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Speeches

*The Challenge of Globalisation: Some Reflections from the Reserve Bank Perspective**

Duvvuri Subbarao

Thank you for inviting me to address the convocation of IIM, Bangalore. It is an honour to which I attach a lot of value.

2. First of all, heartiest congratulations to all the graduating students. Today marks a milestone in your lives. You will be leaving college with a degree in management, and not just any degree, but a degree from one of the most elite management schools in the country. You should be proud of what you have accomplished.

Managing Change

3. As I see all of you graduating students in front of me, my mind goes back to my own graduation forty years ago, and to all the changes between my time and yours. The world has changed, India has changed, Bengaluru has changed and management education has changed in these four decades. Change, as they say, is the only constant in life. Managing change is by far one of the biggest challenges we face, both in our personal lives and our professional lives.

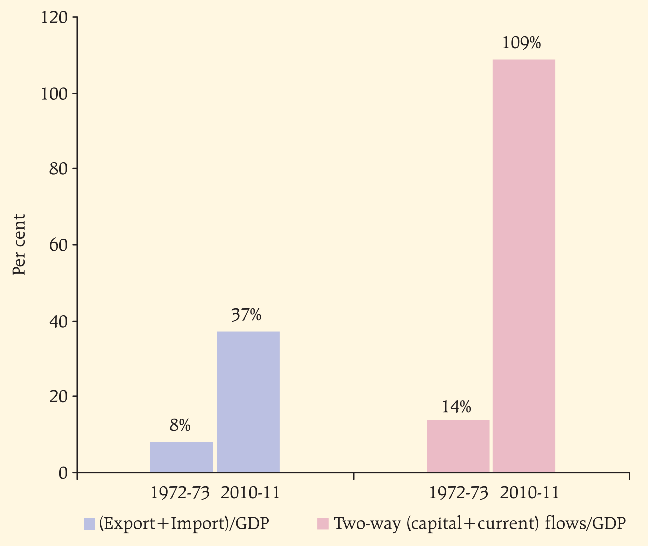
Globalisation

4. One of the big changes between my time and yours is globalisation – the reduction in barriers to the flow of goods, money, people and ideas cutting across national, linguistic, cultural and social boundaries. When I graduated forty years ago, India was one of the most closed economies in the world. Today, we are much more integrated into the world, indeed more integrated than we tend to acknowledge. Just imagine, when I went abroad for the first time, 35 years ago, we could take out just $20. Today, every Indian can take out $200,000 per year under the liberalised remittance scheme (LRS)[2]. That is a quantum change, not just in the numbers, but also in our world-view.

India's Global Integration

5. A metric frequently used to measure the degree of a country's global integration is the ratio of external trade to GDP (Chart 1). That ratio has gone up over four times, from 8 per cent of GDP in 1972 to 37 per cent in 2011. Over this period, flow of money around the world has far outpaced the flow of goods. So, a more complete measure of a country's global integration is the two-way flow of goods and finance in and out of a country. That ratio has moved up nearly eight times in these four decades, from 14 per cent in 1972 to 109 per cent in 2011. What this means is that India's trade integration has been deep; but its financial integration has been deeper.

Chart 1: India's Global Integration



* Address by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the 37th Annual Convocation of the Indian Institute of Management, Bangalore on March 30, 2012.

* This is over and above what can be taken out for current account transactions.

Globalisation – A Double Edged Sword

6. Globalisation is a double-edged sword – it offers immense opportunities but also poses ruthless challenges. Nothing illustrates this better than the global financial crisis of 2008-09. Recall that in the years before the crisis-during the period of the 'Great Moderation' – we had steady growth in advanced economies and accelerating growth in emerging and developing economies, and low and stable inflation all around. This was a consequence of globalisation – in particular, of the tremendous boost to world production and productivity as a result of India and China joining the world labour markets. If the Great Moderation was the positive side of globalisation, the financial crisis of 2008-09 and the Great Recession that followed were its negative side. That a bubble in a quintessentially non-tradeable sector like housing snowballed into a global financial crisis, taking a devastating toll on global growth and welfare, is a demonstration of the ferociousness of the forces of globalisation.

Managing Globalisation

7. With degrees in hand today, you will be entering a world that is more globalised than the one I had spent my career in. Globalisation, as we just noted, comes with benefits and costs. No matter what career you pursue or where you choose to work, you will have to learn to manage globalisation in ways that will maximise its benefits and minimise its costs. I can hardly presume to give you a primer on that. I will attempt something less ambitious. I will bring the issue closer home and explain to you how we, in the Reserve Bank, confront the dilemmas of globalisation. Before I do that though, I want to visit the debate on globalisation just to set the context.

Debate Around Globalisation

8. To simply say that globalisation has been a contentious issue will be banal. The debate surrounding globalisation has been, in turn, lively, passionate, acrimonious, ill-defined, chaotic, noisy, constructive, untidy, and amorphous. What adjective you choose defines where you stand on the debate. But what is even more striking is that this is a debate that has frowned on moderation. For its supporters, globalisation is the best way forward for collective global prosperity and welfare. For its critics, on the other hand, globalisation is an unmitigated evil. They evoke powerful images, say of sweat-shops in developing countries, degradation of the Amazon rain forest, erosion of peasant farming in poor economies and acid rain around the world's industrial towns to buttress their argument.

9. Like most else in life, this debate too cannot be a binary issue. There is some validity to both sides of the argument, and the best way forward, as we just noted, is to maximise the positives and minimise the negatives.

10. The globalisation debate has been broad-based straddling several issues and themes. Here are some of the important ones:

i. Globalisation exploits the poor and the weak, and destroys traditional livelihoods.

ii. It accentuates inequalities within and across nations.

iii. It promotes global multinational corporations which, driven entirely by the profit motive, are totally insensitive to the negative externalities they cause.

iv. It causes environmental degradation.

v. It undermines the sovereignty of the nation-state.

11. I do not propose to visit these issues. This is well-trodden territory and I do not have any comparative advantage to add value to the debate. I do want to address just three questions though. I have chosen these three, in part because they are less familiar themes, and in part because the debates around these issues have been reshaped by some new developments. The three questions that I will address are:

i. Is globalisation inevitable?

ii. Is geography destiny?

iii. Can/should financial liberalisation be shunned?

Is Globalisation Inevitable?

12. There is a widely held view that globalisation is inevitable in today's world of rapid technological progress and growing embrace of economic liberalisation by countries. Most people who hold this view think that globalisation is a uniquely twentieth century phenomenon and that it is progressing on a linear upward path.

13. That is a misperception. Far from being a twentieth century phenomenon, globalisation has a long history dating back to the voyages of discovery of the 15th and 16th centuries and colonisation by the European powers in the following centuries. Colonies have gone, but the trade and commerce spawned by the colonial empires have largely endured.

14. It is also not the case that globalisation that started five hundred years ago has deepened on a steady, linear path. On the contrary, it has waxed and waned (Chart 2).

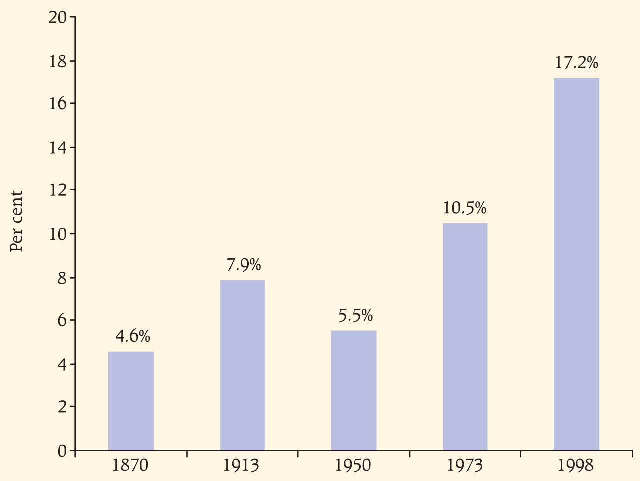
15. As the data in Chart 2 show, for about 150 years starting 1870, globalisation has steadily deepened, peaking at around the outbreak of the First World War. It declined in the inter-war period, as a result of both changing political equations and the devastating toll of the Great Depression. This trend reversed after the Second World War, with globalisation, not only in trade but also in finance, picking up pace over the last six decades (Chart 3).

16. The question is, is there something special about this wave of globalisation that sets it apart from past episodes and makes it inevitable and irreversible? The two inexorable forces cited to buttress this argument are technological progress, particularly the improvement in the speed and quality of communication and the dramatic decline in transport costs.

17. It is true that technological progress and declining transport costs offer opportunities for increasing the benefits of trade and strengthen the case for globalisation. But the mere availability of opportunities is no guarantee that governments around the world will remain committed to open trade and open finance. That commitment could easily run into sands of political compulsions if a country perceives that it is losing comparative advantage or if the costs of globalisation are seen to exceed the benefits. So, a more nuanced position to take would be that although today's globalisation is based on a stronger footing because of advances in technology and declining transport costs, political dynamics offer no guarantee that it will move along irreversibly.

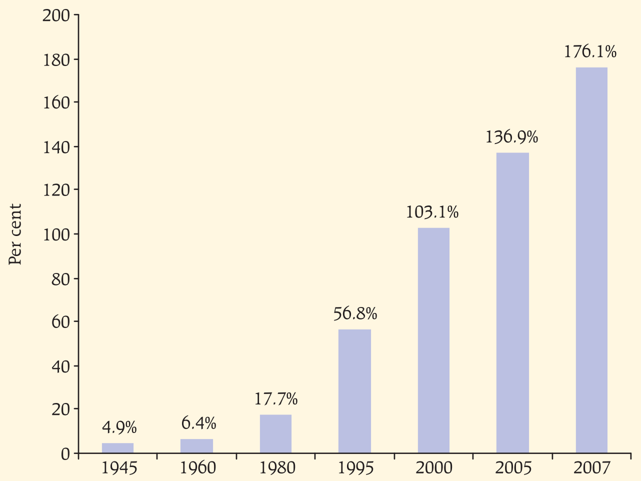
18. That takes me to the second question that I want to address, about the threat to globalisation arising from political compulsions.

Chart 2: Global Trade as a proportion of Global GDP
(Constant prices)



Source: Maddison (2001).

Chart 3: Foreign Assets as a proportion of Global GDP



Source: Crafts (2000) till 1995 and dataset of external wealth of nations available at http://www.philiplane.org/EWN.html (2009)]

Is Geography Destiny?

19. In his best-selling book, *Guns, Germs and Steel*, Jared Diamond, an environmental biologist, argues that advanced civilisations originated and developed in Eurasia rather than in Africa, America or the Pacific because the former had the advantage of highly fertile lands and animals that could be domesticated. Having developed their agriculture by 1500 AD, Europeans used their guns, germs and steel to dominate the rest of the world by military conquest and spread of disease. According to Diamond, it is not biology or race that explains the course of world history. Rather it is 'geography' that determines the rise and fall of civilisations.

20. This 'geography is destiny' theory which ruled for much of our recorded history is now seriously challenged by the latest sweep of IT-enabled globalisation. Received wisdom today is that geography is irrelevant. No longer is a country's destiny tied down to its geographical location or its physical resources.

21. In the era of knowledge-propelled globalisation, it is possible for countries to overcome handicaps of geography by exploiting their comparative advantage in human resources. That blue-collar jobs shift across geographic boundaries in pursuit of cheap hands has long been part of conventional wisdom. But what is new is that increasingly white-collar jobs, once considered safe from foreign competition, are now being offshored. Hence, the new catch-phrases such as 'death of distance' and 'conquest of location'.

22. The shifting comparative advantage is most visible in the services sector. No longer is it just low-end services such as data processing and call centres that are outsourced, but high-end, skill-intensive services. Thus, it is that financial analysts in Chennai provide tax consultancy to clients in Chicago; engineers in Buenos Aires design roads and bridges for Berlin; and radiologists in Manila provide medical diagnostics for patients in Manchester. On the other hand, it is low-end services such as laundry, janitor services and taxi driving that remain location-tied.

23. This trend, running counter to the compulsions of geography, could have significant implications for globalisation. The theory has been, and still is, is that mature economies will outsource low-end jobs to emerging and developing economies, and will themselves move up the value chain to more productive jobs. The outsourcing of high-end jobs implies that this story is not running according to script.

24. The number of jobs actually outsourced may be small, but the mere possibility that they could be outsourced has upset an unwritten social contract. This is because the very possibility of outsourcing erodes the bargaining power of workers and forces them to keep their wage demands subdued. For example, in the US, over the last decade, the share of wages in national income has steadily gone down while the share of corporate profits has increased, evidencing the declining bargaining power of workers. If this trend is not corrected, workers could get restive and demand protectionist measures. What this means is that free trade has the potential to raise global welfare, but its progress could be impeded by political compulsions at the national level. Geography could then become destiny yet again.

Can/should Financial Globalisation be Shunned?

25. There is an influential school of thought that takes a more nuanced approach to globalisation – distinguishing between trade liberalisation and financial liberalisation. The argument is that while increased trade between countries is positive for both trading partners, the same need not necessarily be true of financial linkages. Hasty or imprudent financial liberalisation, it is contended, is the main cause behind several financial crises over the last quarter century, including notably, the Asian crisis of the late 1990s. According to this view, while trade liberalisation should be promoted and celebrated, countries should be cautious about financial liberalisation.

26. This debate raises two questions. First, is financial liberalisation inherently bad? And second, is it possible to pursue trade liberalisation without financial liberalisation? Let me briefly explain.

27. In support of trade liberalisation, empirical evidence is put forward showing the causal relationship

between trade openness and economic prosperity. It is also argued that openness to trade has spillover effects in terms of entrepreneurship, productivity improvement and development of physical and social infrastructure. It is not clear why one should presume that financial liberalisation does not offer similar collateral benefits. Indeed, financial openness helps to deepen and broaden the financial markets, enhances competition, raises efficiency and improves corporate governance standards. On the other hand, it is true that there are certain pre-conditions to be met for financial liberalisation to be a positive force. In particular, the government's fiscal position should be sound, regulation and supervisory systems should be effective and there should be capacity for instituting internal controls within financial institutions.

28. My broad position on this issue is that financial liberalisation can offer potentially huge benefits, including collateral benefits, as does trade liberalisation. What is important to remember though, in promoting financial liberalisation, is that the financial sector has no standing of its own; it derives its strength and resilience from the real economy. It is the needs of the real sector that should drive financial sector liberalisation; not the other way round.

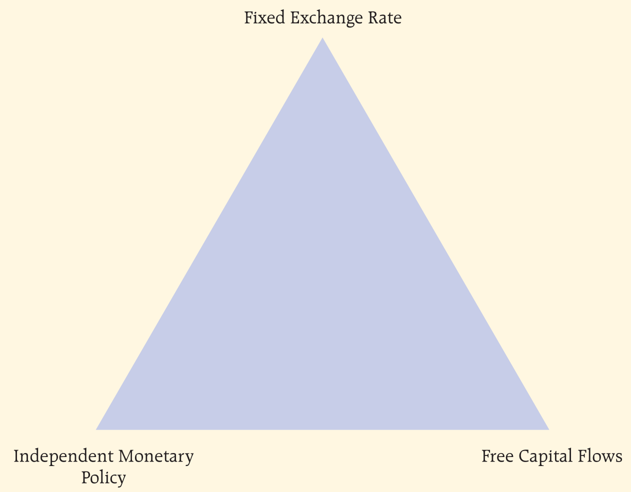
Reserve Bank's Perspectives on Globalisation

29. Let me now turn to the dilemmas we face in the Reserve Bank on account of globalisation. Monetary policy formulation used to be much simpler when we were a relatively less open economy. Now that we are more integrated into the world, in making our policies we have to reckon with global developments over which we have no control.

Impossible Trinity

30. In conceptual terms, the challenge that the Reserve Bank faces on account of opening up the economy is best explained by the impossible trinity argument which asserts that a country cannot simultaneously maintain all three policy goals of free capital flows, a fixed exchange rate and an independent monetary policy. The impossible trinity, as students of economics have learnt for over a half century, has a strong theoretical foundation in the Mundell-Fleming model developed in the 1960s.

Impossible Trinity



31. Given the Impossible Trinity trilemma, countries have made different choices. The most common case, typical across advanced economies, is to give up on a fixed exchange rate so as to run an open economy with an independent monetary policy. On the other hand, economies that adopt a hard peg give up on the independence of monetary policy. Examples include the currency boards set up by Hong Kong and, for a time, Argentina. More recently, responding to a rapid appreciation of the Swiss Franc as a result of the safe haven effect, Switzerland declared its commitment to defend a pre-announced exchange rate.

32. In contrast to advanced economies which opt for corner solutions, emerging economies here typically opted for middle solutions giving up on some flexibility on each of the variables to maximise overall macroeconomic advantage.

India's Approach to the Impossible Trinity

33. In India too, we have opted for a middle solution whose contours are the following: (i) we let our exchange rate be largely market-determined, but intervene in the market to smooth excess volatility and/or to prevent disruptions to macroeconomic stability; (ii) our capital account is only partly open; while foreigners enjoy mostly unfettered access to our

equity markets, access to debt markets is restricted; there are limits how much resident corporates and individuals can take out for investment abroad, but the limits are quite liberal; and (iii) because of the liberalisation on the exchange rate and capital account fronts, we may forfeit some monetary policy independence. What the middle solution also implies is that we have to guard on all the three fronts with relative emphasis across the three pillars shifting according to our macroeconomic situation.

Capital Flows

34. What does the impossible trinity mean in practical terms? Let us examine this in terms of capital flows. We do need capital inflows, of course, since we have a current account deficit (CAD). In an ideal world, we will want capital flows just about sufficient to finance our CAD; also we have an express preference for equity flows over debt flows and for long term flows over short term flows. But in the real world, we seldom find ourselves in such a sweet spot; capital flows are either too much or too little.

35. When capital flows are far in excess of CAD, the exchange rate appreciates out of line with fundamentals. And if the flows are volatile, that will be reflected in the exchange rate movement too. The Reserve Bank then has to make a judgement on whether or not to intervene in the forex market. This is not as straight-forward as it seems. If we intervene to buy foreign exchange in the market, volatility may be smoothed and exchange rate appreciation contained, but systemic rupee liquidity goes up, and that could add to inflationary pressures.

36. Inflation, as we know, results in a real appreciation of the currency. So, our effort to solve the problem of nominal appreciation of the currency, lands us with a problem of real appreciation.

37. To get around this problem, that is to contain inflationary pressures, we sometimes 'sterilise' the excess liquidity. This may contain inflation pressures, but raises a host of other problems. Sterilisation puts upward pressure on interest rates which erodes our competitiveness. Higher interest rates also attract more capital flows, thus again, in a curious variant of the Dutch disease, accentuating the very problem that we were, in the first place, trying to resolve. As you see, there are no straight-forward solutions – every solution raises a fresh problem.

38. Volatile capital outflows pose similarly complex policy choices. In this case, the exchange rate tends to depreciate, again out of line with fundamentals exacerbating inflationary pressures and also hurting the government and corporates who have external debt obligations. In an outflow situation, financing of the current account deficit could also turn into a problem.

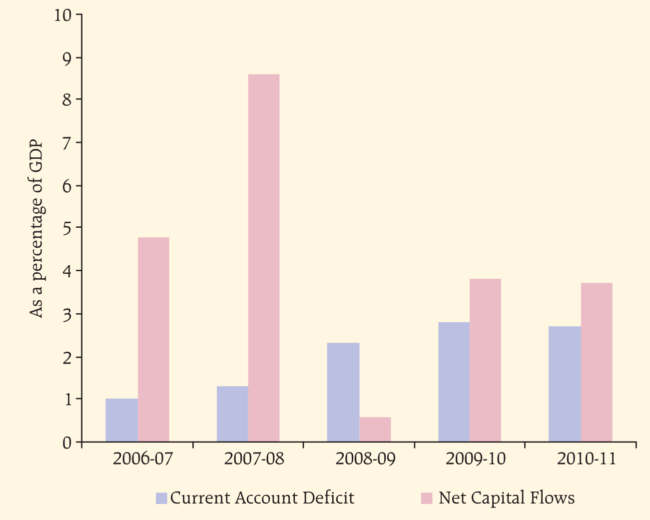
39. Both when inflows and outflows are out of line with our requirement, the Reserve Bank has to make a determination on whether or not to intervene in the foreign exchange market to contain volatility and prevent instability. As I explained above, no option is totally benign; no matter what option we follow, there are costs. Our effort always is to make an assessment of the forces driving the capital flows and act only to smooth volatility in the exchange rate movement and prevent disruptions to macroeconomic stability. In doing so, we have to be mindful of the inflation situation, the robustness of our foreign exchange reserves, and importantly, the credibility of our actions.

Several Episodes of Volatile Capital Flows

40. Capital flows have been a particularly contentious problem over the last decade when we had episodes of both volatile inflows and outflows with the problem often reversing direction rather abruptly. Let me sketch this out to give you a flavour of the type of challenge we face.

41. In the years before the global crisis – during the Great Moderation – we had capital flows far in excess of our CAD, driven by excess liquidity in the global system, search for yield by investors and the promise of India's growth prospects (Chart 4). The rupee appreciated steeply denting our competitiveness. The Reserve Bank intervened in the market to buy foreign exchange and also sterilised the resultant rupee liquidity.

Chart 4: India – Balance of Payments Current and Capital Accounts



42. The capital inflow problem turned abruptly into an outflow problem with the outbreak of the financial crisis in September 2008. Unnerved by the extreme uncertainty, global investors exited India, as they did other emerging economies, to return to safe havens. The sudden exit put downward pressure on the rupee, and this time round we had to intervene in the foreign exchange market to contain the volatile depreciation of the rupee.

43. As the crisis started ebbing, the direction of the capital flows problem changed once again. The two-speed recovery, quantitative easing by advanced economies, and importantly, their guidance that their easy monetary stance would prevail for an extended period drove global excess liquidity into emerging economies pushing up their exchange rates. This was the case for much of 2010 and early 2011. Emerging economies had to combat this through currency interventions as well as capital controls. One of the main items for discussion at the G-20 meetings all through this period was ways to prevent these 'currency wars'. Emerging economies contended that financial stability is a global public good, and that advanced economies, in particular, must be mindful of the spillover impact of their domestic policies.

44. In the event, the 'currency wars' were short-lived. As the euro-zone sovereign debt crisis deepened in the second half of 2011, global capital reversed direction yet again exiting emerging economies in search of safe havens. Emerging economy currencies, including the rupee, depreciated significantly. Between August 4, and December 15, 2011 the rupee depreciated by over 15 per cent although it has regained some loss since then. From the Reserve Bank, we had to intervene in the market to smooth the volatility of the exchange rate movement.

45. I have gone at some length to narrate the developments in terms of capital flows to demonstrate that not only is the problem big in and of itself, but also that the problem can change direction abruptly owing entirely to external sector developments even as there is no change in our fundamentals.

Globalisation – Challenges and Opportunities

46. You must by now have a fair idea of the type of challenges we face in the Reserve Bank on account of globalisation. You must recognise though that as much as globalisation poses complex policy challenges, it also offers immense opportunities. The economic reforms that provided the platform for India's integration with the global economy helped in raising our growth rate and reducing poverty. Even as we are a large economy at an aggregate level, we are still a poor country as measured by per capita income and several social indicators. The challenge for your generation will be to accelerate India's growth rate and make that growth inclusive. And you will need to manage that challenge in an increasingly globalising India. I am sure you will find being a part of that endeavour intellectually exciting and emotionally fulfilling.

47. My best wishes to all of you for every success in your professional careers and for happiness and fulfillment in your personal lives.

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Uses and Misuses of Statistics*

K. C. Chakrabarty

Prof. Umesh Singh, Coordinator, DST Centre for Interdisciplinary Mathematical Sciences, Prof Sengupta, Dean Faculty of Science, Prof Joshi, other distinguished members of faculty of the University, and above all, dear students. I thank you all for inviting me to be in your midst during the 150th birth anniversary celebrations of Mahamana Pandit Madan Mohan Malaviya. It is a great honour and privilege for me.

Pandit Madan Mohan Malaviya

2. You have provided an opportunity to me to pay my tribute to the 'Mahamana' by delivering a lecture as part of the celebrations of his 150th birth anniversary. He was one of the greatest personalities that this nation has ever produced. In many senses, he was what most of the top-class institutions today vie to produce. He was, at the same time a great patriot, an eminent educationist, a teacher of teachers, a silver-tongued transcendental orator, an ancient as well as a modern leader, a reluctant but an eminent lawyer, a social reformer, a great human being, a torch-bearer of the downtrodden, and above all, a great nation-builder. He lived his life for us and for the future generations. Each and every alumnus of Banaras Hindu University (BHU) will remain ever grateful to him for having created this university, a capital of all disciplines.

My Association with BHU

3. Of course, some of you know of my association with this esteemed University and the city of Varanasi. I stayed in this city from my early childhood, did my schooling here and then joined the BHU for my graduation and post-graduation. Then, I became a lecturer here while I pursued my Ph.D. I taught here for about 5 years and regard that time as one of the best periods of my life. Though my career progression in the banking system including joining the Reserve Bank was not as a statistician, I must confess that the analytical ability and articulation skill based on sound knowledge of statistics, which I developed during my academic career both as a student and teacher of Statistics at BHU, greatly contributed to my progress and success in banking career. I am grateful and thankful to all my teachers and colleagues in the department for what I am today.

4. Today, I have chosen to speak on a theme which is directly relevant to all of you and that is 'Uses and Misuses of Statistics'. Let me begin with a quote: *The safety of science depends on the existence of men who care more for the justice of their methods than for the value of any results obtained by using them.*[1]

5. Statistics is a method of learning from experience and decision making under uncertainty. That is why it is often called the study of the laws of chance. Chance is inherent in all natural phenomena, and the only way of understanding nature and making predictions is to study the laws of chance and formulate appropriate rules of action. Chance may appear as an obstructor and an irritant in our daily life but chance can also create. Through statistics, we have now learnt to put chance to work for the benefit of mankind. C. R. Rao, in the preface of his famous book 'Statistics and Truth' thus said '*all knowledge is, in the final analysis, history. All sciences are, in the abstract, mathematics and all methods of acquiring knowledge are essentially statistics.*'

6. The importance of studying the nature of uncertainty was realised centuries ago. In particular, the introduction of statistical ideas in physics began with the need to deal with errors in astronomical measurements. It was Galileo (1564-1642) who first realised that repeated measurements under identical conditions do vary. Indeed he emphasised that

* Address by Dr K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at DST-CIMS, BHU on March 20, 2012 as part of the 150th Birth Aniversary Celebrations of Mahamana Pandit Madan Mohan Malviya. Assistance provided by Shri Abhiman Das in preparation of this address is gratefully acknowledged.

[1] Cohen, Morris R., on *'Scientific Method'*, in The Encyclopaedia of the Social Sciences.

'measure again and again to find out the difference and difference of the difference'. About 200 years later, Gauss (1777-1855) studied the probability laws of errors in measurements, which was finally formulated in what we today call the normal distribution.

7. The centrality of uncertainties in pursuit of knowledge did not find enough support from the then scientific community. It is said that even Einstein was initially of the view that theories whose objects are connected by laws should be based on facts, not probabilities. He once famously said, *'……God does not play dice with the universe…..'* But surprisingly, he accepted the chance behaviour of molecules suggested by S. N. Bose, which resulted in the Bose-Einstein theory. The inherent nature of uncertainties was initially less understood. Although there are uncertainties at the individual level, very few realised a certain amount of stability in the average of a mass of individuals. This is what we call as 'order in disorder', or, more technically, 'statistical regularity', which paved the way for formulation of law of large numbers in statistics.

