-Mar 2016 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**8,355**	**8,398**	**-43**	**8,414**	**8,436**	**-21**
1.A Goods and Services (1.A.a+1.A.b)	**7,045**	**7,762**	**-717**	**7,104**	**7,690**	**-586**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**4,470**	**6,434**	**-1,964**	**4,444**	**6,115**	**-1,671**
1.A.a.1 General merchandise on a BOP basis	4,470	5,903	-1,433	4,594	5,758	-1,164
1.A.a.2 Net exports of goods under merchanting	–	–	–	–150	–	-150
1.A.a.3 Nonmonetary gold	–	531	-531	–	357	-357
1.A.b Services (1.A.b.1 to 1.A.b.13)	**2,575**	**1,328**	**1,247**	**2,661**	**1,575**	**1,085**
1.A.b.1 Manufacturing services on physical inputs owned by others	1	0	1	3	2	1
1.A.b.2 Maintenance and repair services n.i.e.	2	4	-2	2	6	-3
1.A.b.3 Transport	241	250	-9	240	247	-8
1.A.b.4 Travel	352	226	126	399	242	157
1.A.b.5 Construction	26	20	7	34	21	12
1.A.b.6 Insurance and pension services	31	15	16	35	17	18
1.A.b.7 Financial services	86	36	50	66	40	26
1.A.b.8 Charges for the use of intellectual property n.i.e.	5	75	-70	7	73	-67
1.A.b.9 Telecommunications, computer, and information services	1,155	57	1,098	1,266	80	1,185
1.A.b.10 Other business services	440	459	-19	492	585	-93
1.A.b.11 Personal, cultural, and recreational services	17	19	-1	23	10	13
1.A.b.12 Government goods and services n.i.e.	7	15	-8	9	16	-7
1.A.b.13 Others n.i.e.	212	153	58	86	236	-150
1.B Primary Income (1.B.1 to 1.B.3)	**219**	**568**	**-349**	**248**	**695**	**-447**
1.B.1 Compensation of employees	57	42	15	57	37	19
1.B.2 Investment income	131	503	-371	163	647	-484
1.B.2.1 Direct investment	71	207	-136	95	305	-211
1.B.2.2 Portfolio investment	2	102	-100	2	127	-126
1.B.2.3 Other investment	6	193	-187	11	214	-204
1.B.2.4 Reserve assets	52	0	52	56	0	56
1.B.3 Other primary income	30	23	7	28	11	18
1.C Secondary Income (1.C.1+1.C.2)	**1,091**	**68**	**1,023**	**1,062**	**50**	**1,011**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	1,089	55	1,033	1,059	37	1,022
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	1,056	50	1,006	1,023	31	992
1.C.1.2 Other current transfers	33	5	27	36	5	31
1.C.2 General government	3	12	-10	3	14	-11
2 Capital Account (2.1+2.2)	**5**	**5**	**0**	**5**	**4**	**1**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	–	1	-1	2	0	1
2.2 Capital transfers	5	4	1	3	4	-1
3 Financial Account (3.1 to 3.5)	**9,296**	**9,302**	**-6**	**8,589**	**8,579**	**10**
3.1 Direct Investment (3.1A+3.1B)	**986**	**410**	**577**	**1,088**	**494**	**594**
3.1.A Direct Investment in India	880	227	653	996	227	768
3.1.A.1 Equity and investment fund shares	802	222	580	945	226	719
3.1.A.1.1 Equity other than reinvestment of earnings	632	222	409	735	226	510
3.1.A.1.2 Reinvestment of earnings	170	–	170	209	–	209
3.1.A.2 Debt instruments	78	4	73	51	2	50
3.1.A.2.1 Direct investor in direct investment enterprises	78	4	73	51	2	50
3.1.B Direct Investment by India	107	183	-76	92	267	-175
3.1.B.1 Equity and investment fund shares	107	126	-19	92	216	-124
3.1.B.1.1 Equity other than reinvestment of earnings	107	74	32	92	160	-68
3.1.B.1.2 Reinvestment of earnings	–	52	-52	–	56	-56
3.1.B.2 Debt instruments	–	56	-56	–	51	-51
3.1.B.2.1 Direct investor in direct investment enterprises	–	56	-56	–	51	-51
3.2 Portfolio Investment	**4,199**	**3,424**	**775**	**3,431**	**3,535**	**-104**
3.2.A Portfolio Investment in India	4,187	3,413	774	3,412	3,465	-53
3.2.1 Equity and investment fund shares	3,360	3,009	352	2,767	2,755	12
3.2.2 Debt securities	827	404	422	645	710	-65
3.2.B Portfolio Investment by India	12	11	1	19	70	-51
3.3 Financial derivatives (other than reserves) and employee stock options	**183**	**289**	**-106**	**328**	**157**	**171**
3.4 Other investment	**3,927**	**3,303**	**625**	**3,742**	**4,172**	**-429**
3.4.1 Other equity (ADRs/GDRs)	79	–	79	–	–	–
3.4.2 Currency and deposits	1,124	801	323	1,018	720	299
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	74	–	74	2	–	2
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	1,050	801	249	1,016	720	296
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	854	969	-115	878	1,877	-999
3.4.3.A Loans to India	829	960	-131	747	1,757	-1,010
3.4.3.B Loans by India	25	9	16	131	120	11
3.4.4 Insurance, pension, and standardized guarantee schemes	3	3	0	2	48	-46
3.4.5 Trade credit and advances	1,595	1,432	162	1,590	1,412	178
3.4.6 Other accounts receivable/payable - other	273	97	175	254	115	138
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**1,876**	**-1,876**	–	**221**	**-221**
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)	–	1,876	-1,876	–	221	-221
4 Total assets/liabilities	**9,296**	**9,302**	**-6**	**8,589**	**8,579**	**10**
4.1 Equity and investment fund shares	4,468	3,661	807	4,153	3,471	681
4.2 Debt instruments	4,476	3,667	809	4,183	4,771	-589
4.3 Other financial assets and liabilities	352	1,974	-1,622	254	336	-83
5 Net errors and omissions	**48**	–	**48**	**11**	–	**11**