Discipline of Statistics: Ancient Roots

8. Statistics as subject of collection and use of various kinds of statistics can be traced much earlier in India. Kautilya's *Arthasastra* (321-296B.C.), one of the *greatest treatises* of economics, indicates a system of census and data collection relating to agriculture, population and other economic activities, covering villages and towns. In addition, the concept of cross-checking and validation by independent agents was very much part of the data collection system. Evidences in the writings of Huen Tsang of seventh to early eighth century and Ain-i-Akbari by Abul Fazal show enough empirical basis for handling administration and politics. Essentially, the basic statistical system remains with the government. Modern statistical information system was developed by the British with the objective of collecting taxes and does not meet with the developmental and administrative needs of the society to a large extent. The commercial and business information system were developed primarily for accountants and does not serve the purpose of management. Hence, the statistical system has to reorient to meet the developmental, administrative and management needs of the society. Practitioners of statistics have to play an important role in achieving this objective.

Statistics Pervades our Daily Lives

9. We all live with statistics. Starting from the morning newspapers to the evening TV reports, we are surrounded by various statistical figures. We often come across data about own economy*: India's population rose to 1.21 billion people over the last 10 years, an increase by 181 million, according to the Census 2011; India's GDP increased by 8.5 per cent in 2010-11; Inflation was about 7 per cent in February this year. Deposits of scheduled commercial banks was up by 14.6 per cent in February, 2012 over a year ago.* How are these numbers generated? All these figures are themselves part of statistical measurement. There are elaborate statistical systems to collect detailed data and compile them to generate the aggregate numbers.

10. Statistics provides a better understanding and exact description of a phenomenon of nature**.** Through an appropriate framework of data collection and well-organised planning of a scientific inquiry in any field of life, it helps in presenting complex information in a suitable tabular, diagrammatic and graphic form for an easy and clear comprehension, and helps in drawing valid inference about the population parameters from the sample data. If a problem can be properly formulated and measurement data can be generated, whether it arises in physical, biological, social sciences or any other discipline, statistical tools can be designed to provide a scientific solution. Thus, it is widely recognised that the proper use of statistics is a key element of scientific enquiry. At this stage let me emphasise that quality and integrity of data is the most important element in the success and utility of statistics.

Uses of Statistics

11. Let me give some examples of its uses. It plays a critical role in agriculture in deciding the plant varieties, combination of fertiliser, pesticides, densities, soil qualities, and growth of output. India's statistics exploration started with anthropological experiment. Without the use of statistics, business and economics cannot make proper planning and

policy. Performance measurement in education, including IQ, is a statistical construct. Use of statistics in psychological behaviour is known as psychometry. Examination of climate change and environmental studies are effectively statistical data analysis of weather and environment. One of the simple applications of statistics is to estimate the number of fish in a pond, using random sampling and suitable statistical (hypergeometric) distribution. Does the data support genetic theories of inherited characteristics? What is the pattern of rainfall? What are the important risk factors for heart disease? Any marketing strategy is based on some statistical sample study. Is education attainment related to income and health? The Duckworth-Lewis method implemented in limited over cricket is a statistical method. I can keep on giving examples.

Misuses of Statistics

12. But since its beginning, statistics has also been misused and there has been considerable debate about how to understand or respond to the misuse of statistics. After all, who hasn't heard of the famous phrase: *'There are three kinds of Lies: Lies, Damned Lies and Statistics*', which is variously attributed to Benjamin Disraeli, Alfred Marshall, Mark Twain and many others. To understand what is meant by 'misusing statistics,' it is important to describe the role of statistics in the scientific method and relate the concept of 'misuse' to other ethical concepts, such as 'misconduct' or 'incompetence' or 'negligence.' Some misuses of statistics can be considered misconduct, although most misuses should be viewed as negligence or deficits of competence. While on the ethical dimension, I shall elaborate further, I shall deal with the other dimensions of 'negligence' and 'incompetence' as part of information illiteracy slightly later.

13. How statistics has been used and what could be its consequence of misuse is well summarised in the Preamble to the Ethical Guidelines for Statistical Practice[2]. It says the *professional performance of statistical analyses is essential to many aspects of society. The use of statistics in medical diagnoses and biomedical research may affect whether individuals live or die, whether their health is protected or jeopardised, and whether medical science advances or gets side tracked. Life, death, and health, as well as efficiency, may be at stake in statistical analyses of occupational, environmental, or transportation safety. Early detection and control of new or recurrent infectious diseases depend on sound epidemiological statistics. Mental and social health may be at stake in psychological and sociological applications of statistical analysis. Effective functioning of the economy depends on the availability of reliable, timely, and properly interpreted economic data. The profitability of individual firms depends in part on their quality control and their market research, both of which should rely on statistical methods. Agricultural productivity benefits greatly from statistically sound applications to research and output reporting. Governmental policy decisions regarding public health, criminal justice, social equity, education, the environment, and other matters depend in part on sound statistics. Scientific and engineering research in all disciplines requires the careful design and analysis of experiments and observations. To the extent that uncertainty and measurement error are involved – as they are in most research – research design, data quality management, analysis, and interpretation are all crucially dependent on statistical concepts and methods. Even in theory, much of science and engineering involves natural variability. Variability, whether great or small, must be carefully examined both for random error and for possible researcher bias or wishful thinking. . . . Because society depends on sound statistical practice, all practitioners of statistics, whatever their training and occupation, have social obligations to perform their work in a professional, competent, and ethical manner.*

14. The results of statistical investigations are usually stated in numerical form and are, therefore, in the public mind, assigned a degree of definiteness usually associated with mathematical technique. The careful investigator, however, is constantly aware of the fact that the preciseness of his numerical result varies

[2] American Statistical Association. *Ethical Guidelines for Statistical Practice.* Alexandria, VA: American Statistical Association, 1999. Available at *http://amstat.org/profession/ethicalstatistics.html.*

directly with the degree of care used in selecting, from the larger universe, the sample upon which his study is based. The numerical conclusions derived from a study of the sample are held to be characteristic and representative of the universe. A very common error in statistical investigation is the selection of a sample which is not an accurate cross-section of the larger universe but merely a particular, unique segment. Conclusions drawn from the biased sample will not, of course, accurately reflect the larger universe. The misuse occurs when such conclusions are held to be representative of the universe by those who either deliberately or un-consciously overlook the sampling bias.

15. An article about cats appeared in *The New York Times*' on August 22, 1989. It stated, '*The experts have also developed startling evidence of the cat's renowned ability to survive, this time in the particular setting of New York City, where cats are prone at this time of year to fall from open windows in tall buildings. Researchers call the phenomenon feline high-rise syndrome.*' Statistics were like this: from June 4 through November 4, 1984, 132 such victims were admitted to the Animal Medical Centre and most of the cats landed on concrete and most survived. From the data on the distance of the fall for 129 of the 132 cats, it was observed that the falls ranged from 2 to 32 stories. Only one of 22 cats that plunged from above 7 stories died, and there was only one fracture among the 13 that fell more than 9 stories. But how a cat will survive of a fall from a great height defying gravitation? Such description generally does not push one to scrutinise the statements till it was understood that majority of the cat owners do not report these incidents to any medical centre and believe that other people probably don't report their cats' deaths, either. Therefore, the error seemed so obvious that sample was not representative and there was data reporting problems.

16. Let me cite another example on the wrong notion of conditional probabilities, which appear in *Statistical Science* 2005, a type of intentional and unintentional misinterpretation of statistical information. It says when discussing fatalities on highways on page 78: 'Four times more fatalities occur on the highways at 7 p.m. than at 7 a.m.' This of course does not imply, as some newspaper had suggested, that it is more dangerous to drive in the evening than in the morning. Recast in the language of conditional probabilities, that P(accident|7 p.m.) should not be confused with P(7 p.m.|accident). Unfortunately, it was. One more example, a study of the deaths arising out of road accidents revealed that 98 per cent deaths occurs while driving on the left side of the road, whereas, only 2 per cent death occurs in case of people travelling in the middle of the road. Hence, it was wrongly inferred that it was safer to travel in the middle than on the side of the road.

17. Another area of concern has been the misuse of statistics coming from spurious correlation and attributing such relation to type of cause and effect phenomenon. In most cases a common variable, most importantly 'time' works as a link. Let us take another example. Number of people watching TV serials and number of buffaloes will register a high correlation. If one tries to link them and finds a causal relationship is simply absurd. It is easy to get carried way. One of the prime misuses of statistics is finding a strong relationship between two variables when actually such correlation is spurious. However, exploration of such behaviour has also led to path-breaking developments in econometrics. For example, most of the macroeconomic series have strong time trend and thus have strong correlation. *Prima facie* one may suspect the existence of spurious correlation. However, further exploration in such relationships led the foundation of the concept of cointegration. If two variables have a common trend, then there could be a possibility of a long-run equilibrium relationship between them. This statistical finding opened up a new dimension of modern economics and CWJ Granger was awarded Nobel prize in economics for this in 2003.

18. Let me now give you an example from the banking world. The concept of inflation is often misunderstood by people. You would often hear this refrain from many persons that despite the Reserve Bank claiming that inflation has come down in the

recent past, the prices have not come down. So, what is the truth? Well, the truth is simply that inflation is indicated as a per cent change, so even when this percent is declining, all it means is that the prices are rising at a slower rate, but they are still rising! The prices would come down only when the inflation becomes negative.

19. In conclusion, we must ask ourselves as to why a quotation like 'Lies, Damned Lies, and Statistics' as mentioned by me earlier is made about the subject of statistics. In my opinion, it is because the society is illiterate, *i.e.,* it is information illiterate. Information literacy, which most people misunderstand, is the third generation of literacy. The first generation of literacy is when you know how to read and write. The second generation of literacy is when you are computer literate, but it is not enough to be just first or second generation literate. When transiting to a knowledge society, it is critical for all of us to be information literate or be third generation literate. And, one of the purposes of statistics is to bring about information literacy in the society. If that does not happen then statistics can be used to prove or disprove anything and it is the subject of statistics which would bear the burden of ridicule. So, it is up to all of us, faculty, students and practitioners alike, to redirect our efforts towards spreading information literacy in the society. Institutions associated with teaching and training of statistics have a more important role to play in that direction, and I am confident that students, teachers and practitioners of statistics associated with Department of Mathematical Sciences at BHU will take greater responsibility in spreading information literacy in the society. And this will be your greatest service to the memory of 'Mahamana' and to the discipline of Statistics. I wish you good luck in this effort.

*M-Banking in India – Regulations and Rationale**

K. C. Chakrabarty

Ms. Moono Mupotola, Manager, African Development Bank Group, Mr. Somak Ghosh, Group President, Development & Sustainable Banking, YES Bank, distinguished guests, participants, members of the print and electronic media, ladies and gentlemen.

I am delighted to be present here at the International Banking Summit on 'Regulation of Cross-Border Mobile Payments and Regional Financial Integration' and share my thoughts on the subject of mobile phones as a powerful tool for enabling financial services. I thank YES Bank and African Development Bank for extending the invitation to me.

2. Technology has, for better or worse, undeniably brought about a change, hitherto unimagined, in our life styles. The transformation brought about by technology in the area of delivery of financial services has, thankfully, only been for the better. Internet Banking complemented by Core Banking Solutions implemented by banks, mobile banking, card-based electronic transactions at any bank, ATM and merchants locations (both physical and through e-commerce sites) have offered a variety of channels to bank customers to conduct their payment transactions.

Mobile as a Medium

3. In this context, the question that often gets debated is: how and why is a mobile device the most appropriate delivery channel of financial services? Besides the technological capability to transmit financial information in an efficient, secure and cost-effective manner enabled by development of mobile-based applications for banking, the most significant fact about this idea is the ubiquity of the mobile phones. The number of mobile phones in the country are said to be nearing a billion. Hence, banking and financial services, which have already come a long way from the branch-level services to the customer's home desktop and laptop, can now be reached to a much larger section of the society, including the financially excluded, through the medium of the mobile phones. Besides the reach of mobile, there is another reason why mobiles are the most appropriate medium. What is after all a banking transaction? What purpose does the traditional cheque serve? In India, if you forget to carry your cheque book for withdrawal of funds, they provide you with what is call a withdrawal slip. A cheque or a withdrawal slip is a personalised direction to your banker to put through banking transactions on your behalf. The authentication is achieved through your signature. But this traditional method is expensive. A mobile phone achieves the same purpose and enables you to send personalised secure instructions to your banker to undertake transactions on your behalf. If your bank has achieved seamless integration with the core banking solution (CBS), then the transaction gets automatically registered. But these transactions using mobile are far less expensive than its traditional alternatives. More importantly, you hold the key since mobile is in your pocket and you need not depend on bank timings or the rush there to undertake banking transactions. This is perhaps the most important advantage of the mobile over other alternate payment methods. The mobile phone can, therefore, empower the common man to conduct his payment transactions any time and from anywhere. It is, therefore, no wonder that mobile payments and mobile banking are being hotly debated in various forums, in India and abroad.

Bank-led Technology-Neutral Approach

4. The Reserve Bank recognised the potential of the mobile phone as a channel to conduct financial services quite some time back and the first set of guidelines

* Address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at International Banking Summit on Regulation of Cross-Border Mobile Payments and Regional Financial Integration at Mumbai on March 29, 2012. Assistance provided by Shri K Sivaraman and Ms. Radha Somakumar in preparation of this address is gratefully acknowledged.

were taken way back in October, 2008. But the Reserve Bank consciously opted for a bank-led model although our approach remains technology-neutral. Mobile phones as a delivery channel have a great potential if the security and cost aspects are addressed for it has to serve a large number of transactions that are small in size. It has to be remembered that use of mobile for banking in financial inclusion cannot become a viable proposition on a standalone basis if the purpose is to achieve meaningful financial inclusion. To make it viable and attract volumes, it has to be provided as a package along with other products and services. This can be achieved only by entities that can provide add-on services like emergency and entrepreneurial credit, saving facilities, other products and services such as insurance, besides remittances. This is where a mainstream regulated entity like a bank fits in. True, some of these alternatives are being provided by a few NBFCs but their scale and reach are not comparable with banks. They can serve niche markets but are not viable in the long run. But, they indeed will facilitate financial inclusion. So, the Indian model will remain a bank-led model with banks partnering MSPs (mobile service providers) and other entities to achieve the national goal of inclusive growth. In our endeavour to enable enhancements in mobile banking both in terms of the nature of services offered and the value of transactions to be permitted under mobile banking, we have been in constant dialogue with the stakeholders and intervened to liberalise the mobile banking guidelines in a phased manner.

Steps taken by RBI in Mobile Banking

5. The mobile banking guidelines have been modified in December 2011, to permit banks to facilitate funds transfer both for personal remittances and purchase of goods and services without any ceiling. In other words, banks are now free to decide on the limits, based on their own risk perception. In respect of small value transactions, fund transfers up to `5,000/- can be effected through the mobile phone without the need for end-to-end encryption.

6. In order to provide domestic money transfer facility especially to migrant population who do not have access to formal banking channels, domestic money transfer guidelines have been issued in October 2011. Remittance from a bank account for cash pay-out to the beneficiary not having a bank account at an ATM/ BC outlet has also been facilitated up to `10,000/- per transaction subject to a monthly cap of `25,000/- per beneficiary with the remitting bank obtaining only the full name and address of the beneficiary. Similarly, cash pay-in facility has been permitted up to `5,000/- per transaction subject to a monthly cap of `25,000/- per remitter for transfer of funds to a bank account. Remitter has to provide only minimum details (name and address). Bank need not take any document or proof of address.

7. The interbank mobile payment services (IMPS) operated by the National Payments Corporation of India (NPCI) with the approval of the Reserve Bank has enhanced the efficiency of mobile banking by enabling real time transfer of funds between bank accounts and providing a centralised inter-operable interbank settlement service for mobile banking transactions with confirmation features.

Current Status of Mobile Banking in India

8. Presently, 65 banks have been approved for conduct of mobile banking out of which 47 banks have commenced offering these services. Transactions in mobile banking have been showing an uptrend. During February 2012, more than 2.8 million transactions for close to `1,961.23 million were transacted; a 300 per cent increase in volume and more than 200 per cent in value terms as compared to 0.7 million transactions for close to `616.19 million during February 2011. A little over 12.23 million bank customers have so far registered for mobile banking services. These numbers are not really heartening if we consider the following facts:

i. At the end of January 2012, the total wireless subscriber base was 936 million, which included 313 million subscriptions in the rural areas.

ii. Only 55 per cent of the people of India have deposit accounts.

It is evident that mobile phones have reached more households than basic banking services. Banks have not really made a significant penetration even among their existing customers to extend mobile banking services. However, for me, the most important concern is that there is a significant percentage of financially excluded population and the potential of the mobile phone to extend them financial services is still to be tapped.

9. The Reserve Bank has always been conscious of the need to bring every citizen of the country within the ambit of the banking system. Appreciating the difficulties of banks to viably operate bank branches in every village, we had permitted them to appoint business correspondents (BCs) to address this. On demand from the industry, we have also permitted 'for profit' companies to be appointed as Business Correspondents, which would enable a healthy fusion of the expertise of banks and the communications and agency network of non-banks, specially the MSPs. Though partnerships between banks and MSPs are happening, the pace is far too slow and the process needs to be expedited.

Some Generic Issues

10. While on the subject, let me discuss some generic issues relating to e-money on which we are often quizzed.

i. Is e-money in India overregulated when elsewhere there is higher level of tolerance towards anonymity of e-money transactions? Non-banks in India can issue only semi-closed prepaid instruments, which do not provide for cash withdrawals. Is KYC requirement justified in such cases, when any usage of the card will only result in credits to the bank accounts of the merchants?

ii. Today, an overseas credit/debit card could be used to withdraw cash from any ATM and can be a potential source for money laundering and the international laws come in the way of sharing complete information about the source of the funds? In the light of such threat, is the Reserve Bank and the Government too obsessed with KYC and AML issues?

11. As you know, e-money or the prepaid payment instruments, whether in the e-wallets, m-wallets, prepaid cards or paper coupons, have been brought under regulation for the first time with the enactment of the Payment and Settlement Systems Act, 2007. The Act itself came into force from August 2008 and as mentioned earlier, the first guidelines on e-money were introduced in April 2009, and since then they have been liberalised in a significant way. We have allowed issue of prepaid instruments up to ` 10,000 for exclusive use for purchase of travel tickets without the need for KYC. It must, however, be remembered that there are certain statutory requirements under the Prevention of Money Laundering Act which need to be met. However, within the existing statute, the Bank is constantly reviewing the position to identify the areas which impair the growth of e-money to initiate remedial measures. We have been on record that e-money is a more secure way of payments and needs to be promoted to ensure that our objectives of moving towards a cash-less society.

Should MSPs be Allowed on a Standalone Basis?

12. On the question of MSPs being allowed to do money transfer service on a standalone basis, perhaps such a measure would help in providing an alternative mode to the existing Money Order/Instant Money Order being offered by the services, though it would be difficult for me to say which one would be a cheaper option. The Department of Posts also has over 0.15 million post offices for delivery of services, though the IMO is extended to just a little over 3,000 post offices. The MSPs have the technology and an impressive agent network to deliver the service with efficiency. It was against this backdrop, that the non-bank entities have been permitted to enable prepaid card to card transfers. The model would, therefore, benefit the financially excluded population both in urban and rural areas to send or receive money in a convenient way.

13. It is still not clear to me as to why the demand for standalone MSP model is persisting when we have allowed a far superior model where collaboration rather than competition is expected to result in a win-win situation for all? Why should the stakeholders insist on an inferior alternative? Are there any insurmountable problems in the collaborative model? If yes, what are they?

14. I am aware that some of the issues that come up in this regard relate to (i) who owns the customer?

(ii) who controls the transactions? Has there been any worthwhile attempt to resolve them in a mature way? I would urge upon the banks and MSPs to get their acts together very quickly. On behalf of the Reserve Bank let me assure you that we stand committed to the success of this collaboration and would remove all genuine obstacles!

Enabling Cross-Border Payments through the Medium of Mobile Phones

15. Should mobile-initiated cross-border transactions be enabled? To my mind there cannot be a uniform standard for this. The issue is country-specific and each country has to take its decision based on need, issues and threat perception. As far as India is concerned, even during the worst forex crisis, the country was careful about the quality of inflows. Secondly, we have had rules that required all forex flows to be routed only through banking institutions or others specifically authorised to undertake forex transactions. Given this background, even if we had to agree, mobile phones can only be used to trigger the transfer of funds from overseas by a non-resident to the beneficiary's bank account in India. The banks will have to be responsible for ensuring quality of funds, KYC, *etc.* We have, in fact, permitted banks to enable cross-border bank account-to-bank account remittance through the medium of mobile, subject to clearance from the local regulator. At the beneficiary end, we have enabled loading of funds received from overseas under the money transfer service scheme (MTSS) scheme on to a prepaid payment instrument issued by a bank, which could include a mobile wallet, to the recipient of the funds.

Conclusion

16. Before I conclude, let me reiterate that the mobile phone is a potent tool to facilitate financial services and thus financial inclusion. It has the potential but the security and cost aspects have to be addressed. The medium of mobile has to sub-serve smaller transactions and must become cheaper. The Reserve Bank has, for well considered reasons, opted for a bank-led model as it is a complete model for delivery of a wide range of services. Just as you cannot have tele-medicine without a doctor, you cannot have mobile banking without a bank! The BC model would help to complement mobile banking, as customers need to approach BCs/ATMs only for hard currency requirements and conduct other banking transactions from anywhere from their mobile phones, provided of course, there are no tele-connectivity issues! As mentioned earlier, it is the social responsibility of everyone, who has the resources and the power, to contribute to the success of financial inclusion. While we have the guidelines to M-power financial services, it is necessary for us, the Reserve Bank, banks and the MSPs in particular, to take this forward in the fourth gear by convincing the common man not only on the power of the mobile phone for doing financial transactions but also the safety and security aspects of mobile banking, to provide a level of comfort. I believe there are success stories of mobile banking in states like Bihar, thanks to the initiatives of the certain NGOs and banks, which has enabled not only financial inclusion but made less literate people mobile banking-savvy. This needs to be emulated through adequate publicity and education to achieve M-powerment in a significant way.

I thank you all for giving me this opportunity to address this august gathering. I hope some of the issues that I have raised will be discussed in this Summit and some solutions found. I wish you all the best.

*Striking a Balance: Credit Penetration and NPA Management – Role of Information Sharing**

Anand Sinha

Mr. Nair, Chairman, Credit Information Bureau (India) Limited (CIBIL) and CMD, Union Bank of India; Mr. Mallya, CMD, Bank of Baroda; Mr. Siddharth Mehta, President and CEO, TransUnion; Mr. Thukral, MD, CIBIL and other distinguished guests. It is indeed an honour for me to address you all here during the fourth annual Credit Information Conference.

2. Banking is a risky business. Banks, or more generally the credit institutions, in their role as intermediaries take upon themselves significant credit risks, while interposing between lenders (depositors) and borrowers. Credit risk is, by far, the largest risk faced by banks. The risk transformation, where they become borrowers to lenders and lenders to borrowers, leads to warehousing of risks in credit institutions. In fact, this risk transformation offered by credit intermediaries is the cornerstone of credit intermediation which facilitates pooling of savings for being lent for various economic activities.

3. In credit markets, the lenders' knowledge of a borrower's likelihood to repay (risk profile) is imprecise and has to be estimated based on available information. Borrowers, obviously, would have superior information than lenders about their own past actions and future intentions although it is the lender who bears the negative consequences of the risk. Moreover, borrowers have incentive to misrepresent their risk profile. In any case, lenders cannot rely solely on the information provided by the applicant but must evaluate borrowers' claims even when borrowers are truthful. This entails significant cost and time. Such information asymmetry has consequences for lending as it results in misallocation of credit. Let me explain.

4. Before the advent of credit information models, traditional neo-classical economics assumed that markets were 'informationally efficient'. This implied that one cannot consistently achieve returns in excess of the average market returns on a risk-adjusted basis, given the information available. More recent work by Stiglitz and others has shown that only under exceptional conditions are markets perfect and even under competitive equilibrium, credit markets may ultimately witness credit rationing owing to insufficient information, *i.e.,* information asymmetry. When lenders cannot assess the risk profile of borrowers adequately, they mistake good risks as bad ones and vice versa. Lenders typically respond to insufficient information about borrowers by increasing interest rates. Since credit is now expensive for low-risk borrowers, they are driven out from the market whereas high risk borrowers finding credit cheap are brought in. This makes the portfolio riskier and interest rates rise to reflect this. Higher interest rates create incentive even for good risks to take up riskier projects so as to have higher returns to compensate for higher cost of loan. Furthermore, some borrowers may have incentive not to repay, because without information sharing they can still obtain loans from other lenders. Thus, with the problems of moral hazard (lack of penalty for non-payment) and adverse selection (*i.e.,* higher interest rates attract riskier borrowers or make borrowers take more risks), lenders ration credit, *i.e.,* given two entities with identical risk profiles, one will get a loan and the other will not.

5. Credit bureaux/Credit Information Companies (CICs) which enable sharing of credit information among lenders are an institutional arrangement

* Address by Shri Anand Sinha, Deputy Governor, Reserve Bank of India at the fourth Annual Credit Information Conference on March 7, 2012 at Mumbai. Inputs provided by Shri Manoj Sharma, Smt. Rachna Dikshit and Smt. Jayanthi N are gratefully acknowledged.

to deal with moral hazard and adverse selection problems on account of information asymmetry. Shared information allows better assessment of risk profiles of potential borrowers (*i.e.*, deals with adverse selection) and creates incentive for borrowers to pay on time by limiting borrowers' ability to access credit from other lenders (*i.e.*, deals with moral hazard).

6. Credit information bureaux have thus come into existence to deal with the information asymmetry issues and have come a long way since the first credit registry started functioning in the USA in the mid-19th century.

7. CICs deal with the problems associated with asymmetric information in the following ways, by:

i. Mitigating adverse selection by allowing loans to be extended to safe borrowers who had previously been priced out of the market, resulting in higher aggregate credit.

Studies analysing the effect of CICs on credit markets found a positive effect on the volume of bank credit as a percentage of GDP and a decrease in credit risk. It was also found that firms in countries with better credit information systems were less credit constrained.

ii. Mitigating moral hazard by either incentivising borrowers to repay or increasing the borrowers' cost of defaulting as non-payment with one institution would result in sanctions from all others. This would encourage debt repayments and a more efficient recycling of credit.

A study showed that without a CIC, borrowers had a tendency to repay loans only when they intended to maintain their current relationship with the lender. However, in economies with CIC, borrowers had a higher chance of repaying their loans regardless of whether or not they intended to continue the relationship. Thus, it can be surmised that credit sharing institutions, by documenting borrower behaviour, can positively impact borrower repayment.

iii. Reducing information monopoly which would result in lowering of interest costs for the borrower.

Lenders with long-standing relationship with borrowers know their credit histories while other lenders do not. This allows the lenders to charge higher interest rates and extract other rents from high quality borrowers. Sharing of credit-related information reduces the monopoly that a lender has on its borrowers. This reduces the extra rents that lenders can charge their borrowers. Moreover with CICs, credit institutions can screen away more risky borrowers and charge interest more aligned to their risk profile. They thus extend lower rates to less risky borrowers who would not have borrowed otherwise. Thus, the average interest cost to the borrower gets lowered. Additionally, credit reporting can play a key role in improving the efficiency of lenders by reducing loan processing costs as well as time taken to process loan applications all of which, like interest rates, have a positive impact on pricing.

iv. Reducing over-indebtedness as overly extended borrowers would now receive less credit.

Information sharing among lenders reveals borrowers' debt level to all lenders. This results in highly indebted borrowers receiving less credit and in turn, results in lowering the aggregate indebtedness.

A recent study demonstrated that, after establishment of a CIC, lenders were more likely to issue smaller and shorter term loans and to require more guarantees. This could indirectly provide evidence that sharing information allowed lenders to see and factor in the indebtedness of their borrowers.

v. Lowering poverty and improving distribution of income.

Constraints in allocation of credit in situations of poor credit information are likely to hurt the poor relatively more and increase inequality. By reducing credit constraints, credit reporting may be expected to facilitate credit to the poor and thereby help reduce poverty.

Evidence demonstrates how credit sharing increased the quantity of small business loans in the US and, more importantly, served to increase credit to the marginal borrowers, *i.e.*, firms which in the absence of credit information sharing mechanism would probably not have received any credit. It would stand to reason that such marginal borrowers would have been unable to fulfill the normal collateral requirements imposed on them by lenders.

This evidence is very relevant for our financial inclusion drive which is a major policy plank.

8. All in all, international evidence suggests that information sharing increases access to credit. Studies have also shown that sharing of only negative information results in higher default rates while systems that include both positive and negative information result in lower default rates. A CIC serves the purpose of storing and sharing more comprehensive borrower information both negative and positive. This would enable lenders to achieve lower default rates. Regimes which have tough data protection norms, implying restricted access to credit information, have a detrimental effect on credit allocation. It would be a useful exercise to employ some of the models to carry out simulations based on country data on the impact of information sharing, say, on such variables as access to credit, especially to the MSME sector and default rates in lending.

9. Lack of credit information among lenders and financial market participants can have negative and sometimes serious consequences for the smooth functioning of the financial and credit markets and the general economy. Several instances bear this out.

10. In our country, we have recently seen indebtedness levels which made families in rural India very vulnerable like in Andhra Pradesh, due to multiple borrowing. This would not have reached the proportions that it did if there was information sharing. According to the Report of the sub-committee of the Board of the Reserve Bank to study the issues and concerns in the Micro Finance sector (Chairman: Shri Y.H.Malegam), an essential element in the prevention of multiple lending and over-borrowing is the availability of information to the Micro Finance Institutions (MFIs) of the existing outstanding loan of a potential borrower. According to the sub-committee, a Credit Information Bureau needs to be established expeditiously and where more than one bureau discharges the role, adequate co-ordination among bureaux will need to be established. With the establishment of 3 more CICs in addition to Credit Information Bureau of India Ltd. (CIBIL), it is hoped that the gap in credit information in Microfinance would soon be filled up and Microfinance can operate on a sounder and more sustainable basis than hitherto. Already some CICs are working on these lines. It may also be mentioned that state governments have an important role to play in financial education, particularly on the issue of debt sustainability of households.

11. Similarly, lack of effective credit information sharing has increased the risk in multiple banking, to which we had moved sometime back from consortium lending with a view to introducing flexibility in the credit delivery system by providing more choice to the borrowers. Taking advantage of information asymmetry, several unscrupulous borrowers had manipulated the multiple banking arrangement and defrauded banks of substantial funds. More recently, inadequate sharing of information among lending banks, had led to some borrowers acquiring multiple exposures in exotic derivatives which amplified the downside risk when they were seriously impacted due to adverse rate movements. This led to several defaults as well as disputes. An elaborate system for exchange of credit information among lending banks was devised to deal with these deficiencies while three new Credit Information Companies (CICs) were licenced and were in the process of being set up.

12. The subprime crisis is an example of the extremely serious consequences of lending based on inadequate credit information (risk profiling). These high risk

subprime assets were securitised through a complex and long chain of intermediaries. The investors relied largely on ratings, though it should have been obvious to them that ratings are no substitute for careful due diligence before investing. However, it is doubtful whether given a long chain of intermediaries with likely progressive loss of information along the chain, willing investors would have been able to carry out meaningful due diligence. The subsequent freezing of interbank markets and hoarding of liquidity by banks was also caused by lack of information, leading to mistrust about banks' holding of toxic subprime assets and its probable impact on the financials of counterparty banks.

II. Indian Context: Steps taken by RBI to build a 'credit information' environment in India

Arrangements for sharing credit information prior to the Credit Information Companies (Regulation) Act

13. Pursuant to the then Finance Minister's Budget Speech made in Parliament on February 28, 1994, the Reserve Bank had put in place a scheme to collect details about borrowers of banks and Financial Institutions (FIs) with outstanding aggregating 10 million and above which were classified as 'Doubtful' or 'Loss' or where suits had been filed, as on March 31 and September 30 each year. This was done with the objective of alerting the banks and FIs and putting them on guard against the defaulters to other lending institutions. In February 1999, the Reserve Bank had also introduced a scheme for collection and dissemination of information on cases of willful default, of borrowers with outstanding balance of `2.5 million and above.[1] It is to be noted that these lists are negative in nature. While this information would, no doubt, be of use for aiding banks and FIs in taking decisions in regard to sanctioning of loans, the requirement of an adequate, comprehensive and reliable information system on borrowers through an efficient database was felt by the Reserve Bank, Central Government, credit institutions and other players in the banking and financial sector. The Reserve Bank constituted a Working Group[2] under the chairmanship of N H Siddiqui to explore the possibilities of setting up a credit information bureau in India. The Working Group observed that it would not be possible to set up a world class credit information company within the existing legal framework. The legal prohibition on disclosure of information contained in various laws relating to banking did not permit banks and financial institutions to share credit information with the credit information companies. Besides, the power vested with the Reserve Bank of India under Chapter III-A of the Reserve Bank of India Act, 1934, to collect and furnish credit information from banks or financial institutions cannot be delegated by it to another institution.

14. The Working Group, therefore, observed that amendments would be required in various enactments. The Working Group in its report, submitted in October 1999, recommended (a) enactment of a legislation for facilitating collection and sharing of information by the proposed bureau and (b) to amend certain Acts relating to banking to permit sharing of information with the said bureau. On the recommendation of the Working Group in January 2001, a company by the name of CIBIL was promoted by SBI in collaboration with HDFC and two foreign technology partners. The company commenced operations by pooling information on suit-filed accounts as also transactions on which the borrower had given consent for sharing amongst the user group. The Credit Information Companies (Regulation) Act, 2005 was thus enacted[3] with a view to providing necessary legislative support to the business of credit information and for the regulation of credit information companies and to facilitate efficient distribution of credit. Further, the Credit Information Companies Rules, 2006 and the Credit Information Companies Regulations, 2006

[1] At present, the data relating to non-suit filed accounts for the above lists are being disseminated by RBI to banks and FIs for their confidential use whereas the lists pertaining to suit-filed cases are in the public domain as published by the Credit Information Companies.

[2] Report of the Working Group to explore the possibilities of setting up a Credit Information Bureau, Oct 1999.

[3] Statement of Objects and Reasons – Credit Information Companies (Regulation) Act 2005.

framed under the Act were notified on December 14, 2006 and the Act was brought into force.

Credit Information Companies (Regulation) Act, 2005

15. In this regard, the Act provides that credit information companies are companies formed and registered under the Companies Act, 1956 and which have been granted a Certificate of Registration by the Reserve Bank. The Act also provides that the Reserve Bank may, having regard to the potential and scope for expansion of the existing credit information companies and other relevant factors, determine the total number of credit information companies which may be granted the certificates of registration for carrying on such business. Section 14 of the Act enumerates the forms of business, which a credit information company may undertake and stipulates that a credit information company shall not engage in any other form of business. Section 17 of the Act, by and large, stipulates that credit information collected by a credit information company under that section shall be provided to its specified users and that the credit information company and its specified users shall not disclose the credit information received by them to any other person or for any other purpose other than as permitted or required by any other law for the time being in force.

16. These statutory restrictions on disclosure answer the question which is often asked as to whether the Act violates the privacy principles laid down in Tournier v. National Provincial and Union Bank of England [1923] All ER 550: [1924] 1 KB 461 and followed in India. The exceptions to the rule of confidentiality laid down in the *Tournier's* case include disclosure, where there is a duty to the public to disclose and where the interests of the bank require disclosure. Since disclosure of information relating to borrowers will enable other credit institutions to take an informed decision regarding lending to such borrowers and the disclosing bank itself benefits by such disclosure as the borrowing of the borrowers concerned may not be expected to increase beyond limits once the other credit institutions also come to know of the existing debt of the borrower, disclosure to credit institutions may be regarded as a duty to the public or a disclosure in the interests of the bank under the *Tournier* principles.

17. Thus the provisions of the Act may be regarded as striking a balance between the dual objective of putting in place an efficient system of sharing of credit information in the larger interest of financial system on one hand, and maintaining the privacy of such information, on the other. In other words, the Act serves as a means to provide an effective and reliable information system on borrowers (through the database maintained by credit information companies) and, at the same, time strives to maintain customer confidentiality, to the extent permissible, and privacy as envisaged in *Tournier's* case mentioned earlier.

III. Challenges and the Road Ahead

18. Based on stakeholders' feedback it is observed that CICs in India face issues relating to data accuracy, timeliness and completeness. Credit institutions in India need to substantially improve the quality and completeness of data as well as timeliness while furnishing credit information to the CICs. They also need to use the credit information data in a more wholesome manner. Our impression is that the data on corporates is not being used as much as for retail exposures. This needs improvement.

19. Let me now provide some direction that this sector would need to take in the future. First, credit institutions will need to be more proactive in cases of credit denials and unfailingly ensure that their proposed borrowers are supplied with a copy of their credit reports as provided under the Act. In fact, one of the most effective mechanisms for maintaining the quality and accuracy of information is to notify borrowers when their credit applications are refused. This notice of refusal of credit serves as an important tool to cross-check the accuracy of the credit information and also informs proposed borrowers of the need to build and maintain a good credit history.

20. The quality and scope of credit data collected and disseminated is the basic building block of an effective credit reporting environment. Accuracy of

data implies that such data is free of error, truthful, complete and up-to-date. In this regard, the Act provides that credit institutions shall ensure updation of credit information on monthly basis or more frequent intervals, as mutually agreed upon with the CIC. Inaccurate data may lead to numerous problems, including unjustified loan denials or higher borrowing costs. Quality also means that data are sufficient and adequate, implying that: i) relevant detailed information is captured, including negative as well as positive data; ii) information from as many relevant sources is gathered, within the limits established by law and iii) information is sufficient in terms of the period over which observations are available. The World Bank in its General Principles for Credit Reporting, has *interalia*, set out that credit reporting systems should have relevant, accurate, updated and sufficient data – including positive data – collected on a systematic basis from all reliable, appropriate and available sources, and should retain this information for a sufficient period of time.

21. Incorrect data may result from human error or other causes. For example, incorrect data provided by the data subject (*i.e.*, individuals and businesses whose credit histories and identification data are stored in these systems) or human error from creditors or other sources when inputting data, will result in incorrect data being transmitted to the credit reporting system, affecting the quality of reports. In addition, data pertaining to a certain data subject may erroneously be associated to another data subject due to inadequate identification mechanisms (*e.g.*, improper matching of names, lack of identification keys for individuals and/or businesses, the inability of such keys to provide a unique identifier or the absence of robust matching mechanisms). If no proper definitions, tools and controls are in place, execution of such processes may result in distortions which would then lead to incorrect inferences about the data subject due to, for example, underestimation or overestimation of the data subject's outstanding liabilities.

22. Unique Customer Identification (UCI) across the banking system becomes of paramount importance. While some of the Indian banks have established a unique customer identification process, there is no unique identification across the banking system based on a shared database. This could enable borrowers to circumvent the risk profiling guidelines and obtain multiple facilities across banks. UCI should eventually graduate to a Legal Entity Identifier (LEI). LEI are a unique ID associated with a single corporate entity which assists in easy identification of the entity across multiple financial market utilities and aids in tracking settlement activity and exposures. Financial Stability Board has been supporting the work by financial regulators and industry to establish a global system for identifying parties to financial transactions. G-20 has also expressed support for this initiative. The LEI solution would be used by both firms and regulators to facilitate better counterparty and systemic risk management as well as regulatory reporting. As regards individuals, the Aadhaar system devised by the Unique Identification Authority of India (UIDAI) will seek to minimise or eliminate duplicate identity using the biometrics feature to do so. This will ensure that no person can get more than one identity and at the same time no one can assume the identity of another person as is possible with paper-based documents. The effect of the new systems through unique identification will enhance the quality of data with CICs. This will also ease the number of complaints received from concerned consumers. All this would ultimately have a beneficial effect on the efficient allocation of credit, especially among the poor.

23. Second, it is incumbent on CICs to address customer grievances in a transparent and timely manner and also put in place a responsive public grievance redressal mechanism. In case, a CIC or the lender discover of their own or are informed about any inaccuracy, error or discrepancy in respect of the data, the CIC or the lender has to take immediate steps to correct the error as provided under the Act. Further, in case of any dispute raised by the borrower on the content of information in his credit report or on any matter pending before a court of law, which is likely to take further time, the CIC, before furnishing data to anyone, would need to include an appropriate remark to reflect the nature of the inaccuracy.

24. Third, as with all technology-intensive organisations dealing with multiple parties, the potential for operational risk and associated reputational risk on account of errors and unauthorised access to the information, either from inside the CIC or from outside, is significant. CICs have to manage these risks.

25. Fourth, CICs must carry out campaigns to educate the public on the advantages accruing to them through enhanced access to finance through information sharing through CICs. Consumers of CICs would need to be educated about the benefits of credit sharing, what role credit reports have in facilitating their access to credit or how they could contribute to a more competitive credit market.

26. Campaigns targeted to the general public should, therefore:

i. Explain the role and nature of credit information sharing to mitigate general concerns about sharing of personal information.

ii. Inform about the function of a CIC and its obligations for respecting the privacy of consumer data.

iii. Discuss the measures that a CIC would take to ensure the security of consumer data and the way mistakes can be corrected.

27. Fifth, as the principle of a successful credit sharing regime is based on reciprocity, it is important for credit institutions who are the primary providers of data to the CICs to use the data, in turn, for taking decisions on loan applications. Besides banks, the Act, which includes financial institutions, NBFCs, housing finance companies and companies engaged in the business of credit cards or dealing with the distribution of credit in any manner, provides that such lenders or credit institutions are required to be members of at least one CIC. It is possible that the credit information in respect of the borrowers of a particular lender, who contributes data to only one CIC, is available only with that CIC leading to an 'information silo'. In India, in order to reduce the gap in the generation of credit information on a specific borrower and to enhance the quality of the credit information report, the Act allows one CIC to become a member of another. However, this mechanism has not taken off as much as one would have wanted, probably for reasons of competition among CICs.

28. Last, the coming of age of a credit information system in a country is a bellwether of its financial maturity. The quality of financial infrastructure determines the efficiency of intermediation, the ability of lenders to evaluate risk of consumers to obtain credit, insurance and other financial products at competitive terms. Credit reporting expands access to finance, especially for lower income consumers and MSMEs and plays a key role in improving the competitiveness and efficiency of banks by reducing loan processing costs as well as the time required to process loan applications. Intuitively, the availability of credit information would imply a more efficient allocation of credit at lower interest rates accompanied by higher economic growth and a less lop-sided income distribution. With increasing coverage, which would ultimately subsume the entire population of loans data, the information from CICs may, in future, support both on and offsite supervision.

29. To conclude, information is very critical in financial transactions and is a lubricant that keeps the wheels of the financial machinery rolling. Any gap in information is bound to result in these wheels coming to a grinding halt, as was witnessed during the global crisis where heightened concerns about counterparties' creditworthiness resulted in freezing of markets. The importance of information in credit intermediation cannot be overemphasised. With our plans of economic recovery post crisis and also in the light of the financial inclusion initiative, envisaging bringing a vast majority of the excluded into the financial fold, the role of information sharing is very critical to keep credit flowing to various segments of the economy in adequate measures and ensuring against over-indebtedness. Over-indebtedness would result in heightened credit risk perception leading to drying up of credit flow and jeopardise the welfare of the poor. A robust credit information sharing framework is thus a very important constituent of financial system and all of us must strive to strengthen it further.

30. I thank you all once again for your attention and I wish the Conference all success.

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Changing Contours of Global Crisis – Impact on Indian Economy*

Anand Sinha

Dr. Devi Singh, Director, IIM Lucknow and Mentor Director, IIM Kashipur; Professor Manoj Anand; other members of the faculty; my fellow bankers and the young and 'raring to go' students of Indian Institute of Management (IIM), Kashipur. A very good evening to you all. I deem it a privilege to address young and bright students like this. I see in them the willingness to listen, courage to question and the enthusiasm to take on challenges that the future holds for them. In short, I see in them, the answers to the challenges we face today. It is always energising as well as educating to interact with students and that is the precise reason why I had no second thoughts in accepting the invitation to interact with them even at a place far off from my workplace, Mumbai.

2. IIM, Kashipur is the youngest IIM. There is a benefit in being young in the group. You have a pool of experience to choose from and to learn. At the same time, the challenges of being young in the group are also quite daunting. You are expected to reach and maintain the heights reached by your seniors and even surpass them. Looking at the enthusiasm of the students today, I am sure IIM, Kashipur will soon emerge as one of the premier institutions among IIMs.

3. The topic chosen for today's address, on the face of it, looks quite jaded. So much has already been said, discussed, analysed, dissected and written about the crisis. The crisis which erupted in 2007 has, in no time, engulfed the consciousness of the public so much, that no finance speech is complete without a reference to it nor is a finance book consummate without a chapter devoted. Going by the number of books published on crisis, one would not be greatly surprised if publishing industry was one of the few industries that stayed afloat, or in fact, thrived during the crisis.

4. Then, why am I deliberating on a topic which has been discussed so much already? It is because of two reasons – One, this crisis still continues to offer a wealth of information and lessons, which will remain relevant in times to come. Second, the crisis does not remain what it was, when it started. The crisis which started off as a localised sub-prime crisis has morphed into a financial crisis leading to a full-blown global economic crisis and has now taken the shape of a sovereign debt crisis. While its current spread is localised in Eurozone, its impact continues to be felt all across the globe. It is in this context that I would place my talk today on the changing contours of crisis and its impact on the Indian economy.

I. Calm before the Storm – A Period of Great Moderation

5. The period preceding the Global Crisis was a phase of *Great Moderation* representing the decline in macroeconomic volatility (both output as well as inflation). The period was marked by strong worldwide GDP growth coupled with low or stable inflation and very low interest rates which lulled the policymakers and the economists into believing that their search for 'Holy Grail' was over and the magic formula of strong growth with low inflation had been finally discovered. The great moderation was attributed[1] to (i) structural changes that may have increased macroeconomic flexibility and stability such as improved management of business inventories made possible by advances in computation and communication, increased depth and sophistication of financial markets, deregulation in

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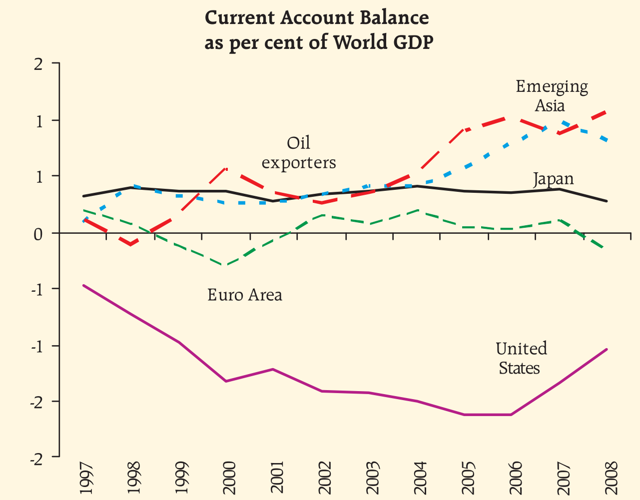
[1] Bernanke, Ben, (2004), '*The Great Moderation*', Speech delivered at the meetings of the Eastern Economic Association, Washington DC, February.

many industries, the shift away from manufacturing to services and increased openness to trade and international capital flows, *etc.* (ii) improved performance of macroeconomic policies or (iii) good luck. The role of good luck in maintaining great moderation was extensively discussed and debated and, as anyone would expect, its role was discounted when things were going good.

6. The problem in attributing entire credit to good luck is that it leaves you unprepared and vulnerable to shocks since, by relying solely on luck, you become effectively, a prisoner of circumstances. On the other hand, not giving luck its rightful due encourages you to overrate yourself and leaves you underprepared when a crisis hits.

7. Whatever was the reason, the good times did not last long and the period of great moderation came to an end by 2007 when the crisis erupted. The impact of the crisis on financial world was immense. The global growth slumped, unemployment burgeoned, interbank markets froze on account of heightened counterparty concerns and risk aversion, banking activity plummeted while the non-performing loans increased and many large and famous institutions were obliterated from the face of financial world. The impact of the crisis on the non-financial front was no less. In fact, the crisis caused deeper impact on the intellectual world, by rubbishing concepts and theories that were held sacrosanct till then. Analysts, researchers and policymakers huddled to diagnose the reasons for the crisis and came out with various theories and explanations. The more plausible explanation goes this way. Differences in the consumption and investment patterns among countries (a saving glut in Asia and oil exporting countries and a spending binge in the United States) have resulted in emergence of global imbalances which led to large capital flows from surplus countries into deficit countries which were mostly the advanced countries.

Chart 1: Build up of Global Imbalances



Source: Lessons of the Global Crisis for Macroeconomic Policy-IMF (Feb 2009).

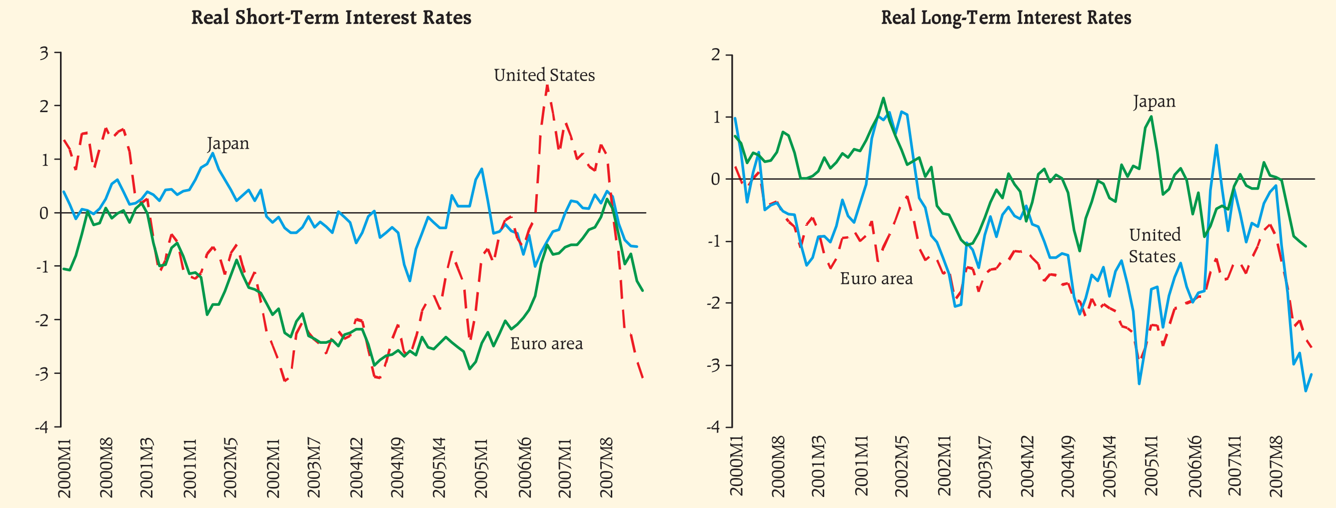
8. These capital flows have resulted in a surge of liquidity in advanced economies leading to low interest rates. Both the short-term as well as the long term real interest rates remained too low for a too long period. Low interest rates forced the investors to hunt for yield which sowed the seeds for asset inflation. Financial engineering assumed the centre-stage in a bid to design and offer high-yielding products to investors.

9. In addition to the above factors, gaps in the regulatory framework also played their part in accentuating crisis. The following reasons are widely attributed to the outbreak of crisis-inadequate quantity and quality of capital, insufficient liquidity buffers, excessively leveraged financial institutions, inadequate coverage of certain risks, absence of a regulatory framework for addressing systemic risks, proliferation of opaque and poorly understood financial products in search of yields in the backdrop of an era of 'great moderation', perverse incentive structure in securitisation process, lack of transparency in over-the-counter (OTC)markets particularly the credit default swap (CDS), inadequate regulation and supervision, and a burgeoning under/unregulated shadow banking system.

10. While all these factors were playing in the background creating a perfect recipe for the crisis, the most proximate cause for the crisis was the developments in the US subprime market. As observed by Raghuram Rajan[2], growing income inequality in the United States,

[2] Rajan, Raghuram, (2010), *'Fault Lines – How Hidden Fractures Still Threaten the World Economy'*, Princeton University Press.

Chart 2: Too Low Interest Rates for Too Long

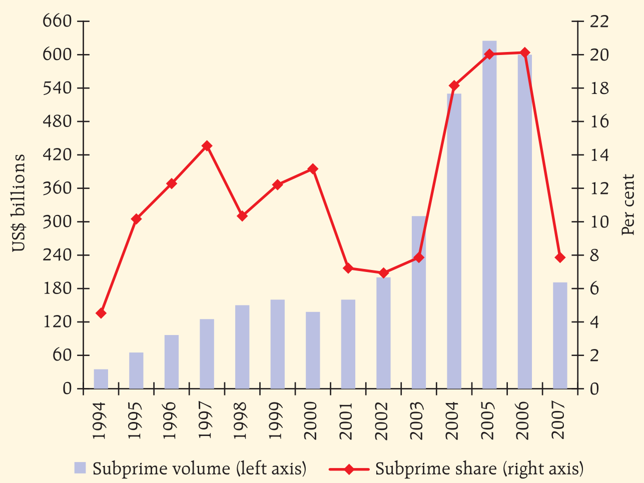


Relative to headline inflation. Measured as deviations from 1990-2007 averages **Source:** Lessons of the Global Crisis for Macroeconomic Policy-IMF (Feb. 2009)

stemming from unequal access to quality education, led to political pressure for more housing credit which led to distorted lending in the financial sector. In a classic case of best intentions leading to worst outcomes due to bad implementation, the envisaged policy of financial inclusion by enabling homeless to own homes, led to reckless lending in sub-prime market and, eventually, resulted in a meltdown.

11. The crisis, which erupted in 2007, started off as a mere sub-prime crisis localised in the US. But soon the crisis spread to other markets cutting across geographical boundaries signifying the extent of the global integration. The subprime crisis became a banking crisis due to the exposures banks had to the subprime assets which were fast turning bad. Counterparty concerns exacerbated, leading to freezing of global interbank markets. The crisis had spread to other jurisdictions through various channels of contagion – trade, finance and most importantly, confidence. Foreign investors started withdrawing investments from emerging markets pushing them also into liquidity crisis. By October 2008, when Lehman Brothers had collapsed under the weight of sub-prime exposures, the crisis had become truly global, both in spread and impact.

Chart 3: Growth in Sub-prime Lending



Source: The US Subprime Mortgage Crisis: Issued raised and lessons learned-Commission on Growth and Development (2008)

12. The crisis had a devastating impact on the world economy in terms of output losses and rise in unemployment. It had impacted all the segments of the global financial markets in terms of heightened volatility, tighter credit conditions, low asset prices and increased write-downs. The policymakers, regulators and the sovereigns had to immediately step in and initiate measures to mitigate the impact of crisis. There have been many measures, both conventional and unconventional, that were taken which provided relief to the badly battered global economy.

13. Just when we thought the crisis was behind us, with economies slowly limping back to normalcy, another crisis hit the world. In a classic case of cure

being more painful than the disease, various fiscal measures taken to mitigate the impact of 2007 crisis have, along with other factors, led to huge and unsustainable sovereign debts resulting in a sovereign debt crisis in Eurozone. Countries that have run up huge fiscal deficits, either to maintain populist policies or to bail out institutions during the global crisis by guaranteeing failing banks, *etc.*, have suddenly found themselves on the verge of bankruptcy unable to honour their obligations and the word 'sovereign debt' suddenly ceased to evoke images of a riskless (less risky, at least) asset.

14. With this background in place, I would now move on to the central theme of the talk today 'Changing Contours of Global Crisis – Impact on Indian Economy'. I intend to cover the impact of both the crises, *i.e.*, global crisis 2007 and the current sovereign debt crisis, on global and Indian economies with specific focus on real sector, financial markets and the banking system.