No. 42: International Investment Position

(US$ Million)

Item	As on Financial Year /Quarter End							
	2015-16		2015				2016	
			Mar.		Dec.		Mar.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1 Direct Investment Abroad/in India	141,626	293,432	132,741	265,352	139,038	282,093	141,626	293,432
1.1 Equity Capital and Reinvested Earnings	96,961	280,267	91,457	254,055	95,122	269,456	96,961	280,267
1.2 Other Capital	44,665	13,165	41,283	11,298	43,916	12,637	44,665	13,165
2 Portfolio Investment	2,461	225,026	1,429	233,593	1,710	225,535	2,461	225,026
2.1 Equity	2,317	141,864	1,050	153,641	1,568	141,693	2,317	141,864
2.2 Debt	144	83,162	378	79,952	143	83,842	144	83,162
3 Other Investment	45,994	393,341	46,594	388,070	41,656	387,232	45,994	393,341
3.1 Trade Credit	2,913	82,275	5,495	83,692	4,548	79,547	2,913	82,275
3.2 Loan	6,713	171,252	5,664	176,867	3,683	171,460	6,713	171,252
3.3 Currency and Deposits	20,861	127,109	19,432	115,313	17,322	122,800	20,861	127,109
3.4 Other Assets/Liabilities	15,507	12,705	16,003	12,198	16,103	13,424	15,507	12,705
4 Reserves	360,177	–	341,639	–	350,381	–	360,177	–
5 Total Assets/ Liabilities	550,258	911,799	522,402	887,015	532,786	894,859	550,258	911,799
6 IIP (Assets - Liabilities)		–361,541		–364,613		–362,074		–361,541