II. Global Crisis

a. Impact on Global economy

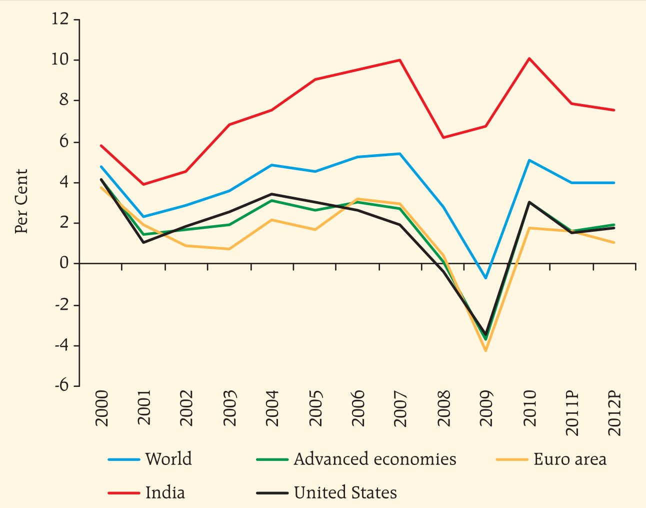
15. Following the collapse of Lehman Brothers in September 2008, the global inter-bank financial markets froze in view of large losses suffered by the major financial institutions and the extreme uncertainty over the health of the counterparty balance sheets. This had a knock-on effect on various segments of financial markets, including inter-bank markets. Fire sales by investors contributed to further downward pressures on asset prices, leading to a vicious cycle of distress sales and declining asset prices. Heightened risk aversion and search for safe havens led to deleveraging by investors and consequent sharp and substantial retrenchment in capital flows to emerging and developing economies. All this turmoil in various segments of the financial markets led to a sharp decline in economic activity in the major advanced economies. Unemployment rates soared and labour markets became weak. Given the high and growing degree of trade and financial integration between the advanced economies and the Emerging and Developing Economies (EDEs), activity in the EDEs also decelerated sharply.

16. Real GDP growth in advanced economies turned negative in 2009 (- 3.7 per cent) from the strong pace of 2.9 per cent during 2004-07. Growth recovered modestly in 2010, but again turned anaemic in 2011 (1.6 per cent). Growth in advanced economies averaged a mere 0.3 per cent during 2008-11 and output still remains well below potential. The IMF expects growth in advanced economies to decelerate further to 1.2 per cent in 2012. Unemployment rate in the US more than doubled from 4.4 per cent in December 2006 to a peak of 10.0 per cent in October 2009; it has since then eased, at a very gradual pace, to 8.5 per cent.

17. Capital flows (net) to EDEs more than halved from US $ 715 billion in 2007 to US $ 246 billion in 2008 as portfolio and banking flows turned negative. Reflecting the growth shock in the advanced economies as well as the retrenchment in capital flows, real GDP growth in the EDEs decelerated from 8.0 per cent during 2004-7 to 2.8 per cent in 2009. It recovered quickly to 7.3 per cent in 2010. Overall, global GDP growth contracted to 0.6 per cent in 2009 from the robust growth of 5.0 per cent during 2004-07.

18. In the global credit and money markets, the risk spreads had ballooned during the crisis period. The TED spread[3] exceeded 300 bps on September 17, 2008 breaking the previous record set after the Black Monday crash of 1987 and, thereafter, reached an all time high

Chart 4: Trends in the Global Output Growth

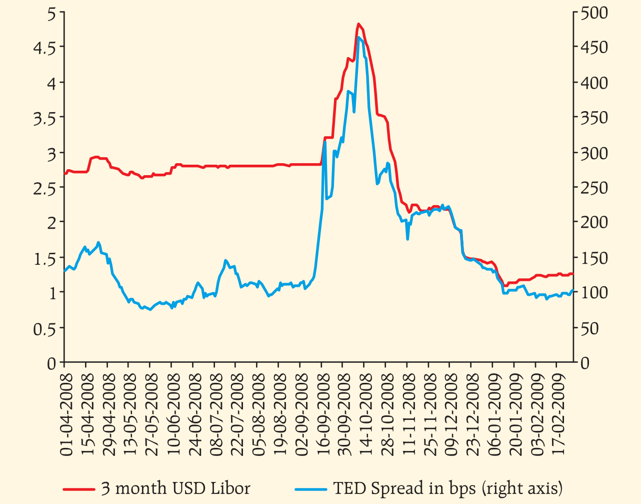


Source: International Monetary Fund, World Economic Outlook Database (Sept 2011)

[3] TED spread =3M USD LIBOR minus 3M US T-bill yield. It is an indicator of the perceived credit risk in the general economy. The long-term average of the TED has been 30 basis points with a maximum of 50 bps.

of 464 bps on October 10, 2008. The 3M LIBOR-3M OIS spread[4] touched the high of 364 bps on October 10, 2008 as against the normal level of around 10 bps. The huge risk aversion was reflected in sharp decline in the stock indices across the globe and heightened volatility. Global equity markets witnessed major sell-offs in March 2009. The Dow Jones Industrial Average (DJIA) registered the new twelve-year low of 6,547.05 (on closing basis) on March 9, 2009 and had lost 20 per cent of its value in only six weeks. The VIX index –a widely used measure of market risk and often referred to as the 'investor fear gauge' – rose to a record high of 80.86 on November 20, 2008. The yields of the treasury securities plummeted on the back of safe haven demands, with the 10-year US Treasury yield touching a low of 2.05 per cent on December 30, 2008. The three-month T-Bill yield fell to (-) 4 basis points, the lowest it has been since 1954 reflecting unprecedented flight-to-safety. The CDS spreads widened markedly. The major CDS indices[5], *i.e.*, CDX Cross-Over, CDX Investment Grade, iTraxx Europe crossover and iTraxx Europe, touched the highs of 699 bps, 242 bps, 1150 bps and 206 bps, respectively, during March 2009. In a parallel development, while other asset classes have fallen in value, commodity prices surged during this period. Financialisation of commodities is believed to have added to the inflationary pressure. Both gold and crude oil prices had spiralled during the period.

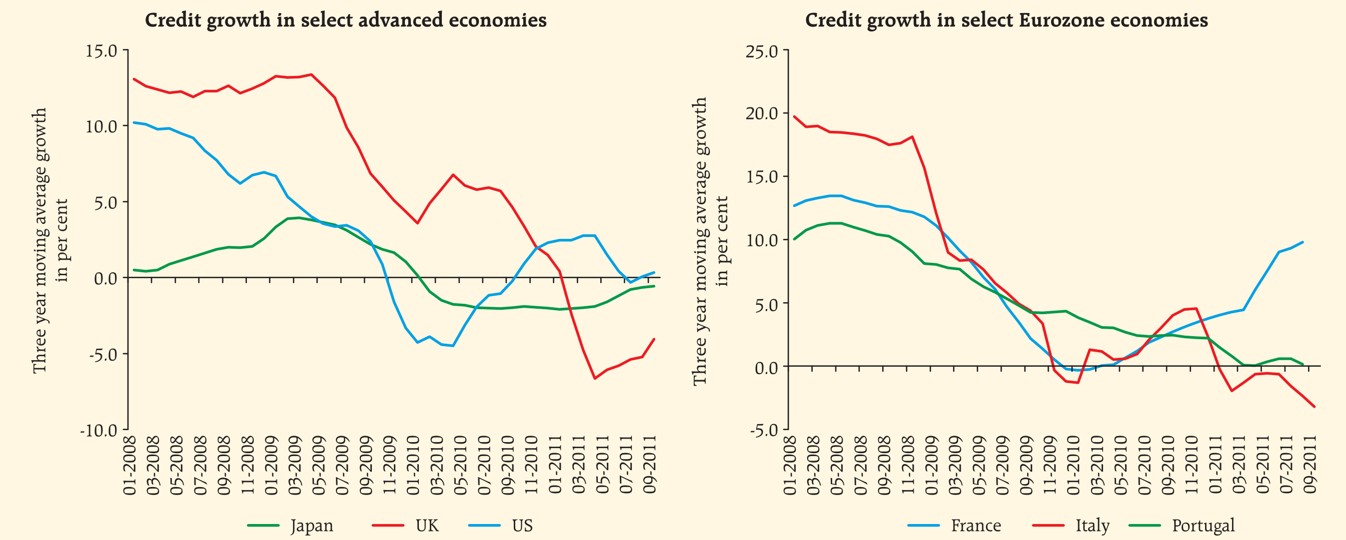
Chart 5: Movement in the US Short-term Rates



Source: Bloomberg.

19. Global crisis has also severely affected the growth and health of global banking sector. Bank credit growth in major economies such as the US, the UK, and the

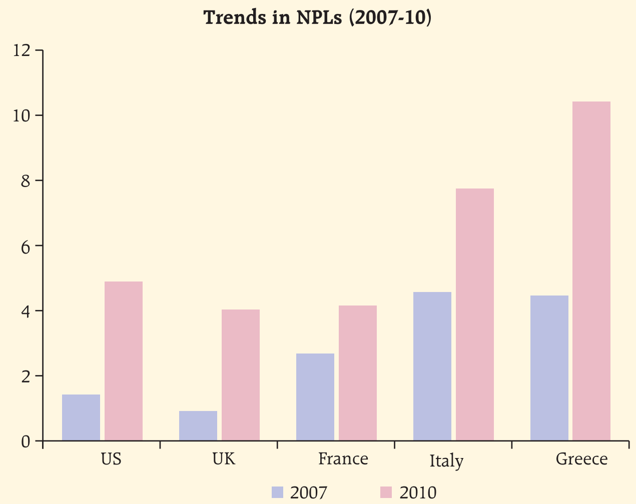
Chart 6 & 7: Trends in Credit Growth



[4] It reflects counterparty credit risk premium and watched as barometer of distress in money markets.

[5] CDX indices contain North American and Emerging Market companies and iTraxx indices contain companies from the rest of the world. CDX Cross-over – 35 North American entities that are at crossover points between investment grade and junk, CDX Investment grade -125 North American entities of investment grade, iTraxx Europe crossover- 50 entities of sub-investment grade, iTraxx Europe-125 entities of investment grade

Chart 8: Trends in NPLs



Source: Financial Soundness indicators, IMF.

Eurozone secularly declined throughout 2009. The asset quality has also been adversely impacted with non-performing assets (NPA) (as per cent of total loans) rising to higher levels. The NPAs in the UK and the US have risen from 0.9 per cent and 1.4 per cent in 2007 to 4.0 per cent and 4.9 per cent in 2009, respectively. The capital position of the banks, however, remained comfortable with most global banks continuing to step up their capital positions notwithstanding the crisis. By 2010, the Capital to Risk Weighted Assets Ratio (CRAR) was placed above 15 per cent for banks in the UK, the US, Japan and Germany.

b. Policy Responses: Global

20. In response to the collapse in economic activity, large losses suffered by major banks and financial institutions and severe disruption in financial markets, there was an unprecedented policy response by both monetary and fiscal authorities. Given the severe impact on economic activity and the vicious circle of expectations, the policy response was globally co-ordinated. As economic activity slowed down sharply, monetary policy was eased aggressively in both advanced economies and EDEs. In major advanced economies, policy interest rates were cut to almost zero levels by early 2009 which stayed around those levels even three years later (as of early 2012). Given the large unemployment rates and negative output gaps, the US Federal Reserve has indicated that the policy rate – the federal funds rate – will remain near zero till late 2014. The policy rate would thus remain near zero for almost six years, going by the Fed's current assessment. In view of near-zero policy interest rates and limitations imposed by the zero bound on the interest rates, the US Federal Reserve and other major central banks in advanced economies have also resorted to unprecedented quantitative easing – substantial infusion of liquidity – in an attempt to ease credit and financing conditions and drive long-term yields lower.

21. Turning to fiscal measures, to begin with, governments in major advanced economies provided direct support to the failing financial institutions. Subsequently, in view of the collapse of growth and the constraints posed by the lower zero bound on the interest rates, governments in almost all jurisdictions resorted to stimulus packages to boost activity. Despite the large fiscal and monetary stimuli, economic activity remained sluggish.

C. Impact of Crisis on India

22. The global financial crisis impacted India significantly, notwithstanding the sound banking system, negligible exposure of Indian banks to sub-prime assets and relatively well-functioning financial markets. The impact was mainly on account of India's growing trade and financial integration with the global economy. India's two way trade (merchandise exports plus imports), as a proportion of GDP, was 40.7 per cent in 2008-09, the crisis year, up from 19.6 per cent in 1998-99. The ratio of total external transactions (gross current account flows plus gross capital account flows) to GDP – an indicator of both trade and financial integration – was 112 per cent in 2008-09 up from 44 per cent in 1998-99.

23. The immediate impact of the crisis was felt through large capital outflows and consequent fall in the domestic stock markets on account of sell-off by Foreign Institutional Investors and steep depreciation of the Rupee against US Dollar. The BSE Sensex (on closing basis), which had touched a peak of 20873 on January 8, 2008 declined to a low of 8,160 on March 9,

2009. While the capital outflows led to decline in the domestic forex liquidity, the Reserve Bank's intervention in the forex market resulted in tightening of Rupee liquidity. The inter-bank call money (overnight) rates firmed up during the period from second half of September 2008 to end October 2008 (high of 19.70 per cent on October 10). However, the series of liquidity augmenting measures undertaken by the Reserve Bank resulted in call rates coming back to the normal levels from first week of November 2008.

24. Global recession had adversely affected the Indian exports resulting in widening of current account deficit (CAD). Exports which grew at 25 per cent during 2005-08 decelerated to 13.6 per cent in the crisis year (2008-09) and registered a negative growth of 3.5 per cent in 2009-10. Output growth, which averaged little less than 9 per cent in the previous five years and 9.5 per cent during the three year period 2005-08, dropped to 6.8 per cent in the crisis year (2008-09).

25. In the pre-crisis years, capital inflows were far in excess of the CAD and the Reserve Bank had to absorb these flows in its balance sheet. As global investors tried to rebalance their portfolios during the crisis period, the country witnessed large capital outflows immediately after the collapse of Lehman Brothers leading to a downward pressure on the rupee. The exchange rate depreciated from `39.37 per dollar in January 2008 to `51.23 per dollar in March 2009.

Charts 9-12: Impact of Crisis in India

Chart 9: Movement in GDP

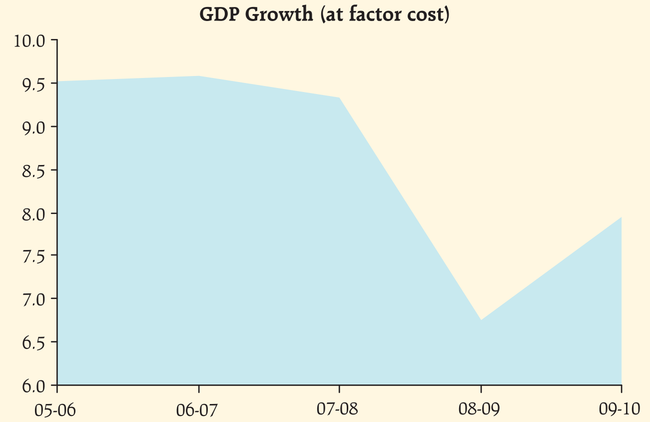


Chart 10: Movement in FII Flows

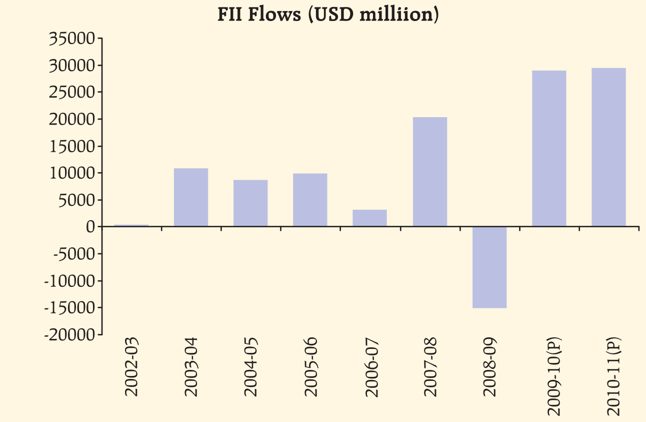
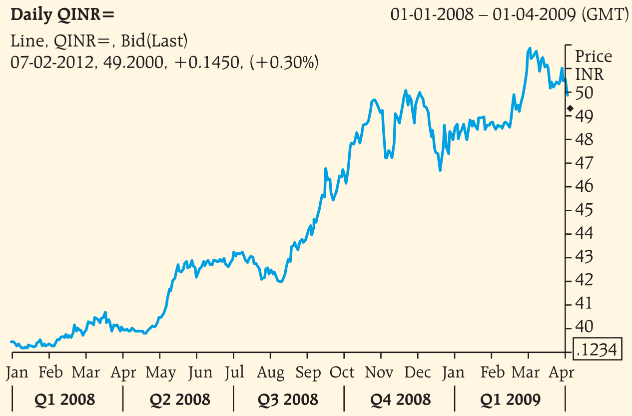


Chart 11: Movement in BSE Sensex

Chart 12: Movement in Indian Rupee

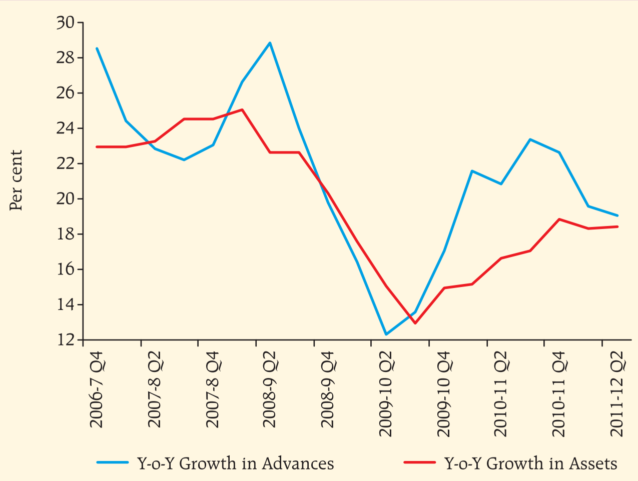


Source: Reserve Bank of India and Reuters

26. The credit markets also came under pressure as corporates, finding it difficult to raise resources through external sources of funding, turned to domestic bank and non-bank institutions for funding and also withdrew their investments from the liquid schemes of mutual funds. This, in turn, put redemption pressure on mutual funds (MFs) and, further along the chain, on non-banking financial companies (NBFCs) for whom MFs were a significant source of funding.

27. The Indian banking sector has, however, withstood the spillover effects of the global financial crisis as was evident in the robust CRAR and Tier 1 CRAR which remained far above the stipulated regulatory minimum of 9 per cent. The asset quality was also comfortable despite some slippages. By end-March 2010, the Gross NPA ratio stood at 2.50 per cent (net NPA 1.13 per cent) while the CRAR was 13.58 per cent. The spillover effects of the crisis were, however, most visible in the credit growth of banking sector. Since September 2008, the growth rate of advances, as also of assets, started witnessing a declining trend which continued for almost one year up to September 2009. The Y-o-Y growth in advances fell from 28.5 per cent at the end-March 2007 to 12.3 per cent by end-September 2009 while the Y-o-Y growth in assets fell from 22.9 per cent to 15.1 per cent during the same period.

Chart 13: Growth in Advances and Assets of Indian Banking System (Pre & Post-Crisis)



Source: DataStream Reuters.

d. *Policy Response – India*

28. Given the deceleration in growth and drying up of capital flows, both the Reserve Bank and the Government undertook a number of measures to minimise the impact of the crisis on India. There was, however, a notable difference between Indian response and those of many EMEs, on the one hand, and the advanced economies, on the other hand. While policy responses in advanced economies had to contend with both the unfolding financial crisis and deepening recession, the Indian response was predominantly driven by the need to arrest moderation in economic growth. The main plank of the government response was fiscal stimulus while the Reserve Bank's action comprised counter-cyclical regulatory measures and also measures to ensure easy liquidity and monetary conditions.

29. The Reserve Bank's policy measures were aimed at containing the contagion from the outside – to keep the domestic money and credit markets functioning normally and ensure that the liquidity stress did not trigger solvency cascades. As in the case of other central banks, both conventional and unconventional measures were undertaken. The conventional measures included, first, a sharp reduction in the policy interest rates – the effective policy rate was cut from 9 per cent (repo rate) in September 2008 to 3.25 per cent (reverse repo rate) in April 2009. Second, the cash reserve ratio was reduced from 9.0 per cent in September 2008 to 5 per cent in January 2009 with a view to injecting liquidity into the banking system. Third, liquidity injection in bulk was made through purchase of government securities under open market operation (OMO) and unwinding of the balances under Market Stabilisation Scheme (MSS) through buy-back, redemptions and de-sequestering. Fourth, refinance facilities for export credit were enhanced. Measures were also taken for enhancing forex liquidity which included an upward adjustment of the interest rate ceiling on the deposits by non-resident Indians under FCNR (B) and NRE deposit accounts and relaxation in norms for external commercial borrowings (ECB). In view of the slowing economy and decelerating credit flow, the counter-

cyclical regulatory measures introduced in 2006 were also reversed.

30. The unconventional measures taken by the Reserve Bank of India included; institution of a rupee-dollar swap facility for Indian banks to give them comfort in managing short-term foreign funding requirements of their overseas branches; special liquidity support to banks for on-lending to mutual funds and non-banking financial companies; liquidity support to non-banking financial companies through a special purpose vehicle created for the purpose and expansion of the lendable resources available to apex finance institutions for refinancing credit extended to small industries, housing and exports. The measures undertaken by the Reserve Bank during September 2008- July 2009 have resulted in augmentation of actual/ potential liquidity of `5, 617 billion.

31. The fiscal stimulus measures, undertaken in December 2008 and January 2009, included additional public spending as well as cuts in taxes. These stimulus packages came on top of an already announced expanded safety-net for rural poor, a farm loan waiver package and salary increases for government staff, all of which too stimulated demand.

32. Taken together, the fiscal and monetary measures were successful in achieving their objectives. Financial markets and the banking sector began to function normally. Real GDP growth which took a hit in 2008-09 as it reached 6.8 per cent recovered quickly to reach 8.0 per cent in 2009-10 and 8.5 per cent in 2010-11 under the impact of stimulus measures as also the inherent strength of domestic demand. Strong recovery in demand, along with persistent supply pressures, however, led to inflationary pressures during 2010-2011.

e. Why was the Impact on India Muted?

33. Despite its immediate impact on the financial markets and the trade flows, the crisis did not have very significant impact on the Indian financial system. The reasons for the muted impact is attributable primarily to (i) the macroprudential approach to regulation (ii) multiple indicator based monetary policy, (iii) calibrated capital account management, (iv) management of systemic interconnectedness, (v) robust market infrastructure for OTC transactions and (vi) a conservative approach towards financial innovation.

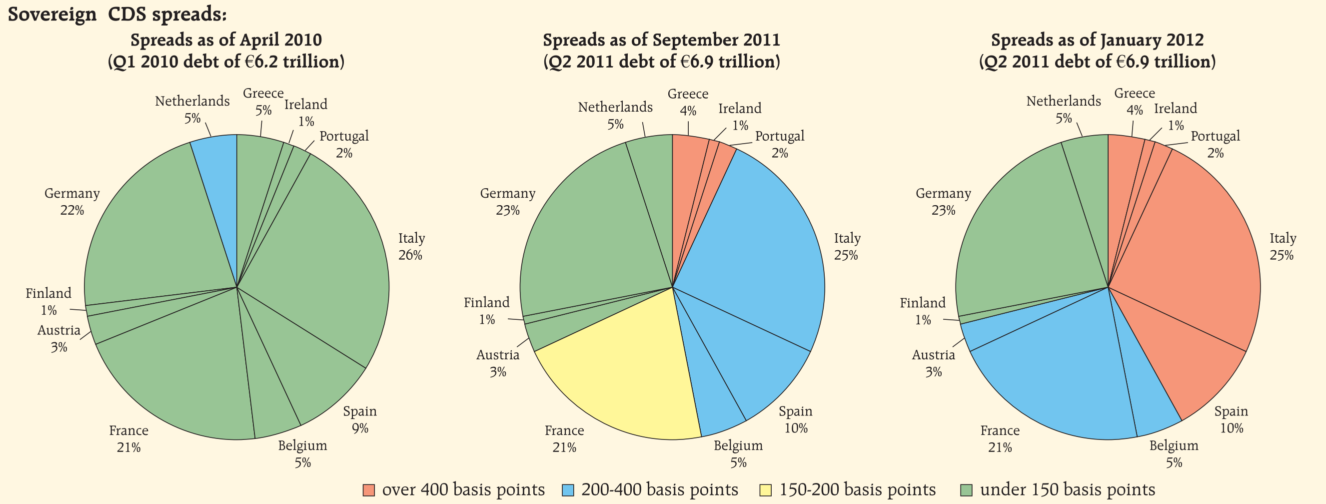
34. The monetary policy formulation by the Reserve Bank of India has been guided by multiple objectives and multiple instruments contrary to the approach followed by some countries of single objective and single instruments. Monitoring of multiple macroeconomic indicators has helped the Reserve Bank in interpreting developments in financial system and taking prompt corrective action. Similarly, measures such as putting in place robust systems for reducing counterparty risk in OTC transactions through CCP arrangements and regulation of shadow banking institutions to address the interconnectedness issues have helped in containing the impact of the crisis and helping the economy keep afloat despite the huge global turbulences.

III. Metamorphosis of the Crisis into Sovereign Debt Crisis:

35. Just when the global economy was reverting to the normalcy, another crisis in the nature of sovereign debt crisis surfaced. The growing debts of many European sovereigns caused sustainability concerns forcing investors to withdraw from these markets which led to significant escalation of their CDS spreads. The crisis which emerged in late 2009 has engulfed the entire Eurozone by end of 2011. While only Greek bonds had CDS spreads higher than 200 bps in April 2010, by January 2012, bonds of all countries except Germany, Finland and the Netherlands had CDS spreads higher than 200 bps. In fact, bonds of PIIGS countries (Portugal, Italy, Ireland, Greece and Spain) had CDS spreads even higher than 400 bps.

36. The combination of sluggish activity, bailouts and fiscal stimulus measures have led to ballooning of fiscal deficits and public debt/GDP ratios in major advanced economies and have raised concerns over fiscal sustainability. These concerns are most visible in euro area countries, which were plagued by various combinations of problems such as over-large banking

Chart 14: CDS Spreads of Eurozone Sovereigns



Source: GFSR Update January 2012-IMF.

sector that had become exposed to a housing boom and bust, an uncompetitive economy signalled by repeated current account deficits, and a bloated state sector with high private-sector unemployment[6]. For example, fiscal deficit/GDP ratios of advanced economies jumped from a near balance position (deficit of 0.6 per cent) in 2007 to 9.0 per cent in 2009, with that of the US jumping from 2.7 per cent to 13.0 per cent over the same period. Fiscal deficits of emerging economies also rose, *albeit* relatively modestly, from a surplus of 0.1 per cent in 2007 to a deficit 4.8 per cent in 2009. The public debt/GDP ratio for advanced economies increased from 73.4 per cent in 2007 to 93.7 per cent in 2009 and further to 103.5 per cent in 2011. The ratios for Emerging Market Economies (EMEs) over the same years were almost unchanged at 35.9 per cent, 36.7 per cent and 37.8 per cent.

37. The sovereign debt crisis, in a way has completed the circle – during the global crisis of 2007 the impact spread from banking system to sovereigns while in the current crisis, the impact is in the reverse direction, from sovereigns to banks. What makes the present crisis more disturbing is, in the global crisis, when banks were under stress there was a backstop in the nature of sovereigns, but now sovereigns themselves are on the verge of default leaving everyone wonder as to what could be a backstop for a sovereign default.

Impact of Sovereign Debt Crisis on Global Economy:

38. The current crisis has jeopardised the recovery plans put in place by regulators, policy makers and the sovereigns post global crisis. Despite the source and the immediate impact being localised in Eurozone, the knock-on effects of the crisis are felt all across the globe. Financial conditions have deteriorated, growth prospects dimmed and downside risks have escalated. IMF's World Economic Outlook has revised the global output growth downwards to 3.25 per cent with the Euro area economy expected to go into a mild recession in 2012 as result of rise in sovereign yields, the effects of bank leveraging and the impact of additional fiscal consolidation. The EDEs are also expected to post lower growth on account of worsening external environment and a weakening internal demand.

39. Heightened risk aversion and deleveraging induced by the euro area crisis impacted financial markets across the globe. Despite European Union's announcement of significant policy actions during December 2011, the financial markets continued to reel under stress in the backdrop of rating downgrade of European Financial Stability Fund (EFSF) and nine euro

[6] Coggan, Philip (2012), '*Paper Promises – Money, Debt and the New World Order*', Penguin.

area countries by S&P, of which four were downgraded by two notches. The CDS spreads and yields of sovereign debts in the euro area have increased substantially during the recent period. The inter-bank LIBOR market has been witnessing growing stress in terms of declining volume, rising rates and shortening of tenor of lending. The USD LIBOR-OIS spread and EURIBOR-OIS spread have widened significantly implying increased counterparty credit risk premium. The equity markets across the globe have witnessed sharp fall with increased volatility.

40. As regards the banking system, in countries directly impacted by the sovereign debt crisis such as Spain, Portugal and Italy, there was a persistent slowdown in bank credit through 2011. In countries peripherally affected by the crisis such as France and Germany, the credit growth which was showing signs of revival in 2010, has dipped again reflecting the impact of the deepening of the sovereign debt crisis. The asset quality, as reflected in NPL ratios, continued to deteriorate in Eurozone countries.

41. Apart from raising credit risks, the sovereign crisis has also increased funding risks for Euro zone banks. As per an analysis by the Bank for International Settlements (BIS), banks in Greece, Ireland and Portugal have increasingly found it difficult to raise wholesale debt and deposits, and have become reliant on central bank liquidity.[7] The increase in the cost of wholesale funding has also partially affected banks in other European countries.

42. According to the BIS, there are, broadly, four channels through which sovereign risk affect banks' funding costs, given the pervasive role of government debt in the financial system.

i. First, losses associated with government debt weaken balance sheets of banks making funding more costly and difficult to obtain.

ii. Second, higher sovereign risks reduce the value of the collateral that banks can use to raise wholesale funding and central bank liquidity.

iii. Third, sovereign rating downgrades generally flow through to lower ratings for domestic banks as banks are more likely than other sectors to be affected by sovereign distress. As the banks' credit ratings decline, their wholesale funding costs rise.

iv. Fourth, a weakening of the sovereign reduces the funding benefits that banks could derive from implicit and explicit government guarantees.

Impact of Sovereign Debt Crisis on India:

43. With the euro area appearing to head for a recession and the global growth slowing again after a short recovery, growth in India too has moderated more than was expected earlier. Increase in global uncertainty, weak industrial growth, slow down in investment activity and deceleration in the resource flow to commercial sector led to dip in output growth. Inflation risks emanating from suppressed domestic energy prices, incomplete pass-through of rupee depreciation and slippage in fiscal deficit, further fuelled by food and commodity inflation have led to policy tightening. All these factors have resulted in the growth projection for India for 2011-12 being revised downwards from 7.6 per cent to 6.9 per cent.

44. Indian banking system has, however, not been impacted by current crisis as it does not have any significant presence in countries impacted by the current crisis nor Indian banks have any significant exposures to bonds issued by them. While there is no first order impact of the sovereign debt crisis, there could, however, be second-order impact through various channels including trade. There could be funding constraints for Indian bank branches operating overseas if European banks deleverage. The cost of borrowing for banks and corporates may, therefore, go up leading to concerns over refinancing foreign currency liabilities. Due to the slump in the overseas demand and the associated downturn in investment activity, there has already been some sluggishness in the credit as well as asset growth of Indian banking sector during 2011-12.

[7] Bank for International Settlements (2011), *'The Impact of Sovereign Credit Risk on Bank Funding Conditions'*, July.

45. The crisis also had a measurable impact on the Indian financial markets, with equity prices witnessing sharp decline on account of large net sales by FIIs in the backdrop of worsening macroeconomic environment and bearish outlook on earning growth of Indian corporates. Further, moderation in capital flow coupled with widening trade deficit led to a sharp fall in the INR-USD exchange rate to touch an all-time low of 54.30 on December 15, 2011.

46. Reserve Bank has taken a number of measures to contain the excessive volatility in the foreign exchange market. The prudential measures undertaken with a view to contain speculative activities included disallowing rebooking of cancelled forward transactions (involving the Rupee as one of the currencies which are booked to hedge current account transactions regardless of the tenor and capital account transactions falling due within one year), reduction in Net Overnight Open Position Limits of Authorised Dealer (AD) banks, curtailment in limit for cancellation of forward contracts booked on the basis of past performance route by the importers, prohibiting passing of exchange gains to the customers on cancellation of forward contracts booked under past performance route, disallowing FIIs to rebook cancelled forward contracts, stipulating all cash/tom/spot transactions to be delivery/ remittance based. With a view to encouraging inflows, measures such as raising the limits on FII investments in debt securities, further liberalisation of ECB policy, relaxation of interest rate ceilings on non-resident external (NRE) and non-resident ordinary (NRO) deposits, have been taken.

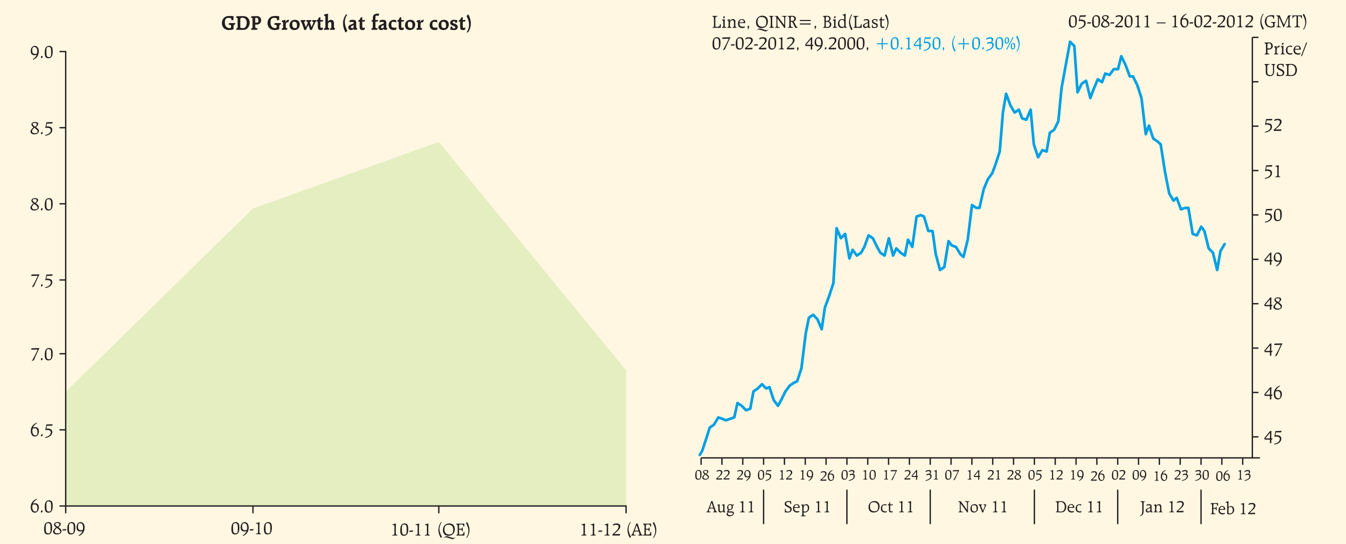
IV. Takeaways from the Crisis:

47. Notwithstanding the risk of sounding cliché, I cannot contain myself to remind you that every cloud has a silver lining and every crisis brings with it, a lesson. The Global crisis 2007 and the current sovereign debt crisis offer, in fact, many lessons and the analysts are busy deciphering one each day. While there are many regulatory and policy lessons that have come to the fore and are under various stages of implementation, I would flag some takeaways which would be most relevant for you as you prepare to enter into the professional world which is currently beset with crises.

Takeaway 1: Too much of Anything is Bad

48. You must have often heard your grandmother saying this and, mind you, this remains relevant even today, in fact more today, post-crisis. Too much of leverage, too much of liquidity, too much of complexity and too much of greed – they all have led to the crisis. It is now being argued that too much of finance is also

Charts 15-16: Impact on India's GDP and INR



not conducive to growth. Recent studies[8] suggest that while at low levels a larger financial system leads to higher productivity, beyond a point, more banking and more credit result in lower growth. Further, it is also argued that fast growing financial sector can be detrimental to the aggregate productivity growth. Moderation in approach, therefore, is an important lesson.

Takeaway 2: Models are not Absolute

49. In the run-up to the crisis, there was an excessive reliance and almost a blind faith that models convey absolute truths. Entire risk management systems were built around this belief. Post-crisis, participants have woken up to the harsh reality that models do not fully reflect the realities of life and excessive reliance on quantitative models is fraught with risk. Exact sciences such as physics are governed by nature's laws that are immutable and lead to definite and predictable results. Finance, on the other hand, is governed by capricious human behavior and biases which cannot be easily modelled. To an argument that models with all their limitations are better than not having any, Nassim Taleb has said '*You are worse off relying on misleading information than on not having any information at all. If you give a pilot an altimeter that is sometimes defective he will crash the plane. Give him nothing and he will look out the window*' Knowing the shortcomings of the models is, therefore, extremely important for their judicious usage.

Takeaway 3: Finance should Serve the Real Sector and not the Converse

50. While it is agreed that financial system furthers the economic development by enabling efficient allocation of capital and risk, the ultimate objective of finance, which is the furthering of economic development should not be lost sight of. In the period prior to crisis, the financial activity grew so much that the umbilical cord between financial and real sectors was severed and the finance started to exist for its own sake. The dangers of such a scenario have been quite emphatically conveyed by the Crisis.

51. With these thoughts, I conclude my address. I thank you all for your patient hearing and wish you all the best in your future endeavors.

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[8] Cecchetti, Stephan and Kharroubi, Enisse (2012), '*Reassessing the Impact of Finance on Growth*', paper presented in Second International Research Conference, RBI, February.

*Outward Indian FDI – Recent Trends and Emerging Issues**

Harun R Khan

In recent years, emerging market economies (EMEs) are increasingly becoming a source of foreign investment for rest of the world. It is not only a sign of their increasing participation in the global economy but also of their increasing competence. More importantly, a growing impetus for change today is coming from developing countries and economies in transition, where a number of private as well as state-owned enterprises are increasingly undertaking outward expansion through foreign direct investments (FDI). Companies are expanding their business operations by investing overseas with a view to acquiring a regional and global reach.

A. Factors Providing Momentum to Outward foreign Investments

2. According to UNCTAD's World Investment Report 2011, the stock of outward FDI from developing economies reached US$ 3.1 trillion in 2010 (15.3 per cent of global outward FDI stock), up from US$ 857 billion (10.8 per cent of global outward FDI stock) 10 years ago. On flow basis, outward FDI from developing economies has grown from US$ 122 billion in 2005 to US$ 328 billion in 2010 accounting for around a quarter of total outward FDI witnessed at global level.

3. FDI is a natural extension of globalisation process that often begins with exports. In the process, countries try to access markets or resources and gradually reduce the cost of production and transaction by expanding overseas manufacturing operations in countries where certain ownership-specific advantages can help them to compete globally. Adoption of such strategies helps them to catch up with competing economies.

4. A significant uptrend in outward FDI has also been observed in the case of India in recent years. Since globalisation is a two-way process, integration of the Indian economy with the rest of the world is evident not only in terms of higher level of FDI inflows but also in terms of increasing level of FDI outflows.

5. The overseas investment of domestic corporate sector through FDI has provided them better access to global networks and markets, transfer of technology and skills and also enables them to share research and development efforts and outcomes. It can also be seen as a corporate strategy to promote the brand image and utilisation of raw materials available in the host country. In the Indian context, overseas investments have been primarily driven by either resource-seeking or market-seeking or technology-seeking motives. Of late, there has been a surge in resource-seeking overseas investments by Indian companies, especially to acquire energy resources in Australia, Indonesia and Africa.

6. It is against this background that I intend to speak on recent trends and emerging issues in relation to Indian outward FDI. I am thankful to Bombay Chamber of Commerce for choosing this topical subject for today's discussion. In my presentation, I would briefly talk about the evolution of outward FDI policy in India, trends and analysis of outward FDI, funding pattern of outward FDI, measures taken by the Reserve Bank of India and Government of India, emerging issues and end with some thoughts on way forward.

B. Evolution of Outward Foreign Investment Policy in India

7. Change in policy environment across the economies has greatly influenced the outward investment pattern in the global economy. Nonetheless, recognising the concerns of capital

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outflows, governments in different countries, particularly emerging and developing economies, have been relatively more circumspect on undertaking policy liberalisation of outward investment. Therefore, it is important to highlight how the Indian policy in this regard has evolved over time.

8. In the Indian context, overseas investments in joint ventures (JV) and wholly-owned subsidiaries (WOS) have been recognised as important channels for promoting global business by the Indian entrepreneurs. The broad approach has been to facilitate outward foreign direct investment through joint ventures and wholly-owned subsidiaries and provision of financial support to promote exports including project exports from India. With a steady rise in capital inflows, particularly in the second half of 2000s, the overall foreign exchange reserve position provided comfort to progressive relaxation of the capital controls and simplification of the procedures for outbound investments from India. Three distinct overlapping phases as under can be discerned in the evolution of the Indian outward FDI policies.

Phase I (1992 to 1995): Period of Liberalisation of Indian economy

9. Guidelines on outward FDI were in place before the process of liberalisation and globalisation of Indian economy in 1991-92. Policy changes since 1992 were undertaken keeping in view the changing needs of a growing economy. Understandably, the rules were quite restrictive and subject to conditions of no cash remittance and mandatory repatriation of dividend from the profits from the overseas projects. In 1992, the 'automatic route' for overseas investments was introduced and cash remittances were allowed for the first time. Nonetheless, the total value was restricted to US$ 2 million with a cash component not exceeding US$ 0.5 million in a block of 3 years.

Phase II (1995 to 2000): Creation of a Fast Track Route

10. In 1995, a comprehensive policy framework was laid down and the work relating to approvals for overseas investment was transferred from Ministry of Commerce to the Reserve Bank of India to provide a single window clearance mechanism. The policy framework articulated a cohesive approach that was flexible enough to respond to likely future trends. It reflected the need for transparency, recognition of global developments, capturing of Indian realities and learning of lessons from the past. The basic objectives of the policy, *inter alia*, was to ensure that such outflows, were determined by commercial interests and were also consistent with the macroeconomic and balance of payment compulsions of the country, particularly in terms of the magnitude of the capital flows. In terms of the overseas investment policy, a fast track route was adopted where the limits were raised from US$ 2 million to US$ 4 million and linked to average export earnings of the preceding three years. Cash remittance continued to be restricted to US$ 0.5 million. Beyond US$ 4 million, approvals were considered under the 'Normal Route' approved by a Special Committee comprising the senior representatives of the Reserve Bank of India (Chairman) and the Ministries of Finance, External Affairs and Commerce (members). Investment proposals in excess of US$ 15 million were considered by the Ministry of Finance with the recommendations of the Special Committee and were generally approved if the required resources were raised through the global depository receipts (GDR) route.

11. In March 1997, exchange earners, other than exporters, were also brought under the fast track route. Indian promoters were allowed to set up second and subsequent generation companies, provided the first generation company was set up under the fast track route. A series of measures to encourage the software industry in India to expand capacity, reduce costs, improve quality and also invest abroad were put in place. As part of the reforms process preceding the introduction of FEMA, the neutrality[1] condition attached to the Overseas Direct Investment was done away with in 1999. The scope for outward FDI, however, expanded significantly after the introduction of the Foreign Exchange Management Act (FEMA) in June 2000.

[2] Neutrality refers to a condition that the amount of outward investment should be repatriated in full by way of dividend, royalty, *etc.* within a period of five years.

Phase III (2000 till date): Liberalised Framework under Fema

12. In 2002, the per annum upper limit for automatic approval was raised to US$100 million. Such upper limit was, however, discontinued when the automatic route for outward FDI was further liberalised in March 2003 to enable Indian parties[2] to invest to the extent of 100 per cent of their net worth. Since then the limit of outward FDI has been gradually increased to 400 per cent. The ceiling of 400 per cent of net worth, however, is not applicable for

a. investments made out of balances held in the Exchange Earners' Foreign Currency (EEFC) account of the Indian party or out of funds raised abroad through ADRs/GDRs.

b. Indian companies engaged in the energy and natural resources sectors, such as, oil, gas, coal and mineral ores, though they would require prior approval of the Reserve Bank of India.

13. Overseas investments in unincorporated entities in oil sector (*e.g.*, by way of taking up participation interest) by *Navaratna* Public Sector Undertakings were allowed under the automatic route and subsequently the facility was extended to other Indian entities as well. Further, in 2004, the External Commercial Borrowing policy was modified and funding of JVs/WOS abroad was included as a permissible end-use of the funds raised.

14. At present, any Indian party can make overseas direct investment in any *bona-fide* activity except certain real estate activities {*i.e.*, buying and selling of real estate or trading in Transferable Development Rights (TDRs)} and banking business (which are considered by an inter-Ministerial group) that are specifically prohibited. For undertaking activities in the financial services sector, certain conditions as specified by the Reserve Bank, however, need to be adhered to. Access to international financial markets was also progressively liberalised for the Indian corporate sector and they were allowed to use special purpose vehicles (SPVs) in international capital markets to finance their cross-border acquisitions. The impact of policy liberalisation is now reflected in cross-border acquisitions by Indian corporate growing at an accelerated pace.

C. Trend Analysis of Outward FDI

15. Even though policy changes undertaken in respect of overseas investment have facilitated the growing cross-border acquisitions by the Indian corporate sector, other structural reforms undertaken since 1992, such as, industrial deregulation, trade liberalisation and relaxation of regulations governing inward FDI, led to major restructuring in the Indian industry. In fact, many of the leading companies owe their competitiveness to the reform process. Greater exposure to internal as well external competition proved to be instrumental in building confidence among the Indian companies to compete with foreign competitors in world market. Apart from liberalised policy environment for overseas investment, India has gained ground as an important investor on the back of (a) rapid economic growth, (b) easy access to financial resources and (c) strong motivations to acquire resources and strategic assets abroad.

16. One should not assume that overseas investment by Indian companies is a phenomenon of 1990s. In fact, Indian firms began to invest overseas in the 1960s, but India's restrictive policies for overseas investment limited them to small, minority joint ventures in developing economies. First major overseas Indian venture was a textile mill set up in Ethiopia in 1959 by the Birla Group of companies (Athukorala, 2009)[3]. Overseas investment operations were, however, geographically concentrated in West and East Africa, Middle East, and South and East Asia with which India shared a colonial heritage and historical linkages. Sustained growth in Indian overseas investment could be seen starting during 1970s when the industrial licensing system was more stringent.

[2] An Indian Party is a company incorporated in India or a body created under an Act of Parliament or a partnership firm registered under the Indian Partnership Act 1932 and any other entity in India as may be notified by the Reserve Bank. When more than one such company, body or entity makes investment in the foreign entity, such combination will also form an 'Indian Party'.

[3] Athukorala, Prema-chandra (2009), *'Outward Foreign Direct Investment from India'*, Asian Development Review, Vol. 26, No.2.

Table 1: Year–wise position of actual outflows in respect of outward FDI & guarantees issued

(in million US Dollar)

Period	Equity	Loan	Guarantee Invoked	Total	Guarantee Issued
2000-2001	602.12	70.58	4.97	677.67	112.55
2001-2002	878.83	120.82	0.42	1,000.07	155.86
2002-2003	1,746.28	102.10	0.00	1,848.38	139.63
2003-2004	1,250.01	316.57	0.00	1,566.58	440.53
2004-2005	1,481.97	513.19	0.00	1,995.16	315.96
2005-2006	6,657.82	1,195.33	3.34	7,856.49	546.78
2006-2007	12,062.92	1,246.98	0.00	13,309.90	2,260.96
2007-2008	15,431.51	3,074.97	0.00	18,506.48	6,553.47
2008-2009	12,477.14	6,101.56	0.00	18,578.70	3,322.45
2009-2010	9,392.98	4,296.91	24.18	13,714.07	7,603.04
2010-2011	9,234.58	7,556.30	52.49	16,843.37	27,059.02
2011-12*	4,031.45	4,830.01	0.00	8,861.46	14,993.80
Total	**75,247.61**	**29,425.32**	**85.40**	**10,4758.30**	**63,504.05**

* April 2011 to February 22, 2012

Trend of Outward Investments during the Past One Decade

17. A trend analysis shows that the level of outward FDI from India has increased manifold since 1999-2000. The level of net outward FDI flows (on BoP basis), however, recorded a sharp uptrend at US$ 74.3 billion during the second half of 2000s (2005-06 to 2009-10) as compared to US$ 8.2 billion in the first half of 2000s (2000-01 to 2004-05). Even though trend in India's outward FDI was moderately affected during the crisis year of 2009-10, a sharp rebound was seen in 2010-11 (Table 1).

18. In recent years, outward FDI continued to be mainly financed through equity and loans. Although guarantees issued have been rising, their invocation has been negligible during 2009-10 and 2010-11. It has been observed that the number of outward FDI proposals under the Automatic Route during 2000s has also been on the rise (Table 2) indicating the growing appetite of the Indian corporates to establish their foot prints abroad and the liberal regulatory regime.

Position of India in the global context

19. Outward FDI from India has mainly been by way of equities and loans (Table 1). According to UNCTAD's World Investment Report 2011, based on the magnitude of FDI outflows, India was placed 21st in the world. In terms of value of net purchases[4] (*i.e.*, cross-border acquisition deals) by Indian companies in 2010, India was placed fifth in the World after the US, Canada, Japan and China.

Table 2: Number of proposals under Approval and Automatic Route

Period	Approval Route	Automatic Route	Total
2008-09	6	974	980
2009-10	4	690	694
2010-11	19	1,187	1,206
2011-12*	10	1,123	1,133

* April 2011 to February 22, 2012

Investment Trends of Indian Transnational Companies

20. Importantly, scale of overseas investment by domestic companies has also expanded as India was placed second in 2010 only after China in terms of average size of net purchase deals (US$190 million in India as compared to US$ 197 million in China). Similarly, India also figures among the top five emerging and developing economies whose state-owned enterprises are increasingly becoming transnational corporations. It is not surprising as in recent years, India's Public Sector Units (PSUs), *viz.*, NTPC, GAIL, ONGC and NALCO have undertaken significant overseas green-field investments.

Sectoral Investment Trends

21. Sectoral pattern of outward FDI during 2006-07 to 2010-11 shows that it has been mainly invested in services and manufacturing sector. In 2010-11, within manufacturing, major sub-sectors which attracted outward FDI from India included agriculture machineries and equipments, basic organic chemicals, drugs, medicines & allied products, refined petroleum products, indigenous sugar, *etc.* Similarly, within services sector, a majority of outward FDI had gone into business services, data processing, financial services, architectural and engineering, engine architectural and other technical consultancy activities (Table 3).

[4] Net cross-border M&A purchases by a home economy imply purchases of companies abroad by home-based TNCs netted by sales of foreign affiliates of home-based TNCs.

Table 3: Major sector-wise overseas investments by Indian companies

(amounts in billion US Dollar)

Period	2008-09	2009-10	2010-11	2011-12*	Total
Manufacturing	10.18	5.35	5.04	2.74	**23.31**
Financial Insurance, Real Estate Business & Business Services	3.55	4.41	6.53	2.53	**17.03**
Wholesale & Retail Trade, Restaurants & Hotels	1.17	1.13	1.89	1.00	**5.19**
Agriculture & allied activities	2.38	0.95	1.21	0.41	**4.94**
Transport, Communication & Storage Services	0.31	0.38	0.82	1.34	**2.85**
Construction	0.35	0.36	0.38	0.37	**1.46**
Community, Social & Personal Services	0.39	0.18	0.70	0.18	**1.45**
Electricity, Gas & Water	0.14	0.84	0.10	0.04	**1.19**
Miscellaneous	0.12	0.11	0.18	0.10	**0.51**
Total	**18.58**	**13.71**	**16.84**	**8.73**	**57.86**

* April 2011 to February 22, 2012

22. Since late 1990s, Indian outward FDI began to be in more high-tech and trade supporting sectors. Many Indian IT firms like Tata Consultancy Services, Infosys, WIPRO, and Satyam acquired global contracts and established overseas offices in developed economies to be close to their key clients. In addition, other sectors which have attracted significant share of outward FDI from India in the recent years included extraction of crude petroleum, oil and gas field services and services incidental to mining.

Investments Trends for Acquisition of Natural & Strategic Resources

23. Sectoral pattern suggests that greater outward investment by the Indian corporate sector seems to have been motivated by long-term strategic considerations rather than by short-term profitability. For instance, ONGC Videsh Ltd., a fully-owned subsidiary of ONGC, presently has overseas assets in 33 projects in 14 countries of Middle East, Africa, CIS & Far East and Latin America. Oil India Limited has presence in eight countries mainly in terms of exploration blocks in Libya, Gabon, Iran, Nigeria and Sudan. Similarly, Coal India Limited has formed a subsidiary Coal Videsh Ltd. to acquire coal assets abroad and also set up a joint venture company International Coal Ventures Ltd with other companies to acquire metallurgical and thermal coal assets outside India. Overseas investment by Indian companies in extractive industries assumes importance as it is required to support rapid economic growth, industrialisation and urbanisation in the domestic sector and guarantee a long-term, stable supply of natural resources to the country against a background of rising commodity prices.

24. Such trend has also been observed in the case of other major emerging market economies, especially other members of BRIC group. In fact, number of companies investing abroad from the BRIC group in the FT 500 list has increased from 20 in 2006 to 62 in 2008 (The Economist, September 10, 2011), reflecting their growing overseas business operations. A common feature is that domestic companies in BRIC economies have been seeking to enhance their access to supplies of raw materials and moving into new segments of strategic commodities and move up the value chain. Nonetheless, oil and gas and other natural resource-based industries are relatively less prominent in Indian outward FDI compared to that by Brazil and China.

25. Other major overseas acquisitions in recent years by Tata Steel, Hindalco, Bharti Airtel, *etc.* have also been a part of their inorganic growth strategies. In these cases, acquisitions were specifically undertaken to attain global size and status, and to build new competitive advantages by combining the best international technology with low-cost Indian labour (Satyanand and Raghavendran, 2010).[5]

Destinational Investment Trends

26. Direction of outward FDI shows that it is getting more diversified across countries. Diverting from the past trend (*i.e.,* pre-1990s) when Indian companies were investing in countries where there was little technological competition, the more recent trend shows that Indian overseas investment is increasingly flowing to developed economies (Table 4), partly reflecting growing confidence of the Indian corporates and availability of overseas assets at competitive rates.

[5] Satyanand, P. N. and P. Raghavendran (2010). *'Outward FDI from India and its policy context'*, Columbia FDI Profiles issued by Vale Columbia Center on Sustainable International Investment, September 22.