Payment and Settlement Systems

No. 43: Payment System Indicators

System	Volume (Million)				Value (₹ Billion)			
	2015-16	2016			2015-16	2016		
		Apr.	May	Jun.		Apr.	May	Jun.
	1	2	3	4	5	6	7	8
1 RTGS	**98.34**	**8.33**	**8.71**	**8.83**	**1,035,551.64**	**86,459.34**	**95,526.09**	**106,101.49**
1.1 Customer Transactions	93.95	7.97	8.34	8.46	700,899.82	55,515.68	64,939.73	72,024.19
1.2 Interbank Transactions	4.37	0.35	0.37	0.37	123,678.19	12,895.59	11,392.85	11,810.82
1.3 Interbank Clearing	0.016	0.001	0.001	0.002	210,973.63	18,048.07	19,193.51	22,266.48
2 CCIL Operated Systems	**3.12**	**0.26**	**0.29**	**0.31**	**807,370.42**	**72,044.93**	**81,983.85**	**87,278.50**
2.1 CBLO	0.22	0.01	0.02	0.02	178,335.28	12,227.47	16,217.58	17,272.29
2.2 Govt. Securities Clearing	1.02	0.10	0.10	0.11	269,778.20	24,716.41	27,902.87	31,205.54
2.2.1 Outright	0.88	0.09	0.08	0.09	97,285.41	11,476.80	9,053.82	11,238.84
2.2.2 Repo	0.134	0.010	0.014	0.016	172,492.78	13,239.61	18,849.05	19,966.70
2.3 Forex Clearing	1.89	0.15	0.17	0.18	359,256.94	35,101.05	37,863.40	38,800.68
3 Paper Clearing	**1,096.37**	**88.17**	**85.06**	**86.19**	**81,860.79**	**7,098.80**	**6,475.30**	**6,359.68**
3.1 Cheque Truncation System (CTS)	958.39	78.95	77.24	78.64	69,889.15	6,257.62	5,784.87	5,734.50
3.2 MICR Clearing	–	-	-	-	–	–	–	–
3.2.1 RBI Centres	–	-	-	-	–	–	–	–
3.2.2 Other Centres	–	-	-	-	–	–	–	–
3.3 Non-MICR Clearing	137.98	9.22	7.81	7.55	11,971.64	841.18	690.43	625.19
4 Retail Electronic Clearing	**3,141.53**	**316.89**	**307.51**	**316.88**	**91,408.14**	**9,169.02**	**8,533.18**	**9,622.29**
4.1 ECS DR	224.75	2.03	1.21	0.99	1,651.50	14.38	5.04	3.22
4.2 ECS CR (includes NECS)	39.00	1.38	0.54	0.80	1,059.44	34.30	9.11	9.64
4.3 EFT/NEFT	1,252.88	111.84	117.50	118.91	83,273.11	8,324.52	7,732.54	8,815.31
4.4 Immediate Payment Service (IMPS)	220.81	26.78	27.66	29.68	1,622.26	210.44	216.18	237.17
4.5 National Automated Clearing House (NACH)	1,404.08	174.85	160.59	166.50	3,801.83	585.39	570.30	556.96
5 Cards	**10,038.67**	**918.12**	**941.82**	**918.94**	**29,397.65**	**2,629.00**	**2,715.38**	**2,595.31**
5.1 Credit Cards	791.67	73.43	78.36	76.89	2,437.02	230.13	250.39	242.40
5.1.1 Usage at ATMs	6.00	0.59	0.57	0.59	30.41	2.87	2.83	2.86
5.1.2 Usage at POS	785.67	72.84	77.78	76.30	2,406.62	227.26	247.56	239.54
5.2 Debit Cards	9,247.00	844.69	863.47	842.05	26,960.63	2,398.87	2,464.99	2,352.91
5.2.1 Usage at ATMs	8,073.39	726.48	729.60	724.01	25,371.36	2,251.32	2,310.25	2,198.31
5.2.2 Usage at POS	1,173.61	118.21	133.86	118.03	1,589.27	147.54	154.74	154.61
6 Prepaid Payment Instruments (PPIs)	**748.02**	**69.30**	**70.95**	**76.98**	**487.58**	**46.72**	**49.95**	**53.47**
6.1 m-Wallet	603.98	48.76	50.31	58.63	205.84	22.93	24.35	27.74
6.2 PPI Cards	143.47	20.49	20.60	18.29	253.77	21.68	23.43	23.01
6.3 Paper Vouchers	0.56	0.04	0.04	0.05	27.97	2.11	2.18	2.71
7 Mobile Banking	**389.49**	**48.38**	**60.76**	**62.52**	**4,040.91**	**519.17**	**608.45**	**662.72**
8 Cards Outstanding	**686.04**	**692.59**	**702.75**	**713.64**	–	–	–	–
8.1 Credit Card	24.51	24.86	25.09	25.54	–	–	–	–
8.2 Debit Card	661.54	667.73	677.66	688.10	–	–	–	–
9 Number of ATMs (in actuals)	**212061**	**213120**	**214271**	**215219**	–	–	–	–
10 Number of POS (in actuals)	**1385668**	**1400792**	**1415582**	**1429420**	–	–	–	–
11 Grand Total (1.1+1.2+2+3+4+5+6)	**15,126.04**	**1,401.06**	**1,414.34**	**1,408.12**	**1,835,102.59**	**159,399.74**	**176,090.24**	**189,744.28**