Table 4: Top ten country-wise overseas investments by Indian companies

(amount in billion US Dollar)

Country	2008-09	2009-10	2010-11	2011-12*	Total
Singapore	4.06	4.20	3.99	1.86	**14.11**
Mauritius	2.08	2.15	5.08	2.27	**11.57**
Netherlands	2.79	1.53	1.52	0.70	**6.54**
United States of America	1.02	0.87	1.21	0.87	**3.97**
United Arab Emirates	0.63	0.64	0.86	0.38	**2.51**
British Virgin Islands	0.00	0.75	0.28	0.52	**1.55**
United Kingdom	0.35	0.34	0.40	0.44	**1.53**
Cayman Islands	0.00	0.04	0.44	0.14	**0.62**
Hong Kong	0.00	0.00	0.16	0.31	**0.46**
Switzerland	0.00	0.00	0.25	0.16	**0.41**
Other countries	7.65	3.19	2.65	1.23	**14.71**
Total	**18.58**	**13.71**	**16.84**	**8.86**	

*April 2011 to February 28, 2012

Trend of using SPV or M&A Route for Investments Abroad

27. Indian companies going for overseas investments have largely used either their overseas locally-incorporated subsidiaries or have set up holding companies and/or special purpose vehicles (SPVs) in offshore financial centres or other regional financial centres. In 2005, Indian companies were allowed to float SPVs in international capital markets to finance acquisitions abroad facilitating the use of leveraged buy-outs. Since then, SPVs set up in off-shore financial centres, such as, Mauritius, Singapore and the Netherlands, have been mainly used as conduits to mobilise funds and invest in third countries mainly keeping in view the business and legal consideration, taxation advantages and easier access to financial resources in the countries.

28. While overseas investment in developed economies is going mainly through M&As, mode of entry into developing economies is observed to be mainly through green-field investments. One of the reasons for Indian companies to adopt M&As route for foreign investment in developed countries is that markets in these economies tend to be mature and saturated and, therefore, companies prefer to gain market share through acquisitions rather than green-field investments. A recent article published in 'The Economist' (September 10, 2011) points out that big acquisitions by companies like Tata were a way of reaching the required scale quickly. Today, Tata Group companies are reportedly the biggest manufacturer and employment provider in the UK.

D. Funding Pattern of Outward FDI

29. As far as policy regarding the funding of overseas investments is concerned, it is allowed in a number of ways. These sources mainly include (i) purchase of foreign exchange on-shore from an authorised dealer in India, (ii) capitalisation of foreign currency proceeds to be received from the foreign entity on account of exports, fees, royalties or any other dues from the foreign entity for supply of technical know-how, consultancy, managerial and other services, (iii) swapping of shares of Indian entity with those of overseas entity, (iv) use of balances held in the Exchange Earners' Foreign Currency (EEFC) accounts of Indian entity maintained with an authorised dealer, (v) foreign currency proceeds through ECBs/FCCBs, and (vi) exchange of ADRs/GDRs issued in accordance with the scheme for issue of Foreign Currency Convertible Bonds.

30. A recent study by Virtus Global Partners (April 2011) based on US-bound Indian investments has confirmed that internal accruals were the major financing option used by Indian companies in 2010.[6] It also found that half of Indian acquisitions in the US in 2009 and 2010 were buyouts of distressed assets, whose parent companies were severely impacted by the global crisis. Seizing these opportunities in overseas markets, many acquisition/investment deals (*e.g.*, S Kumar – Hartmax, Cadila's – Novavax, Piramal – RxElite, and 3i – NRLB, *etc.*) were struck by Indian companies during 2009.

Role of Indian Banks

31. Although normally banks in India are not permitted to fund the equity contributions of the promoters, financial assistance to Indian companies by the domestic banks for acquisition of equity in overseas joint ventures/wholly owned subsidiaries

[6] US-Bound Acquisitions by Indian Companies, Analysis of 2010 Transactions, April 2011.

or in other overseas companies, new or existing, as strategic investment has been permitted. Such policy should include overall limit on such financing, terms and conditions of eligibility of borrowers, security, margin, *etc.* While the Board of the bank may frame its own guidelines and safeguards for such lending, such acquisition(s) should be beneficial to the company and the country.

32. In order to facilitate such financial support of Indian business abroad, the Reserve Bank has enhanced the prudential limit on credit and non-credit facilities extended by banks to Indian Joint Ventures (where the holding by the Indian company is more than 51 per cent)/Wholly Owned Subsidiaries abroad from the existing limit of 10 per cent to 20 per cent of their unimpaired capital funds (Tier I and Tier II capital). Banks in India were also allowed in May 10, 2007 to extend funded and/or non-funded credit facilities to wholly owned step-down subsidiaries of subsidiaries of Indian companies (where the holding by the Indian company is 51 per cent or more) abroad. Banks, however, have to, among others, ensure that the JV/WOS is located in a country which has no restriction on obtaining such foreign currency loan or repatriation of loan/interest and they can create legal charge on overseas securities/assets securing such exposures.

Role of the Exim Bank

33. Exim Bank has been involved in supporting Indian direct investment overseas since its inception and its role has been unique in this regard, given its mandate. The Overseas Investment Finance (OIF) programme of Exim Bank seeks to cover the entire cycle of Indian investment overseas including the financing requirements of Indian Joint Ventures and Wholly Owned Subsidiaries with a suite of financing instruments, which include (a) finance for Indian company's equity participation, (b) direct finance to the overseas JVs/WOS, (c) finance for acquisition of overseas business/companies including leveraged buyouts and (d) direct equity investment. As on December 31, 2011. Exim Bank has approved credit aggregating to `240.92 billion for 374 ventures set-up by over 298 companies in 69 countries.

Role of Export Credit Guarantee Corporation of India Limited (ECGC)

34. While some of the overseas acquisitions have been hugely successful, some investments have been fully written off within a short span of time. There are a number of reasons for failure but the inability to withstand adverse changes in the operating economic and regulatory environment has been the most predominant one. This is a pointer to the need for adequate risk mitigants in the process of investments abroad.

35. In 1980, ECGC introduced the Overseas Investment Insurance scheme. Since inception of the scheme, only 61 insurance covers with an aggregate value of `5.73 billion have been issued. One plausible explanation given for the low popularity of the scheme is the perception that the cost of insurance cover is high (which is between one to 2.5 per cent per annum depending on country and tenure of investment). It is, however, important to realise the spectrum of coverage the scheme offers by providing insurance coverage to investments against political risks including war, expropriation and foreign exchange repatriation restrictions. Thus, the Indian companies who intend to make investments in politically vulnerable countries would benefit from such insurance covers more that those having investments in developed countries.

SPV Route for Leveraged Buy-Outs

36. Existing WOSs/JVs or SPVs are being used to fund acquisitions through leveraged buy-out route which reduces the risk on the domestic balance sheet. A substantial portion of investment has taken place through the SPVs set up for the purpose abroad. The funding is often arranged through overseas banks backed either by shares or assets of the target company and/or guarantees by the Indian parent. So far companies have largely used a mix of their retained earnings (internal source) and borrowings (external source) to finance their overseas acquisition. This is quite in contrast to what is generally seen in the context of many other countries' cross-border M&As where share swapping is a popular option of financing. Share swaps have not yet emerged as a favoured payment option in India except in a few large transactions

in the software industry[7]. During the post-reform period, Indian capital market has been significantly liberalised. As a result, the market capitalisation of stocks of Indian companies has also substantially improved over the years. This, in turn, seems to have facilitated greater access to overseas capital markets for financing their overseas investments. Further, sustained growth in corporate earnings has improved the profitability and strengthened the balance sheets of Indian companies which also helped them to undertake cross-border acquisitions through internal resources.

E. Measures taken by the Reserve Bank of India

37. The liberalisation of the overseas investment policy since the year 2003 has been substantial, given the improvement in macro fundamentals, and bias towards calibrated relaxation of the policy towards capital account rules. Commensurate with the build-up of the foreign exchange reserves of the country, there has been a larger opening up of the overseas direct investment avenues resulting in the enhancement in the quantum of overseas direct investment to 400 per cent of the net worth as mentioned earlier. Similarly, the aggregate ceiling for overseas investment by mutual funds, registered with SEBI, was enhanced from US$ 4 billion to US$ 5 billion in September 2007. This was further raised to US$ 7 billion in April 2008. Apart from raising the financial limits, the Reserve Bank has also automated the entire process of allocation of Unique Identification Number (UIN). The automation through a web-based application has enabled efficient processing which has reduced the time taken for processing the applications and also improved the management information system.

38. It may thus be observed that keeping in view the changes in the business environment across the world, the Reserve Bank has been proactive in aligning the policies relating to foreign exchange transactions to suit the dynamic business environment (Exhibit 1). In June 2011, the Reserve Bank allowed Indian parties to disinvest their stake abroad without prior approval, where the amount repatriated on disinvestment is less than the amount of the original investment, subject to certain conditions. Since July 2011, the Reserve Bank has been disseminating the data in respect of outward FDI on a monthly basis.

39. Registered trusts and societies engaged in the manufacturing/education/hospital sectors have since been permitted to establish JV/WOS engaged in these sectors with prior approval. Further, proprietary/unregistered partnership firms (recognised star export house with proven track record) are permitted to set up JV/WOS abroad with prior approval from the Reserve Bank.

40. Further, considering the need for allowing individuals to benefit from the liberalised FEMA framework as a valuable adjunct to India's globalisation efforts as also recognising the fact that economies were getting coupled, the overseas investment policy was modified to allow individuals to acquire shares under the employee stock option plan (ESOP) scheme by removing the existing monetary ceilings, allotment of shares of foreign entities on account of professional services rendered and a general permission to acquire foreign securities as qualification/rights shares was also accorded.

F. Measures taken by Government of India

41. Recognising the need for promoting overseas investments, the Government of India has drafted strategic plans aimed at supporting smaller players. The Department of Industrial Policy and Promotion (DIPP) has identified South-East Asia, Eastern Europe and Africa as zones where Indian companies would be encouraged to acquire assets as well as buy-out of companies. Also, in 2011, the Government of India approved a policy to support raw material asset purchases made by select public sector undertakings (PSUs) abroad. Under the revised policy, the investment limit for 'Navratna' firms has been raised to `30 billion from `10 billion for any asset buy-out and for the 'Maharatna' firms, the limit has been set at `50 billion. Government approval would be needed for any additional amount beyond this limit. PSUs

7 `Overseas investments by Indian companies – Evolution of policy and trends' : Keynote address by Mrs Shyamala Gopinath, Deputy Governor of the Reserve Bank of India, at the International Conference on Indian cross-border presence/acquisitions, Mumbai, January 19, 2007.

Exhibit 1: Major Relaxations in Overseas Investment Policy since 2004	
Enhancement in the Monetary Ceiling for Overseas Investment by Eligible Indian Entities	
January 2004	Allowed to invest upto 100 per cent of their networth in overseas JV/WOS without any separate monetary ceiling.
May 2005	Allowed to invest upto 200 per cent of their networth. The ceiling is not applicable to investments made out of balance held in EEFC accounts and proceeds of ADR/GDR.
June 2007	The limit under the Automatic route enhanced from 200 per cent to 300 per cent of the net worth.
September 2007	The limit under the Automatic route enhanced from 300 per cent to 400 per cent of the net worth.
General permission for disinvestment	
March 2006	Under the Automatic Route, Indian parties allowed to disinvest without prior approval of RBI subject to certain conditions.
Proprietorship/partnership concerns	
March 2006	To enable recognised star exporters with a proven track record and a consistently high export performance, the proprietary/ unregistered partnership firms allowed to set-up JV/WOS outside India with prior approval of RBI.
Investment by Mutual Funds registered with SEBI	
July 2006 to June 2008	Aggregate ceiling for overseas investments by MFs increased from US$ 1bn to US$ 2 bn, which has gradually been increased to the present level of US$ 7 bn. A limited number of qualified Indian mutual funds allowed to invest cumulatively upto US$ 1 bn in overseas ETFs permitted by SEBI.
Overseas Investment by Indian Venture Capital Funds (VCFs) registered with SEBI	
April 2007	VCFs permitted to invest in equity and equity-linked instruments of off-shore venture capital undertakings subject to an overall limit of US$ 500 mn and SEBI regulations.
Portfolio Investments by listed Indian companies	
June 2007	The limit for portfolio investments enhanced from 25 per cent to 35 per cent of the net worth of investing company as on the date of its last audited balance sheet.
September 2007	The limit of portfolio investments enhanced from 35 per cent to 50 per cent of networth of the investing company as on the date of last audited balance sheet.
Overseas investments in energy & natural resources sectors	
June 2008	Indian companies allowed to invest in excess of 400 per cent of their net worth as on the date of last audited balance sheet in the energy and natural resources sectors.
ODI by Registered Trust/Society	
August 2008	Registered Trusts & Societies engaged in manufacturing/educational sectors allowed to invest in the same sector in JV/WOS outside India with the prior approval of RBI.
September 2008	Registered Trusts & Societies (which have set up hospitals) in India allowed to make investments in the same sector in a JV/WOS outside India with the prior approval of RBI.
Participation of Indian companies in consortium with international operators	
April 2010	Indian companies allowed to participate in a consortium with other international operators to construct and maintain submarine cable systems on co-ownership basis under the automatic route.
Performance guarantees issued by the Indian party	
May 2011	Fifty per cent of the amount of performance guarantees allowed to be reckoned for the purpose of computing financial commitment to its JV/WOS overseas.
May 2011	Indian Party allowed to extend corporate guarantee on behalf of the first generation step down operating company under the Automatic Route subject to limits.
Restructuring of the balance sheet of the overseas entity involving write-off of capital and receivables	
May 2011	Indian promoters of WOS abroad or having at least 51 per cent stake in an overseas JV, allowed to write-off capital or other receivables in respect of the JV/WOS.
Disinvestment by the Indian parties of their stake in an overseas JV/WOS involving write-off	
June 2011	Indian parties allowed to disinvest without prior approval of the RBI, where the amount repatriated on disinvestment is less than the amount of the original investment with certain conditions.

in agriculture, mining, manufacturing and electricity sectors having a three-year record of making net profits are eligible under this policy. The Ministry of External Affairs and Indian missions abroad would be associated right from the beginning of the process for a buyout. The government is currently evaluating proposals to facilitate acquisition of strategic assets, particularly the energy sector, through a special investment vehicle or through cash-rich PSUs in the field.

G. Emerging Issues in Outward FDI

Use and Abuse of Multi-Layered Structure

42. One contentious issue which needs to be addressed for providing a transparent policy framework for outward FDI relates to multi-layered structures. The motivations range from genuine business/commercial considerations to taxation benefits which are available to any global investors. On the flip side, at times the underlying motive could be to create opacity through a labyrinth of structures for reasons unjustified on business grounds or from the point of view of home country's interest. Hence, there is a need to have a greater clarity in our approach in this regard.

Controlled Foreign Companies under Direct Tax Code

43. To incentivise the overseas investments, in the last Union Budget, Government had announced a 50 per cent reduction in the tax rate in respect of dividend inflows from JV/WOS. Taxation in respect of overseas investments under the 'Controlled Foreign Companies' (CFC) norm of the proposed Direct Tax Code (DTC) would have implications for Indian outward FDI. It may, however, take a few years before we come to any definitive conclusions on their implications after DTC is introduced.

Impact on Current Account Deficit

44. The build-up in the foreign exchange reserves had supported the initiatives of liberalisation of many of the capital controls including the outward FDI from India. India being a current account deficit (CAD) economy, there is a need to closely monitor the capital outflows going from the country. We need surplus on capital account to finance India's growing current account deficit and also have to keep the level of foreign exchange reserves at a comfortable level given several demands on the reserves. Therefore, unlimited capital outflows for outward FDI could have significant implications for sustainability of India's CAD and external debt profile.

Impact on Domestic Investments

45. Another important factor that warrants close monitoring of capital outflows is implication for domestic investment. It needs to be ensured that overseas investment by Indian companies do not crowd-out domestic investments. Even though both domestic capital formation and overseas FDI investments have increased concomitantly in recent years, potential implications of rising trend in outward FDI for domestic investment, growth and employment need to be examined against the benefits that domestic companies derive elsewhere in terms of expanded market base, backward and forward vertical integration and cheap skilled labour.

46. In a globalised business environment, establishing an overseas presence becomes inevitable on account of a country's policy on outsourcing, emphasis on on-shore presence, protectionism, *etc.* Hence, the Indian companies have to balance the need for domestic business expansion with the compulsions of overseas investments.

Likely Impact of Devolvement of Contingent Liabilities

47. It has been observed that in the recent years, the non-fund exposure in the form of guarantees issued by Indian companies towards their JVs/WOS has been rising (Table 1). Given the uncertain global environment, exponential rise in issuance of guarantees could be a potential concern for banks (who often provide back-to-back guarantees) and the Indian companies concerned.

Impact of Economic Downturn of Foreign Economies

48. Another important aspect that has to be borne in mind is that the overseas business model could go awry due to a variety of reasons, such as, sudden

downward trend of the economy as experienced during the recent global financial crisis and the Eurozone sovereign debt crisis. Such events may adversely impact the financials of the Indian companies with a spill-over effect on the domestic corporates and banking sectors. During the periods of global crisis, Indian companies may face challenges to their overseas investments. This would be on account of moderation in internal accruals and also due to the funding constraints that maybe faced by Indian JVs/WOS from the multinational investment banks and financing institutions. Indian corporates who had acquired overseas assets at much higher premium in a bullish phase of business cycle or did not undertake intensive due diligence before such acquisitions in anticipation of future growth, potentially risk huge valuation loss during the downturn.

Ensuring Security through Strategic Acquisitions

49. The emerging economies are becoming increasingly conscious of ensuring security in the fields of energy, commodity and food for the future generations. This has led to a spate of strategic acquisitions in the recent past, notable among them being acquisition of coal mines, oil fields, *etc.* Proposals for acquisition of overseas assets, particularly in the energy sector through special purpose fund or through the PSUs in the related field are now being discussed for long-term strategic benefit of the country. Various options of funding are also being debated. Given the nature of our foreign exchange reserves, which have not been built out of surplus, strains visible on the external sector and various other demands being placed on the reserves, funding of such ventures out of reserves does not seem a viable option. The other alternatives including overseas borrowing against sovereign backing or domestic resource raising through special cess and utilisation of private sector resources in a Public Private Partnership (PPP) model need to be evaluated for this purpose.

H. Way Forward

Investments by Individuals & LLPs

50. Today, we have an enabling regulatory environment for encouraging overseas investments by individuals. We, however, need to examine the existing caps and link it to the monetary ceilings applicable under the Liberalised Remittance Scheme (LRS) (remittance of US$ 200,000 for permitted current and capital account transactions). Some of the ceilings which may require rationalisation include ceiling to acquire qualification shares and shares of a foreign entity in part/full consideration of professional services rendered to the foreign company or in lieu of Director's remuneration, to acquire shares offered through an ESOP scheme globally, on uniform basis, in a foreign company which has an equity stake, directly or indirectly, in the Indian company. The Reserve Bank of India in consultation with the Ministries concerned has since decided to

a. remove the existing cap of one per cent on the ceiling for resident individuals to acquire qualification shares and to link the same to the monetary ceiling under the LRS;

b. to grant general permission to resident individuals to acquire shares of a foreign entity in part/full consideration of professional services rendered to the foreign company or in lieu of Director's remuneration with monetary ceiling as per the limit prescribed under LRS; and

c. to grant general permission to Indian resident employees or Directors to acquire shares through an ESOP scheme globally on uniform basis in a foreign company which has an equity stake, directly or indirectly, in the Indian company.

51. Issues relating to allowing individuals to set-up JVs/WOS abroad under a transparent policy framework within the LRS ceiling are also being examined.

52. The extant regulations allow registered partnership firms to invest abroad. With the passing of the LLP Act, there is a need to review the regulation and examine if LLPs can also be permitted to invest in JV/WOS abroad.

Approach towards Multi-layered Structures

53. In the context of multi-layered structures, taxation remains a contentious issue and a subject of debate. This issue, euphemistically, referred to as 'Treaty Shopping' or 'Tax planning' or 'Tax Avoidance',

has implications for outbound FDI. We need to have clearer policy prescriptions on the issue after considering the legal/business requirements of the various jurisdictions before embarking on any policy that may either facilitate or restrict such investment motives. The Reserve Bank, in consultation with the government and all the stakeholders, would like to examine the issues involved in a holistic manner.

Risks from Global Business Cycles

54. Success of outward investment projects would also depend on the business cycles in the global economy. An outward FDI project undertaken during upswing phase of business cycle may not remain viable during downward phase. For instance, MNCs operating in sectors, *viz.*, automotives, metals and chemicals proved to be quite sensitive to adverse shocks of recent global crisis (UNCTAD, 2009)[8]. Hence, even though direct investment is generally undertaken with lasting interest in the host economy, companies need to recognise the degree of sensitivity of their business activity to the global business cycle as well.

I. Concluding Remarks

55. There exists a school of thought which apprehends that overseas investment by Indian corporate is at the cost of on-shore investment. One of the discernible reasons acting as an obstacle for companies to undertake on-shore investment could be the policy and procedural constraints. Any economy which follows a calibrated approach to capital account convertibility may also impose certain controls in allowing outflows. To the extent that such obstacles are in the interest of the economy, this will have to be considered as policy prescriptions. As the Indian corporate becomes increasingly competitive, they may aggressively explore globalisation opportunities as part of their future growth plans. Outward FDI related to acquisition of strategic resources, expansion of market base, leveraging new technologies for local markets, *etc.* would facilitate long-term growth in India and absorption of technology by Indian corporates along with improvements in the managerial skills. At the same time, through such overseas investments, Indian companies would play a critical role in the developed as well as developing countries by rejuvenating the economies and providing employment.

56. According to a recent Report by PricewaterhouseCoopers (2010), India might be the largest source of emerging market multinational enterprises (MNEs) by 2024.[9] By this period, number of MNEs in India would be higher than China by 20 per cent, and over 2,200 Indian firms are likely to invest overseas in the next fifteen years. The Report also expects that there will be further shift away from intra-regional investment in other emerging nations and towards a greater share of new multinationals going directly to the advanced countries. In particular, the Report projects that India MNEs are likely to make a niche in business services and high value manufacturing sectors.

57. It is, thus, imperative that all the stakeholders including the government, the Reserve Bank, professional bodies like yours and Indian corporates bring together their collective experience and wisdom to constantly review the policies and procedures including Home Country Measures (HCMs) that would further facilitate our globalisation efforts through outward FDI without adverse implications for vast domestic economy and its macro-economic stability.

[8] UNCTAD (2009), *World Investment Prospects Survey 2009-2011*, United Nations Conference on Trade and Development, New York and Geneva.

[10] PricewaterhouseCoopers (2010), *'Emerging Multinationals: The rise of new multinational companies from emerging economies'*, April.

*Towards Vibrant Debt Markets – A 7i Framework**

Harun R. Khan

It is a great pleasure to be here amidst you all for the 9th Annual meeting of the Fixed Income Money Market Derivatives Association (FIMMDA) and the Primary Dealers Association of India (PDAI) in this enchanting and energetic city of Kuala Lumpur. Relations between our two great nations, India and Malaysia, date back to ancient times. Indeed the name Malaysia is believed to have been derived from the Sanskrit root *Malayadvipa* which means 'peninsula of mountains'. This land had attracted hordes of traders from India in the ancient times and the exchange was not confined not merely to merchandise but also extended to deep socio-cultural ties including customs and cuisine. The tradition continues. I am happy to note that this meeting has attracted a different breed of traders from India and elsewhere, the bond and derivative traders, to introspect on the challenges facing us in these exciting times. Risks from the global macroeconomic environment remain elevated even as growth remains subdued & unemployment high in most of the advanced economies. The Euro-area remains under stress. Neither default by one or more of the peripheral countries nor the severe austerity measures put in place to avoid a default forebode good tidings for the economy or the markets. Though the emerging economies have been less bruised in the process, funding constraints in international financial markets pose a threat to both the availability and cost of capital and, in turn, on their growth prospects.

2. In these challenging times, the imperative from our perspective is to ensure that the funding needs of expanding economies like India and Malaysia are met so that the growth trajectory upon which realisation of the aspirations of millions of our underprivileged people depends is not derailed. At the same time, the crisis has reinforced global concern for financial stability and it is equally important to ensure that latent fault lines in the financial sector do not herald a crisis with even greater suffering than tardy growth. Speaking here in Kuala Lumpur, one cannot help recollect the crisis of the late 1990s which besieged the rapidly growing 'miracle economies'. Most of these economies faced a substantial GDP contraction during 1998 and moderation in the growth during the following years. The countries dealt with the crisis in their own way but two features common to all of them are accumulation of sizeable foreign currency reserves and development of a robust local currency bond market. The size of the local currency bond market in the East Asian economies excluding Japan has been growing at a rate exceeding 20 per cent which is more than twice the growth rate of the global bond market and this is evident in the corporate bond market segment as well. An interesting observation from the data on corporate bond markets in Asia is that the value of outstanding increased during the period of recent global financial crisis. The outstanding increased from US$ 929 million as of end-December 2007 to US$ 1,617 million as of end-December 2010. This underlines the continued attraction for investments even during the period of financial turmoil in the global markets. In fact, post-global financial crisis, the Asian bond markets are witnessing a gradual shift away from the government bond-driven to a corporate bond-driven market growth.

Indian Bond and Derivatives Markets

3. Over the past two decades since we began the financial sector reforms, Indian bond markets have come a long way. The annual gross market

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borrowing of the Government of India and the State Governments increased from `122.83 billion in 1991-92 to `5,833.92 billion in 2010-11. The amount of outstanding Government of India securities increased from `780.23 billion in 1991-92 to `21,569.14 billion in 2011-12. Government securities market (G-Sec) has become broad-based in terms of participation and the sovereign yield curve now spans up to 30 years. The monthly volume in secondary market on the electronic trading platform – Negotiated Dealing System-Order Matching (NDS-OM), which accounts for about 90 per cent of the trading, has increased from `314.30 billion in August 2005 to `1,480.86 billion in March 2011. The bid-ask spread of on-the-run securities continues to be low at 1-2 basis points (bps) and the impact cost of the on-the-run securities is observed at around 3 bps for a trade size of `500 million. In case of corporate bonds, trading volumes have increased manifold from `1,458.28 billion in 2008-09 to `5,986.04 billion in 2010-11. Yet we have quite some distance to traverse to catch up with our neighbours in the Far East, let alone the advanced western countries.

The *7i* framework

4. In this backdrop, I intend to discuss the development of the debt and the derivatives market in India from the perspective of a central bank and a financial sector regulator with a mandate to facilitate development of debt markets of the country. I shall briefly cover some of the important initiatives taken so far and also draw the contours of future development. My discussion will be structured within what I call the *7i* framework – the seven *I's* standing for Investors, Issuers, Instruments, Infrastructure, Intermediaries, Incentives and Innovation – each an important and critical component of any well-functioning and vibrant financial market.

Investors

5. Any discussion of development of a bond market has to begin with the investor. High savings rate, large set of domestic institutional investors and active interest from foreign investors can create a large and heterogeneous group that is necessary for an efficient bond market. The traditional investor base for G-Sec in India comprised banks, provident funds, and insurance companies. With the entry of co-operative banks, regional rural banks, pension funds, mutual funds and non-banking finance companies, the institutional investor base has been reasonably diversified. Notwithstanding the predominantly institutional character of the G-Sec market, the Reserve Bank has recognised merit in promoting retail participation and has initiated certain policy measures to this end. Some of these include enabling small and medium-sized investors to participate in the primary auction of G-Sec through a 'Scheme of Non-competitive Bidding', improving access to the market for mid-segment investors by permitting well-managed and financially sound Urban Co-operative Banks (UCBs) to become members of NDS-OM and revision of authorisation guidelines for the Primary Dealers (PDs) mandating achievement of minimum retailing targets. To ease the process of investment by retail/mid-segment investors, a web-enabled platform which would seamlessly integrate their funds and securities accounts has been planned by the Reserve Bank. Some major banks have also initiated measures like on-line trading portal for the retail investors.

6. An important feature of investor profile of the G-sec market is the dominance of domestic investors and limited foreign participation but this is an aspect of a policy framework rather than indicative of lack of interest by overseas investors. Investment limits for the Foreign Institutional Investors (FIIs) have been enhanced in a phased manner to US$ 15 billion in G-sec and US$ 45 billion in the case of corporate bonds (including US$ 25 billion for infrastructure sector bonds/units). Some observers argue that in the absence of significant investments by foreign investors, markets are deprived of not only a large and liquid pool of savings but also active global trading strategies which can contribute to the much-needed trading liquidity. The counter-argument is that the willingness of foreign investors to take a long-term view and remain engaged is highly sensitive to global economic factors and possible sudden reversals arising from 'hot money' strategy of foreign investors has potential to impact the systemic stability. Let me

add that the participation of foreign investor in the domestic bond markets also needs to be examined in the light of our policy stance relating to calibrated approach to capital account convertibility and the possibility of interest rate and exchange rate volatility due to large-scale reversal of capital flows.

7. A recurrent theme in the government bond market is the lack of liquidity as seen from the low trading volumes. The daily trading volume is less than one per cent of the outstanding stock. The banks and insurance companies between themselves hold about 70 per cent of the outstanding stock. The investment strategy of insurance companies and pension funds are usually dictated by Asset-Liability Management (ALM)/actuarial considerations. In India, because banks are mandated to hold as much as 24 per cent of their liability in the form of government securities, under Statutory Liquidity Ratio (SLR) framework, they have been permitted to classify these holdings as held-to-maturity (HTM) with a view to protecting their balance-sheets from volatility arising out of interest rate fluctuations. With a dominant part of the outstanding stock thus residing in HTM portfolio and out of the market, the low volume of trading is but natural. The term HTM, however, appears to be an illusion as securities are almost never held till they mature but are sold at an opportune time. Such an investment strategy impacts liquidity of the security, in particular, and the market, in general. While the changes imminent in accounting norms under the International Financial Reporting Standards (IFRS) may force transformation of the strategies of banks, there is a need for debate on the issue of reduction in the HTM category dispensation, albeit in a phased manner.

8. In the corporate debt market, investor base is mostly confined to banks, insurance companies, provident funds, Primary Dealers (PDs) and pension funds. Of late, the retail investors have been showing interest in corporate bonds, especially bonds issued by the infrastructure companies that entail tax incentive. While investors are not shy of debts issued by the top-rated firms, they are reluctant to subscribe to the lower-rated instruments. This is an anomaly because lower-rated companies do have access to bank financing. Credit enhancement by banks can perhaps make such instruments attractive to investors. But on the flip side, credit enhancement essentially involves transfer of the credit risk to banks and this will not only hamper the development of corporate bond market by stunting the price discovery process but also increase the risk in the banking system. The focus must be on de-risking banking system and, at the same time, building/encouraging institutions that provide credit enhancement.

9. Investor interest in the interest rate derivatives market ought to be dictated by their exposure to the cash market. While investors' cash market exposure is substantial and has been increasing over time, the accounting hedge through HTM classification insulates the holders against market risk. Therefore, we observe skewed and limited participation, resulting in shallow markets. Though the interest rate swaps (IRS) was launched in 1999, the only product where the market volumes have grown substantially is the overnight index swap based on the overnight money market index. Here too the participation is not significantly broad-based. Foreign banks (owning only 7 per cent of the banking sector assets) are the most dominant players in the IRS market followed by the private sector banks while the participation of the public sector banks who own as much as 74 per cent of the banking sector assets remain miniscule. Notwithstanding the large trading volume and value of contracts outstanding, the skewed participation leads to pricing anomalies and also puts a question mark on the economic utility of the product.

Issuers

10. Sovereign securities dominate the fixed income markets almost everywhere. In India too, the central and state governments remain the main issuers. Two observations are in order. Traditionally, marketable securities of the Central and the State Governments constituted only a part of their respective liabilities and, therefore, the size of the government bond market as measured by the outstanding stock was

relatively small compared to the debt-to-GDP ratio. Secondly, if one excludes the securities held by the Reserve Bank under the Open Market Operations (OMO) and other buy-and-hold entities, the market size becomes even smaller.

11. In recent times, market borrowings have emerged as the largest source of financing fiscal deficit. The auction-based issuance process is transparent with publication of auction calendars well in advance enabling the market participants to plan their investments. The large supply of securities, due to enhanced borrowings, has enabled creation of benchmark securities with sufficient outstanding stock and issuances across the yield curve. The issuances across the risk-free yield curve in turn have provided benchmarks for valuation of other bonds/financial assets.

12. Despite economic recovery in 2010-11 and resumption of fiscal consolidation path, the market borrowing of the Government has remained at elevated levels in India. The Union Budget of India 2011-12 estimated gross fiscal deficit (GFD) at `4,128.17 billion and budgeted gross market borrowings of `4,170.00 billion. The market borrowings, however, through dated securities for the current year has been increased by about `930.00 billion due to shortfall in other financing items, primarily due to moderation in the growth rate of the economy and increased expenditure. Besides inflationary implications, such large overhangs of debt and increasing annual borrowings have impeded the growth of flow of resources to the private sector by way of both loans and bonds. More importantly, lack of fiscal flexibility has not facilitated creation of limited number of benchmarks and active consolidation of illiquid securities. This fragmented G-Sec market has neither been beneficial to the issuer nor the investors.

13. In spite of some passive consolidation of government securities undertaken by the Reserve Bank, the market remains fragmented with many stocks with relatively small size. Nearly fifty per cent of the outstanding stocks has volume less than `200 billion. There is merit in pursuing active consolidation with focus on buy-backs and switches to build volumes and improve liquidity. The Reserve Bank is in consultation with the government to achieve some degree of consolidation in G-Sec in the near future. The Reserve Bank has recently constituted a Working Group (Chairman: Shri. R Gandhi, Executive Director, Reserve Bank of India) to examine ways to improve liquidity in Government securities and interest rate derivatives market as well as suggest measures for active consolidation of the securities.

14. Corporates in many developed markets – predominantly in the US and increasingly in other jurisdictions – have a marked preference to tap the bond market rather than to seek bank loans for meeting their external finance requirements. In India, however, companies continue to depend on the banking system for funds because of ease of availing bank finance, absence of credit risk mitigation mechanisms and a host of other factors, such as, absence of sound bankruptcy framework and lack of active interest of long-term investors like insurance companies.

15. An examination of the issuer profile of corporate bonds reveals that issuances are dominated by banks and public sector companies. Private sector, non-financial corporate issuers represent a smaller proportion. As mentioned earlier, issuers with triple-A ratings raise funds with ease from the markets as compared to firms with lower ratings. Private placements mostly dominate the primary segment of the corporate debt market accounting for more than 98 per cent of the total issuance of corporate debt (2010-11) in India. Corporates prefer raising funds through private placements as against public issuances because of operational ease of issuance under private placements with minimum disclosures, low cost of issuance and the speed of raising funds. The issuance process is also impacted by costs, such as, stamp duties, transfer costs, *etc.* which needs rationalisation. Preference for private placement is also dictated by the profile of investors which is mostly institutional and a narrow base at that.

Instruments

16. For a market to meet the diverse funding and hedging needs of the participants, there is need for a wide array of instruments and products which would also offer benefits of diversification in the portfolio. In the process of development of new instruments, the Reserve Bank's endeavour has been to ensure calibrated and orderly development of the markets with emphasis on prudent risk management and promotion of financial stability.

17. Over the years, several instruments like zero-coupon bonds, capital-indexed bonds, floating rate bonds, separate trading of registered interest and principal securities (STRIPS) and bonds with call and put options have been introduced after wide consultations with market participants and with product features comparable to those of the most popular and liquid instruments elsewhere. In the case of short-term instruments cash management bills (CMBs) have emerged as a new class of instrument providing opportunities for secured, shorter term investment in sovereign paper. The size and frequency of issuance of CMBs are likely to increase given the uncertainty in cash inflows and outflows of the Government whose income and expenditure has been growing rapidly. Issues, such as, very short notice for issue of CMBs, more demand for treasury bills, which have structured tenors, may come in the way of large demand for CMBs. There is a plan to launch a new long-term instrument – the inflation indexed bonds (IIBs) wherein both capital and interest would be provided protection against inflation. It is expected that institutional investors, such as, pension funds and insurance companies would exhibit interest in investing in the IIBs. The expectation is based on the fact that the IIBs give investors long-term assets with a fixed long-term real yield, insulating them against inflation as their real yields are indexed to actual inflation. Further, it is also being contemplated to increase the non-competitive portion for IIBs to have significant participation of retail investors in these instruments.

18. Plain vanilla fixed coupon bonds, however, remain the mainstay of issuances. With the exception of an innovative product like collateralised borrowing and lending obligations (CBLO), the market has not displayed any appetite for instruments with varied structure. A similar response pattern has been observed in respect of products such as interest rate futures (IRFs) (based on 10-year bond and 91-day T-Bill), repo in corporate bonds and new issuance of Floating Rate Bond (FRB). One plausible reason for lack of interest is illiquidity in the underlying bond market. The dilemma is that while participants do not want to trade till liquidity improves, liquidity will not improve till the participants trade giving rise to the typical 'chicken and egg problem'. The bottomline is that the market participants need to be more active in trading across the yield curve and across products and this requires an urgent and serious introspection by them.

19. Recently, the guidelines on the interest rate futures of two and five year tenors have been issued. These futures will be cash-settled with settlement price computed through a polling process managed by the FIMMDA. As the product design has been finalised after due consultation with the market participants and the issue of illiquidity in underlying cash market has been dealt with by permitting cash settlement, it is expected that the product will attract active interest. Another significant step is the extension of the period of short sale to three months, effective from February 1, 2012. This will enable the participants to express their interest rate views more effectively and is expected to give fillip to term repo market. Similarly, the credit default swap (CDS) on corporate bonds has been introduced to facilitate hedging of credit risk associated with corporate bonds. Introduction of credit enhancement for corporate bonds through CDS may also increase investors' interest in corporate bonds.

20. Several episodes in international markets underscored the importance of risk management in the use of financial products. Learning from these episodes, the approach of the Reserve Bank of India towards regulation and risk management has been oriented to ensure orderly development of financial

markets and products. This objective is achieved by establishing efficient infrastructure, addressing systemic stability issues and also supporting market development. The pre-dominant motivation has been to strike a balance between systemic stability and financial market development.

Infrastructure

21. Market infrastructure is a comprehensive term that includes the entire gamut of arrangements for the transactions to be carried out and settled in an efficient and safe manner. Infrastructure plays an important role in development of markets and want of an efficient, transparent and robust infrastructure can keep market participants away on one extreme or cause market crisis on the other. Reserve Bank of India has pursuing a strategy for creation of an efficient market infrastructure to enhance market activity and also to create a supporting institutional framework. In the government bond market, a state of the art primary issuance process with electronic bidding and fast processing capabilities, an efficient, completely dematerialised depository system, Delivery-versus-Payment (DvP) mode of settlement, Real Time Gross Settlement (RTGS), electronic trading platforms (Negotiated Dealing Systems and Negotiated Dealing Systems – Order Matching) and a Separate Central Counter Party (CCP) in the Clearing Corporation of India Ltd (CCIL) for guaranteed settlement are among the steps that were taken by the Reserve Bank over the years towards this end. In fact, thanks to these efforts, India can boast of being one of the few emerging countries with such a state-of-the-art financial market infrastructure for the G-Sec market. Creating a robust risk management structure for the CCP to mitigate its increasing concentration risk and enabling an assured liquidity support framework for meeting its emergency liquidity needs are some of the challenges before the Reserve Bank. We are closely monitoring how the international consensus is evolving on these areas.

22. To strengthen the market infrastructure for corporate bonds Reserve Bank, in consultation with the Securities and Exchange Board of India (SEBI), has permitted the clearing houses of the exchanges to have a transitory pooling account facility with the Reserve Bank. This will facilitate settlement of OTC corporate bond transactions on a DvP-I basis. The infrastructure has been bolstered by support of the market bodies with FIMMDA establishing and operating reporting platforms for corporate bonds, Commercial Papers (CPs)/Certificates of Deposit (CDs). This collaboration between the regulator and the market participants has laid the foundation for enhanced transparency and vibrancy in the market.

23. The financial crisis in 2008 revealed several deficiencies of the OTC derivatives market. The importance of improving transparency, mitigating systemic risks and protecting against market abuse came to the forefront. In September 2009, the G-20 leaders mandated that OTC derivative contracts should be reported to trade repositories; all standardised OTC derivatives contracts should be traded on exchanges or electronic trading platforms, where appropriate; and all standardised OTC derivatives contracts should be cleared through the CCPs. In this regard, a considerable amount of work on infrastructure to make OTC derivatives trades transparent has been done in India. As early as in 2007, The Reserve Bank had mandated the reporting of all inter-institution OTC interest rate derivatives on a platform developed for the purpose by the CCIL. Introduction of CDS was accompanied by putting in place a reporting arrangement simultaneously. On the basis of the recommendation of a working group, a comprehensive and efficient single point reporting arrangement for all interest rate and foreign exchange derivatives is also in the process of implementation.

Intermediaries

24. Intermediaries play an important role in development of the market by facilitating the transactions, providing value-added services and increasing efficacy of the processes. With regard to bond markets in India, I would like to elucidate the role of four major intermediaries, *viz.* PD system, industry associations like FIMMDA/PDAI, Gilt Mutual Funds and the Infrastructure Development Funds (IDFs), which are in the offing.

25. The system of Primary Dealers (PDs) was established to provide support to the market borrowing programmes of the Government and also to impart liquidity in the secondary markets. Subsequent to the withdrawal of the Reserve Bank from the primary market, as mandated by Fiscal Responsibility and Budget Management Act 2003, the PD System has been underwriting the entire Government of India market borrowing. PDs have actively supported the bond issuances and their role in successful completion of sizeable issuance programmes over the past three years has been commendable. Recently, Reserve Bank has revised the guidelines on authorisation of PDs with focus on their market experience as well as increase in retail/mid-segment investor participation so as to widen the investor base. The revised guidelines prescribe a seasoning requirement of at least one year prior to submission of application, reasonable experience in G-Sec market with at least 15 per cent of their assets and turnover in G-Sec and a commitment to achieve a minimum turnover of 75 per cent of their minimum NOF in G-Sec on behalf of retail/mid-segment clients. We expect the PDs would continue to support the market borrowing programmes, act as market-makers by providing fillip to secondary markets and retail investors and proactively deal in the financial products such as CDS, IRF, *etc.* Reserve Bank is also exploring the possibility of enabling banks/PDs to make markets in corporate bonds through appropriate supportive measures.

26. Changing nature of financial markets necessitate that organisations, such as, FIMMDA and PDAI, play a more proactive role in bringing orderliness in market activities and desired level of discipline amongst market participants. The Reserve Bank regularly engages with FIMMDA and PDAI on various issues of policy and provides inputs and perspectives of the market participants. FIMMDA has been entrusted with responsibilities, such as, publishing model prices for G-Sec and non-G-Sec to be used in valuations, formulation of model code of conduct for market participants, development and operationalisation of critical market infrastructure like reporting platform for corporate bonds, repo in corporate bonds, CPs and CDs, accreditation of brokers in the OTC interest rate derivatives market, development of the daily CDS curve for valuation of open positions, etc. The entrusted responsibilities and activities/functions of FIMMDA in the underlying market clearly indicate its potential for self-regulatory role. There is, however, an urgent need for FIMMDA to further strengthen itself, build competencies, both technical and financial, and broaden its mission to carry out tasks commensurate with the developments in the market and to undertake additional responsibilities as Self-Regulatory Organisation (SRO). I suggest that FIMMDA may draw up an action plan in this direction with clear goals to be achieved with appropriate time lines.

27. Gilt Mutual Fund industry has grown manifold but the Mutual Funds (MFs) continue to invest predominantly in short-tenor fixed income assets, thereby exhibiting low demand in the G-Sec market. This is a cause of concern and there is an urgent need to examine ways for promoting investment by MFs in G-Sec.

28. Huge requirement of investment in infrastructure sector underscores the importance of the IDFs. The Reserve Bank has, as a special case, has permitted several prudential relaxations for setting up IDFs including enhanced exposure norms, assigning lower risk weights for capital adequacy purposes, etc. Reserve Bank of India has also allowed investment on full repatriation basis by new class of eligible non-resident investors (*viz.* Sovereign Wealth Funds, multilateral agencies, pension funds, insurance funds, endowment funds) in Rupee and Foreign Currency-denominated bonds to be issued by IDF-NBFCs registered by the Reserve Bank of India and Rupee-denominated units issued by IDF-MFs set up as SEBI-registered Mutual Funds. Given our calibrated approach towards opening up of our debt markets to foreign investors, all such investments (excluding those by NRIs) will, however, be within an overall cap of US$ 10 billion (which would be within the overall cap of US$ 25 billion for FII investment in infrastructure debt). IDFs will, in days to come, act as a major source

of channelising huge quantum of funds from long-term domestic and foreign investors to the corporate debt markets in the critical infrastructure sector of the country and will indeed be a gamechanger with a potential of redefining various facets of the markets.

Incentives

29. Incentives, both positive and negative, play a major role in shaping human behaviour and markets are no exception to this rule. For illustrative purposes, I would like to cite a few instances where incentives played important role in shaping the development of the debt markets. Existence of easy access to bank loans incentivised corporates to approach banks rather than rely on corporate bond market. This excessive reliance on bank finance hampered the development of deep and liquid bond markets and was partly responsible for the financial instability during the Asian crisis.

30. The illiquidity in the Indian corporate bond markets can be attributed to the apparent preference of the corporates to finance their requirements through private placement and rely on external commercial borrowings. The level and complexity of stamp duty on corporate bonds encourages an arbitrage-based approach to corporate finance and decisions are often tax-driven rather than strategy-driven. Differential tax treatment further complicates the matter as it tends to incentivise certain investors, *e.g.*, insurance companies and mutual funds who are exempt from TDS on interest income from corporate bonds.

31. The regulatory dispensation of HTM classification has protected balance sheets of the banks and encouraged them to invest in G-Sec but promoted illiquidity in government bonds. Different incentive structures in treasuries of public sector banks and private/foreign bank treasuries partly explains the level of participation in derivative markets in spite of existence of similar risks on the balance sheets. While differences in incentives in public and private banks with regard to treasury operations exist, the reasons for lack of interest shown by most of the public sector in spite of the fact that they hold very high interest rate sensitive portfolio and have the balance sheet capability to participate in the market needs to be examined in depth and debated.

32. An understanding of the incentives is essential for both policymakers and market participants so that the market activities can be directed towards attainment of objectives of efficiency and effectiveness. While the Reserve Bank tries to align incentives by regulation and supervision, regulation itself could create unintended incentives/ disincentives as in the case of requirement regarding 'HTM'. For instance, the ability to buy CDS without an underlying has resulted in perverse incentives in the developed markets. The Reserve Bank, while framing the CDS policy, has designed regulation to curb such skewed incentives by restricting users to buy CDS only to hedge an underlying exposure. Physical settlement has been mandated after the credit event. A nuanced understanding of the incentives would help in design of regulation that promotes market development without jeopardising financial stability.

Innovation

33. With the world still smarting under the financial crisis believed to have been unleashed by 'innovative' products, one has to talk about innovation with some degree of caution. Financial innovation is an essential feature in the history of development of financial markets. Bypassing the tax or the regulatory regime has, of course, been a major motivation for innovation, the social and economic utility of which is often questionable. An example is the Negotiable Order of Withdrawal (NOW) accounts in the US that were a result of Regulation Q restrictions on interests on demand deposits. But innovations that are motivated by the need to match the needs of the investor and the issuer or made possible by advancement in technology or knowledge are essential for evolution of financial markets. One can cite many examples – demat accounts, ATMs, credit and debit cards, explosion of options contracts, inflation-indexed bonds, Fixed Rate Capital Securities, IRS, CDS and so on. It is true that financial innovation has also resulted in complex products which package and redstribute

risks in a way that is scarcely understood. As observed by Lord Turner of the UK Financial Services Authority, financial innovation has produced some products of very dubious social value. It is vital to understand that financial innovation is not an objective in itself but a process and has to cater to the products to the felt need of the market in particular and wider economy in general without compromising on financial stability. The old adage 'Innovate or Perish' should read 'Innovate with Caution or Perish' in so far as the financial sector is concerned.

34. Innovation and risk are two aspects of financial markets between which there is a great deal of tension. As such, inadequate risk management framework can make the difference between survival and death for an institution, particularly a financial institution. Several episodes in international markets have repeatedly underscored this – Orange County, LTCM, BCCI, Enron, Barings, Northern Rock – one can go on. We have just seen that innovative products like the CDOs and innovative institutional arrangements like the SPVs without adequate appreciation of embedded risk and an appropriate regulatory framework for risk management could wreak havoc. Nearer home, ill-judged use of some exotic foreign exchange derivative by some corporates led to substantial losses and created fracas between them and the banks that had sold them the products.

35. The respective Boards of the financial institutions need to ensure appropriate oversight of the functioning of treasuries. The Board must put in place risk policies and also ensure strict adherence to the limits and standards. There should be clear procedures for assessing and monitoring risk, with adequate accountability, clear lines of authority and separation of duties. The approach of the Reserve Bank towards regulation and risk management is oriented to ensure development of financial markets and products by establishing supportive infrastructure, address systemic stability issues and also support market development. Maintaining a balance between systemic stability and financial market development remains the main focus of the Reserve Bank. Therefore, the emphasis is towards creation of a robust regulatory/supervisory framework to prevent systemic weaknesses.

36. Often, there is a tendency to look towards more advanced markets and mimic their practices without subjecting such products and practices to customisation as would be required in the eco-system of the adopting country. Like the Meiji Restoration scientists, who after having received scientific training in various European countries, returned to Japan and wanted to carry forward their work in the language in which they had received instruction, the financial sector professionals have a tendency to crave for the products that they are familiar with. The success of innovative products/processes such as the CBLO, which is a variant of tri-partite agreement, infrastructure such as electronic trading platforms (NDS, NDS Call or NDS-OM) and transitory pooling of accounts for settlement of corporate bonds in the books of the Reserve Bank of India strengthens the case for looking inwards for inspiration to evolve customised innovations

37. In India, innovation has been rather muted and even the reception for new products has been rather insipid. The regulators are not against innovative products; their concern is that neither should the innovation be oriented towards skirting the regulatory regime nor should they lead to build-up of systemic risk. It is imperative for the market participants and the industry association to ensure that adequate risk management systems and corporate governance structures are in place before embarking on innovations. As you all may have observed, the Reserve Bank has followed and will continue to follow a measured approach in the introduction of innovative products through adoption of appropriate risk management framework suitable to our eco-system.

Concluding Remarks

38. To summarise, I have briefly described the 7i framework which focusses on the structure and developments of our debt market and the possible

future direction to invigorate our debt markets with reference to this framework. We need to realise that development and adoption of new products in emerging market economies is not often easy. It requires considerable amount of patience, hand-holding and fine-tuning depending on the needs of the respective eco-system. It is equally important to remember that market liquidity is a consequence of active participation of market players. New financial products and instruments are designed to cater to funding and hedging needs but the need to be actively used by the market participants without, of course, increasing the risks to the financial stability and jeopardising the interest of the ultimate end-users/customers. The lack of market interest, if any, must be introspected and debated seriously to draw up remedial action plan.

39. At the end, I would like to reiterate that in the context of a developing market like India, the Reserve Bank, other concerned regulators, Government, FIMMDA, PDAI and all the market participants are all joint stakeholders in the development of the debt markets. All of us have to work towards this common objective and a conclave like this would go a long way in generating useful insights and inputs in this direction. With these thoughts I wish the conference and participants all the very best for productive and useful deliberations mixed with the pleasure of exploring this beautiful country. I thank FIMMDA and PDAI for giving me this opportunity to share some of my thoughts with all of you. I would also like to specially thank Dr. Zeti Akhtar Aziz, Governor, Bank Negara Malaysia for spending her valuable time in our midst and sharing her insights with us.

The Framework for Pre-Empting Systemic Financial Risks*

V. K. Sharma

For all the like-never-before-and-hopefully-never-after financial, fiscal, economic and social costs of the Global Financial Crisis, the one perverse benefit of it, nevertheless, has been that it has tellingly focussed attention of global law and policymakers and head honchos of finance and banking industry, also like never before, on risk and the risk management imperative as also compelled a cathartic reappraisal of how risk should be defined and measured! As someone has famously said, what you cannot see, you cannot measure and what you cannot measure, you cannot manage. For such is the insidiousness of risk that its under-pricing is perceived as low, or no risk, and, therefore, policymakers, regulators, supervisors, economic agents including banks, business and industry are caught unawares and blind-sided when risk suddenly eventuates. However, before I take forward the subject-matter of risk identification, (under-)pricing, management, and prevention of future crises, it would only be appropriate that I deal, in some detail, with the genesis of the crisis.

2. The recent financial crisis has thrown into sharp relief, as never before, the critical and important role of 'asset price' inflation/asset bubbles also, as opposed to that of shop floor/products/services inflation alone, as a key variable, in monetary policy response. For what happened was unprecedented in that with monetary policy focussed only on traditional CPI, interest rates were kept low in spite of exploding prices of assets like real estate/property, credit assets, equity and commodities. And this was all made possible because of huge current account surpluses in China and other emerging market economies (EMEs), and huge private capital inflows into EMEs in excess of their current account deficits, getting recycled back as official capital flows into government bonds of reserve currency countries, especially the USA, resulting in compression of long-term yields which, in turn, translated into lower long-term interest rates even for the riskier asset classes mentioned above. This chasing of yield, due to global savings glut, in turn, led to a veritable credit bubble, characterised by unprecedented underpricing of risk as reflected in the all-time-low risk premia with junk bond spreads becoming indistinguishable from investment grade debt, and thus, to paraphrase Jim Grant, the riskiest of assets effectively offering return-free risk! All this while, the US growth story stayed non-inflationary due primarily to cheap imports from China, Asia and EMEs which, only perversely, reinforced the continuation of the loose monetary policy, focused, as I just said, as it was on the shop-floor-price inflation to the complete exclusion of the broader 'asset price' inflation!

3. Such a low interest rate environment, coupled with luxuriant supply of liquidity, created enabling environment for excessive leverage and risk taking so much so that American household debt exceeded the country's GDP. In fact, in the US, in particular, the financial sector, instead of being a means to an end of sub-serving the real sector, ended up being an end in itself. Interestingly, in this context, Satyajit Das, a world renowned expert in derivatives, in his characteristic breezy and racy style, describes the financial syndrome as 'too much' and 'too little' – too much liquidity, too much leverage, too much complex financial engineering, too little return for risk, too little understanding of risks'. This syndrome of too much of arcane rocket science and financial alchemy in the financial sector, almost entirely for its own sake to almost complete exclusion of the needs of the real sector, created a massive 'financial sector – real sector imbalance' which, being, intrinsically unsustainable, culminated eventually into the now-all-too-familiar

[1] Inaugural Address delivered by Shri V. K. Sharma, Executive Director, Reserve Bank of India, at the World Risk Workshop 2012, organised by R-square RiskLab at Mumbai, India, February 6-7, 2012. The views expressed are those of the author and not of the Reserve Bank of India.

apocalyptic denouement, entailing cumulative global write-downs and credit losses aggregating US$ 2 trillion by banks and financial firms.