Note : Data for latest 12 month period is provisional.

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 multiateral net settlement batches.
3.1: Pertain to three centres – Mumbai, New Delhi and Chennai.
3.3: Pertain to clearing houses managed by 21 banks.
6: Available from December 2010.
7: Include IMPS transactions.
9: Includes ATMs deployed by Scheduled Commercial banks and White Label ATMs (WLA). WLA are included from April 2014 onwards.

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

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Name of Publication	Price	
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2. Handbook of Statistics on the Indian States 2015-16	₹550 (Normal) ₹600 (inclusive of postage)	US$ 22 (inclusive of air mail courier charges)
3. Handbook of Statistics on the Indian Economy 2014-15	₹400 (Normal) ₹450 (inclusive of postage) ₹300 (concessional) ₹375 (concessional with postage)	US$ 40 (inclusive of air mail courier charges)
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7. Handbook of Statistics on State Government Finances 2010	CD-ROM ₹80 (normal) ₹105 (inclusive of postage) ₹60 (concessional) ₹85 (concessional inclusive of postage)	US$ 16 per CD (inclusive of air mail courier charges) US$ 4 per CD (inclusive of registered air mail charges)
8. CD Compendium of Articles on State Finances (1950-51 to 2010-11)	₹280 (over the counter) ₹305 (inclusive of postal charges) ₹210 (concessional) ₹235 (concessional inclusive of postage)	US$ 8 (inclusive of air mail book post charges)
9. Mint Road Milestones RBI at 75	₹1,650 per copy (over the counter)	US$ 50 per copy (inclusive of air mail courier charges)
10. India's Financial Sector, An Assessment Vol. I to VI 2009	₹2,000 per copy (over the counter) ₹2,300 per copy (inclusive postal charges) ₹1,500 per copy (concessional price) ₹1,800 per copy (concessional inclusive of postage)	US$ 40 per set and US$ 120 per set (inclusive of air mail courier charges)
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12. Report of the committee on Fuller Capital account Convertibility (Tarapore Committee Report II)	₹140 per copy (normal) ₹170 (per copy by post)	US$ 25 per copy ((inclusive of air mail courier charges)
13. A Profile of Banks 2012-13	₹80 per copy (over the counter) ₹110 per copy (inclusive of postal charges)	US$ 7 per copy (inclusive of air mail courier charges)

Name of Publication	Price	
	India	Abroad
14. Selected Banking Indicators 1981 to 2002 (On CD-ROM)	₹250 per CD (over the counter) ₹300 per CD (including postal charges)	US$ 75 (per CD) (inclusive of air mail courier charges)
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17. Basic Statistical Returns of Scheduled Commercial Banks in India Vol. 41 March 2012	₹270 per copy (over the counter) ₹310 per copy (inclusive of postal charges)	US$ 10 per copy (inclusive of air mail courier charges)
18. Private Corporate Business Sector in India - Selected Financial Statistics from 1950-51 to 1997-98	₹500 per CD (over the counter)	US$ 100 per CD ROM (inclusive of air mail courier charges)
19. Banking Glossary (2012)	₹80 per copy (over the counter) ₹120 per copy (inclusive of postal charges)	
20. Anuvad Ke Vividh Aayam (Hindi)	₹165 per copy (over the counter) ₹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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7. **Kindly send your subscription number, name, address, and email id to spsdcs@rbi.org.in enabling us to communicate with you in an efficient manner.**