4. As I observed in my speech, 'Identifying Systemic Risk in Global Markets – Lessons Learned from the Crisis: Asian Regulators', views on what have they done to contain the building up of systemic risk and to prevent the recurrence of future crisis', delivered at the 2nd Pan-Asian Regulatory Summit at Singapore, in September 2011, systemic risks in global markets can be best identified and measured by looking at some select key parameters which, between them, indicate the extent of asset bubbles and the corresponding under-pricing of risks and, therefore, it is not so much high volatility, which is the 'effect', that should be a cause for concern, as persistent and excessively low volatility, which is the 'cause' and was the hallmark of the pre-crisis period. In particular, it is very instructive to look at the readings on parameters such as (i) US T-bill and Eurodollar future contract (TED) Spread (3M LIBOR – 3M Treasury Bill), (ii) 3M LIBOR – 3M OIS, (iii) 3M LIBOR – Effective Fed Funds Rate, (iv) Volatility (VIX) Index and (v) Credit default swap (CDX) Crossover index. Pre-crisis, these were at historically low levels. This was the time when there was a veritable bubble across credit and equity markets and global policymakers were already warning about huge under-pricing of risks in the run-up to the crisis. But unfortunately, nothing, in terms of pre-emptive, proactive and credible policy response, other than these warnings, was delivered. If one looks at the recent readings, there is incontrovertible evidence that there is yet again a huge under-pricing of risks in the financial system and, therefore, it is not a question of if, but when, generic asset bubble caused by manifold increases in balance sheets of central banks will burst. Specifically, currently the global liquidity has become a bigger concern than it was in the pre-2007 period what with ultra-low and near-zero policy rates and major central banks' balance sheets 1.50 to 3 times their pre-2007 levels, adding about US$ 4 trillion in incremental central bank liquidity. Worse, US banks are reportedly keeping excess reserves of US$ 1.5 trillion with the Fed rather than lend to small businesses and households. Alongside, non-financial corporations in the US are reportedly sitting on cash and liquid assets worth US$ 2 trillion which they do not know what to do with! In this background of huge deluge of global liquidity, there are unmistakable signs of asset bubbles inflating again in almost a replay of the last global financial crisis. As the Table shows, as of 27 January, 2012, the over-valuation of gold – what we can also call gold bubble – with reference to 7 competing asset classes varied from 78 per cent against highly

TABLE

Asset/Index	Avg. of daily gold to asset price ratio (Mar. 2000-Feb. 2010)	Current ratio as on Jan 27, 2012	Levels as on Jan 27, 2012	Implied price of gold as on Jan 27, 2012	Over-valuation as on Jan 27, 2012	Over-valuation as on Sep 14, 2011	Over-valuation as on Oct 27, 2010
	(1)	(2)	(3)	(1)x(3) =(4)	(5)	(6)	(7)
CASE- SHILLER US National Home price index	3.57	13.34	130.39	465.49	274%	292%	169%
DXY	6.24	22.04	78.90	492.34	253%	280%	174%
CDX IG*	5.50	18.21	95.48	525.14	231%	251%	149%
Dow Jones	0.05	0.14	12660.46	633.02	175%	224%	138%
JP Morgan US Treasury 7-10 yr bond index	1.27	2.66	654.73	831.51	109%	123%	78%
LMEX	0.26	0.46	3753	975.78	78%	84%	34%
WTI	10.76	17.47	99.56	1071.3	62%	90%	50%

(closing spot gold price as on Jan 27, 2012 was at US$1739.07) (Source- Bloomberg)

* The earliest CDX IG data are available from September 24, 2004. The average value of series 3 has been used as a proxy for CDS from March 1, 2000. The CDX spread-based index values have been converted into price-based values so that the ratio of gold price and implied CDS price can be worked out on a 'comparing apple- with–apple basis'.

** CASE-SHILLER US National Home price index is published quarterly. The latest one is available up to quarter ended September 2011. The level of the index was compared with quarterly average of daily gold price since April 2000.

correlated metal prices proxied by London Metal Exchange (LMEX), 62 per cent against WTI crude, 109 per cent against US Treasuries proxied by JP Morgan index, and roughly 230-275 per cent against Credit Default Swap index, Dow Jones, the US dollar index, DXY and the US home price Case-Shiller index. (To detect an asset bubble (gold in the present case), fair value/price of gold with reference to competing asset classes like US dollar, US stock market, crude oil, the US treasuries, credit risk, base metals, and US house prices, proxied, respectively, by the DXY (Euro, Pound Sterling, Japanese Yen, Swiss Franc, Canadian Dollar and Swedish Krona), the Dow Jones Industrial Average (DJIA), WTI spot, J.P. Morgan Bond Index, CDX IG, a CDS Index for Investment Grade US bonds, London Metal Exchange (LMEX) (nickel, tin, alluminium, copper, zinc and lead) and S&P CASE-SHILLER index, has been computed. The Table I is self-explicit. This intuitively appealing methodology of computing fair value is reasonably robust and rigorous based as it is on the assumption that any investor will have this maximum investment opportunity set to choose from to allocate her portfolio).

5. In fact, in my speech 'Genesis, Diagnosis and Prognosis of the Current Global Financial Crisis', published in BIS Review 34/2009, I had mentioned that there was significant risk that the then monetary policy environment of very low interest rates and unprecedented deluge of liquidity may yet again engender another bubble in the not too distant future! Indeed, we almost had a commodity bubble which, to all intents and purposes, was caused by this very huge deluge of liquidity but burst due to the enveloping global economic downturn, in general, and countercyclical measure of New York Mercantile Exchange (NYMEX) raising cash margins on crude oil futures and Commodity Futures Trading Commission (CFTC) checking speculative positions, in particular. Perhaps, if this swamp of liquidity and monetary easing are not unwound appropriately, and in an orderly, and timely manner, the next crisis might well be a veritable 'financial and economic nuclear winter'! Thus, you will see that we almost had a bubble which burst and now we are heading towards another one, shades of which, contextually, we experienced recently on August 4, 2011, and post Federal Open Market Committee (FOMC) meeting on September 20, 2011, when almost in prophetic confirmation of my prognostication, based on the aforesaid analysis, crude oil and global stock markets slumped by around 5 per cent and gold, after touching its all-time-high of US$ 1,920 slumped to US$ 1,530 per troy ounce on Chicago Mercantile Exchange raising cash margins on gold futures by 20 per cent!

6. As regards prevention of the building up of such systemic risks, the answer is addressing the 'cause' and which is again there in my same speech. At the risk of being repetitive, it must be noted that even if global imbalances and accommodative monetary policy provided an enabling environment for excessive leverage and risk taking, it was still the responsibility of regulators and supervisors to have taken appropriate counter-cyclical macro-prudential measures, pre-emptively, decisively and proactively, rather than reactively, But, unfortunately, this broad-spectrum and generic failure of an inertial regulatory and supervisory system worldwide, especially in the West, precipitated the unprecedented global financial crisis. The most no-holds-barred acknowledgement of this, though it came much later only recently, was when Donald Kohn, former Vice Chairman of the US Federal Reserve apologised by saying, 'The cops were not on the beat, resulting in the worst economic recession and loss of millions of jobs'! This regulatory and supervisory inertia to unprecedented build-up of risk globally, typical and characteristic, of the hunky-dory and gung-ho financial environment of the pre-crisis days, is most graphically epitomised by what Mark Twain said 100 years ago: 'It ain't what you don't know that gets you into trouble; it is what you know for sure that just ain't so!'. This is precisely what the insidiousness of risk is all about! Specifically, based on the financial parameters for detecting asset bubbles and under-pricing of risk, delineated in the paragraph 4 above, regulators/policy-makers need to deliver sector-specific counter-cyclical prudential measures like selectively increasing capital charge for riskier categories of assets by increasing risk weights for asset classes where bubbles exist, or are in the process of building. In addition, they need to

be complemented by fixing the maximum absolute leverage (not allowing for risk weights for assets) in addition to risk-weighted asset-based capital prescription. Contextually, it is instructive to note the comments of the legendary investor Warren Buffett who, contemporaneously with the roll-out of Basel I in the late 'eighties, tellingly remarked that he did not like banking stocks where assets were 20 times equity, translating into common equity to total assets ratio of 5 per cent, which is roughly 1.67 times the Basel III prescribed minimum common equity to total assets ratio of 3 per cent (leverage of 33.33 times)! Be that as it may, these regulatory measures obviate the need of monetary policy tightening which is a blunt tool indiscriminately affecting all sectors of the financial markets and the real economy, although, significantly, I am separately setting out in this Speech how monetary policy tool can also be deployed alongside as a complementary companion tool to credibly and effectively address the build-up of systemic financial risks. Besides, significantly, the credit crisis has also thrown into sharp relief a 'strong connect' between 'liquidity risk' and 'opaque off-balance sheet exposures' of whatever description. The appropriate supervisory and regulatory response to these risks would, therefore, be to insist on full disclosure and transparency of off-balance sheet commitments/exposures and supervisory insistence on an appropriate mix of 'stored' and 'purchased' liquidity and appropriate capital charge for liquidity risk; the higher the 'purchased liquidity' component, the higher the capital charge and the higher the 'stored liquidity' component, the lower the capital charge. Thus, banking supervisors and regulators need to be more hands-on and pro-active in focusing supervisory attention on this critical risk category than has been the case so far. (In fact, in India the Committee on Financial Sector Assessment almost presciently focused on this critical risk in the month of May itself, much before the liquidity and credit crunch of August 2007).

7. In refreshing contrast, in India, we have had remarkable financial stability, not fortuitously, but thanks to pre-emptively and pro-actively delivered counter-cyclical prudential measures like increase in risk weights for exposures to commercial real estate, capital market, venture capital funds and systemically important non-deposit accepting Non Banking Finance Companies (NBFCs). These pre-crisis prudential regulatory measures of Reserve Bank of India represented what now are famously known as 'countercyclical prudential measures' and have been strongly commended for adoption by various recent Working Groups/Committees of international regulators. Indeed, in the aftermath of the global financial crisis and resulting economic recession, these counter-cyclical prudential measures were rolled back to cushion the adverse impact of the crisis to considerable beneficial effect to the Indian economy. Not only that, in equally refreshing contrast, post-Basel II, the Reserve Bank, unlike in the West, did not allow banks in India to reduce their capital and prudentially mandated that banks continue to hold the then existing absolute capital. As a result, we, in India, are in a happy situation where banks have a common equity to total assets ratio of more than 7 per cent which is already 'more-than- twice' Basel III compliant on this critical parameter. Significantly, recently again, to contain potential systemic liquidity risk, the Reserve Bank has capped banks' investments in Fixed Income Mutual Funds to 10 per cent of their net worth.

8. I now turn to what I said before, in the paragraph 6, about how monetary policy tool can also be deployed alongside the counter-cyclical prudential regulatory measures as a complementary companion tool to credibly, effectively and decisively address the build-up of systemic financial risks. In my considered opinion, the famous Taylor rule can be modified suitably to include, alongside inflation and GDP, additional terms representing systemic financial conditions based on the financial parameters for detecting asset bubbles and under-pricing of risks, already delineated in the paragraph 4 of my Speech. Although, while for now this challenge is a work-in-progress for me personally, I would strongly encourage discerning researchers to pursue and take this idea forward. I am convinced that once the modified version of the Taylor rule is in place, it will provide the much-needed conceptually robust, and

technically rigorous, analytics content to monetary policy-making with a view to pre-emptively, pro-actively and decisively addressing potential asset bubbles.

9. To sum up, my message to this learned and discerning audience is that the build-up of systemic financial risks needs to be pre-emptively, credibly and decisively addressed by deploying monetary policy tool based on the proposed modified version of the Taylor rule and counter-cyclical prudential regulatory measures. While I wish the Workshop all success it so very much deserves, I do hope that the Workshop will shine light on the newer and unconventional, but conceptually robust, and technically rigorous, alternatives of modeling risk, possibly shorn of its innate insidiousness. But at the end of the day, at the most basic and fundamental level, most un-euphemistically speaking, it all boils down to summoning courage to remove – this phrase was very common in similar policy debates in the 1980s – the 'punch bowl' when the party is on! For the problem is not not knowing the problem, but knowing it and dithering, agonising over choices, temporising, procrastinating and doing nothing credible, timely, tangible and decisive about it. In other words, paraphrasing John Ruskin, what finally matters is not knowing what must be done but actually doing what must be done and doing it when it must be done.

*Statistics and the Reserve Bank: Some Reflections**

Deepak Mohanty

Deputy Governors, Dr. Subir Gokarn and Dr. K. C. Chakrabarty; distinguished statisticians and economists from the academia; Regional Director, Chandigarh; heads of select departments; Shri A. B. Chakraborty, Officer-in-Charge, Department of Statistics and Information Management (DSIM) and friends. I extend a warm welcome to you all to the Annual Conference 2012 of the Department of Statistics and Information Management (DSIM). For the first time, this conference is organised outside Reserve Bank of India (RBI), which provides an informal atmosphere for bonding and brain-storming needed for a research conference like this. This conference provides a platform to the officers of DSIM to present their research work before the experts and receive their feedback in order to make analysis more meaningful for policy and research. I thank the distinguished professors who have consented to discuss various papers presented by my colleagues in DSIM: Prof. Manoj Panda (CESS, Hyderabad), Prof. N. R. Bhanumurthy (NIPFP, New Delhi), Prof. Subrata Sarkar (IGIDR, Mumbai), Prof. Surinder Kumar (CRRID, Chandigarh), Prof. Mahajan (Punjab University, Chandigarh), Prof. Chetan Ghate (ISI Delhi), Prof. Shalabh (IIT Kanpur). You all bring together plenty of expertise and experience in the field of theory and practice of statistical research for economic policymaking which is of great value to us.

2. Statistics as a method of systematic learning from observation and experience has been practiced for centuries. India has a distinction of starting early in compilation of economic statistics for analysis and policymaking. Of late, however, there have been some concerns over the quality of economic statistics. This underscores the need for renewed focus and greater organisational efforts for improving the quality of official statistics.

3. Statistics is a public good as it is necessary for empowerment of citizens. Today most of the economic analysis has statistical foundation. Therefore, a solid statistical grounding and soiling the hands with data are basic prerequisites for the making of a good empirical economist. This is evident from the presence of many eminent economists amongst us in this conference. Actually, many renowned economists started their career as statisticians.

4. For example, Professor Milton Friedman, Nobel laureate and perhaps the most celebrated monetarist economist of the past century began his career as a statistician in Washington DC. Nobel laureate Simon Kuznets presented a more scientific approach to macroeconomic analysis by laying the foundations of national accounts statistics.

5. Central banking today is more challenging than ever and availability of reliable and timely information is the key to effective policymaking. As a central bank, we are responsible for generating various macro-financial statistics collected both from primary and secondary sources in the process of implementing our policies. As the Reserve Bank boasts of one of the largest body of statisticians in the country, let me start with the role of statisticians in our organisation and highlight the achievements and challenges for DSIM.

6. The statistician in the Reserve Bank performs a multifarious role. DSIM provides statistical service by way of collection, compilation, analysis and dissemination of information relating to monetary, banking, corporate and external sectors. Another major area of focus is to provide inputs for policy formulation, conducting surveys and to carry out research activities in conformity with the needs of the Bank. Over the years, it has widened its scope and

* Address by Shri Deepak Mohanty, Executive Director, Reserve Bank of India on March 17, 2012 at Chandigarh.

spectrum of data collection and dissemination. A key achievement in this regard is the improvement of the Bank's web-enabled Data Warehouse, popular among the researchers as Database on Indian Economy (DBIE). Today, various flagship data publications of the Bank like the Handbook of Statistics on Indian Economy originate from DBIE. A large amount of downloadable data is made available as a public good on near real time basis on the RBI website. I am happy to note that a more user-friendly version of DBIE is being released today.

7. Towards information management and dissemination, the system of data submission under the Online Return Filing System (ORFS) is further strengthened. At present, 40 returns of various departments like DBOD, DBS, FED, FMD, DPSS and MPD are submitted using this platform. At the same time, the Extensible Business Reporting Language (XBRL) project on the standardisation in the reporting of financial data has made considerable progress during the year with 42 returns taken up for implementation.

8. During the last one year, the Department has made considerable progress in identifying and filling data gaps. This includes implementation of Co-ordinated Direct Investment Survey (CDIS), extension of Master Office File (MOF) with population census and economic census, development of service price and production index for banking service, construction of house price index, collation of time series data on rural wages[1], and system of Loan Registration Numbers (LRNs) for ECBs under automatic route.

9. The research activities of the Department encompass economic measurement, analysis, modelling and forecasting of economic growth, inflation, corporate performance and other macroeconomic indicators and capturing economic agents' response to expected macro developments for forward-looking monetary policy formulation. Based on various univariate and multivariate models, growth and inflation projected path is presented in the form of fan charts. With inflation running higher than Reserve Bank's comfort level for the last two years, the analysis of growth-inflation trade-off carried out by the Department was particularly useful for calibrating monetary policy actions.

10. The surveys conducted by the Department, particularly on macroeconomic changes, continue to provide valuable inputs for forward-looking monetary policy formulation. These include Industrial Outlook Survey (IOS), Order Books, Inventories and Capacity Utilisation Survey (OBICUS), Credit Conditions Survey (CrCS), Inflation Expectations Survey of Households (IESH), Consumer Confidence Survey (CCS) and Survey of Professional Forecasters (SPF). Key findings of most of these surveys are now published on the the Reserve Bank website simultaneously with the Macroeconomic and Monetary Developments every quarter. This has increased visibility of our survey output and has improved considerably the timeliness in dissemination of survey results. I am sure availability of these surveys now in public domain will spur research in these areas.

11. Understanding asset price developments has gained increasing importance, especially after the global financial crisis. In this context, the Department has made considerable progress in compiling House Price Index (HPI) based on registration price. The coverage has increased to nine cities now. Regional offices of DSIM are making important contribution towards this. Further, in order to complement this, the Department has introduced an Asset Price Monitoring System (APMS) based on housing loan account information as available with banks. Financial stability analysis is another important focus area of Reserve Bank. I am happy to note that the Department is making important contribution in this area by providing inputs such as financial stress indicators and asset prices.

12. Notwithstanding the achievements, let me share a few challenges for the Department going forward.

First, in the wake of financial crisis, quality and timely availability of statistics has become essential. The information and analytical requirements have become more diversified with added emphasis on financial stability. With structured monetary policy reviews becoming more frequent, the need for high

[1] Based on Labour Bureau data.

quality and frequent forward-looking information has increased. At the same time, application of statistics in solving operational issues has gained increasing importance. These developments have contributed to the demand for trained statisticians across the departments of the Bank. The Department, being the second largest pool of statisticians after Indian Statistical Institute (ISI) in the country, must rise to the occasion to serve the organisation better.

Second, as the central bank of the country, we have the responsibility of providing a sizable part of macro-financial statistics. Our publications have a standard that provides confidence to data users. Even for secondary data like price statistics, users prefer to consult the Reserve Bank publications. Therefore, the responsibility of maintaining data quality, timeliness and making data meaningful inevitably falls on DSIM. The Department should make greater use of technology to validate and improve data quality.

Third, there are some surveys on macroeconomic changes which have not progressed to our desired level of satisfaction. We have made a beginning on collection of data on trading sector and employment opportunities of fresh graduates. But we need to expedite and bring out these survey results soon. Another important indicator which provides early signs of overall economic activity is retail sales. A quarterly survey on retail sales across cities may be initiated with the help of regional offices.

Fourth, the Department is involved in various data gap and statistical measurement issues through its participation in various committees within and outside the Reserve Bank. One particular issue, that has received renewed attention across the globe in view of the complexity of inflation dynamics, is measurement of prices – commodity prices, consumer prices and asset prices. In recent years, there is greater institutional effort for improving measurement of prices in India. We have a new CPI (rural, urban and combined) now. The base of WPI was also revised. There is, however, considerable scope for improving the coverage and reporting of prices data besides research on measurement of prices and inflation, in terms of commodities/asset classes, stages of production as well as various sectors and regions. Now that we have a more representative CPI series, institutional efforts need to be directed towards compilation of a Producers Price Index (PPI) as well as a Service Price Index.

Fifth, regional market intelligence or statistical intelligence plays a pivotal role in providing important inputs to monetary policy making. For example, the Bank of England (BoE) has established a regional statistical data collection system covering as many as 25 indicators including business conditions, price variation, labour and employment. These are different from the qualitative surveys. Information so collected is analysed and transformed into scores which forms an important input in the deliberations of the Monetary Policy Committee (MPC) of the BoE. India is a country with significant regional variations. Hence, regional inputs are valuable for policymaking. With its reorganised structure and envisaged wider presence of regional offices in major centres, the Department may put in a similar system of gathering relevant statistics and market intelligence, particularly in the area of prices and agricultural conditions to aid policy formulation at the national level.

Sixth, as a part of the on-going work with DCM on forecasting of demand for currency and coins, it is necessary to conduct focused regional surveys relating to (i) availability/shortages of coins/currency notes, (ii) regional practice and usage of currency notes, and (iii) estimation of counterfeit currency notes in the system. In addition, the regional offices of the Department could be directly involved in conducting surveys on financial inclusion, particularly assessment of financial inclusion outcomes in the villages following the outreach programme of the Bank.

Seventh, the Department has noticeable presence in a number of central office departments, like Department of External Investment and Operations (DEIO), Monetary Policy Department (MPD), Internal Debt Management Department (IDMD), Department of Information Technology (DIT), Department of Payment and Settlement Systems (DPSS), Department of Banking Supervision (DBS) and Financial Stability Unit (FSU). It is desirable that our officers in these departments provide analytical inputs for policy and operational issues and come out with research papers. These papers could be presented in conferences and published eventually in the Reserve Bank Working Paper Series. This will make research more valuable in furthering our organisational objectives.

Eighth, focused and determined approach to research across various units, including the regional offices, should be pursued so that research agenda being adopted by the Department is accomplished in a timely manner. For data management and dissemination, technology must be harnessed to its fullest extent. There is also a need to strengthen the modelling and forecasting capabilities towards developing a full-fledged forecasting suite including Dynamic Stochastic General Equilibrium (DSGE) models.

13. Finally, I congratulate the Department for its many achievements. However, there are challenges ahead, to some of which I have drawn your attention. As noted statistician John Tukey once observed, 'An approximate answer to the right problem is worth a good deal more than an exact answer to an approximate problem.' I see the demand for statistical skills and statistics in the Bank growing as we grapple with many questions. I hope the deliberations of this conference will bring academics and policymakers closer and lead to strengthening of our statistical analysis and system. I wish the conference all success.

*Implications of Basel III for Capital, Liquidity and Profitability of Banks**

B. Mahapatra

It is heartening that the National Institute of Bank Management (NIBM), Pune is organising a two-day National Conference on 'Emerging Macro Environment, Regulatory Changes and Bank Competitiveness', today and tomorrow. I am indeed grateful to the NIBM for giving me this privilege to talk to you today on a topic – *Implications of Basel III for Capital, Liquidity and Profitability of Banks* – which is contemporaneous, not only in the financial circles, but also in the larger space of public policy. My motivation for the talk on this subject is also due to my job as a bank regulator and my association with the process of policy formulation and implementation of Basel III for banks in India.

The Context

2. Let me first set the context for Basel III. Basel III is the regulatory response to the causes and consequences of the global financial crisis. So, what were the causes of the crisis and the consequences?

Causes of Global Financial Crisis

3. From the macroeconomic perspective, the crisis has been attributed to the persistence of global imbalances. It is often said that the solution to a previous crisis becomes the cause for the next crisis. You may recall that the previous crisis was the Asian crisis of 1997-98, and one of the important lessons learnt by the Asian countries was to build a war chest of foreign exchange reserves to fight against the attack on the country's currency. Therefore, Asia and, in particular, China and some other emerging economies produced goods at a cheaper rate and pursued a policy of export-led growth and accumulated huge foreign exchange reserves. As a corollary, the USA and Europe consumed that produce and became net importers. The foreign exchange reserves accumulated by the Asian and other emerging economies were necessarily to be invested in advanced economies, which have deep markets.

4. The huge amount of capital that flowed from the emerging economies to the advanced economies, depressed yields in the financial markets of advanced economies. In the 'search for yield' to improve returns on investment, market players indulged in financial innovation and engineering. They developed structured financial products like securitisation and re-securitisation based on sub-prime mortgage backed securities (MBS), collateralised debt obligations (CDOs) and CDO squared, *etc.* Credit default swaps (CDS) were also used to create synthetic structures which increased their illiquidity and complexity. Oblivious of the inherent risks created by these features, securitisations continued to grow by leaps and bounds leading to the spiraling of sub-prime lending with impending disastrous consequences.

5. Another cause of the crisis was attributed to the socio-economic and political factors in the USA. Dr. Raghuram Rajan in his book *Fault Lines* has highlighted that the income of average American was stagnant for quite some time and poverty and inequality were increasing. The politicians could not improve the income of the people but devised policies to encourage them to fulfill the dream of owning a house by taking loans from banks and financial institutions at the prevailing low interest rates. Thus, the birth of the toxic product 'sub-prime mortgage' took place. It was said if the poor people cannot have income for consumption, 'let them eat credit'.

* Address of Shri B. Mahapatra, Executive Director, Reserve Bank of India on March 3, 2012 at the National Conference on Emerging Macro Environment, Regulatory Changes and Bank Competitiveness, organised by the National Institute of Bank Management, on March 3-4, 2012 at Pune. The contributions made by Shri Rajinder Kumar and Shri Rajnish Kumar are gratefully acknowledged.

6. At the micro level, the business models of banks and financial institutions also contributed to the fermentation of the crisis. The 'originate-to-distribute' model of sub-prime mortgages did not create any incentive for banks for better appraisal and supervision of such mortgages. Their reliance on wholesale funding markets created gaps in liquidity risk management. Short-term funds were used for creating long-term assets. The availability of plenty and cheap funds encouraged banks to be highly leveraged, that too by borrowing short-term funds.

7. The crisis has also been attributed to the inadequate corporate governance and inappropriate and perverse incentive system in the financial sector. There were several weaknesses in corporate governance in the run up to the crisis. Corporate governance arrangements failed to curb excessive risk taking in banks and financial institutions. Studies have shown that risk management systems failed in many cases more due to poor corporate governance than due to the inadequacy of the mathematical models used. The Board and even senior management, in some cases, failed to establish an informative and responsive risk measurement and management reporting framework. The institutional arrangements in many instances conferred importance and status on the risk takers at the expense of independent risk managers and control personnel. Where strategy was in place, Boards did not establish suitable metrics to monitor implementation.

8. Out of the many issues that have arisen in the context of the global crisis, executive pay and compensation practices in the financial sector have perhaps invoked the maximum public outrage. There has been widespread criticism that incentives and pay packages were set inappropriately, encouraged irresponsible risk taking, were inconsistent with the firm's capital bases and focused on short-term profit maximisation. Compensation for senior executives has been perceived to be excessive with little correlation to the long-term performance of the institutions concerned. Particularly glaring was the multi-million dollar payments and bonuses to the executives of failed firms, which had received public funding. It is now widely acknowledged that the flawed incentives framework underlying banks' compensation structures in the advanced countries fuelled the crisis.

9. Banks entered the crisis with inadequate capital. The Basel requirement of common equity was as low as 2 per cent of risk-weighted assets (RWAs). Banks did not calculate the risk-based capital properly. The Basel capital rules favoured lower capital for the trading book and higher capital for the banking book. Banks exploited this loophole and parked banking book assets in the trading book, indulging in capital arbitrage. Similarly, capital requirement for mortgage loans was higher than capital requirement for mortgaged backed securities (MBS). This encouraged banks to securitise their mortgage loans through a Special Investment Vehicle (SIV) set up by them. Banks offered liquidity supports to their own SIVs which securitised the mortgage loans and enhanced the credit rating of such instruments. Enhanced ratings require less capital. Banks invested in such products requiring less capital. Thus, there was an 'incestuous' relation in keeping banking book assets in trading book, for which liquidity support was given by the bank to enhance its rating and reduce capital requirement.

10. The growth of 'shadow banking' system in the run-up to the crisis was unprecedented. One estimate suggests that the size of shadow banking system was almost three times the formal banking system. This coupled with their dependence on the wholesale funding market compounded the crisis.

11. Supported by unprecedented innovation and engineering, the financial sector became too big in relation to the real economy, but the regulatory and supervisory system was found wanting. The regulators and supervisors did not look at system-wide build up of risk. They reposed faith in free markets and believed in self-correction of market excesses. But that did not happen. 'Leaning against the wind' was considered inappropriate. The credit rating agencies also did not perform their role as envisaged and junked themselves.

12. Every banking crisis has some common elements. But every time, experts say, 'this time is different'. Then what was different this time? Probably, the

phenomenal growth of shadow banking system, most of which was outside the regulatory purview, and the excessive dependence of banks and financial institutions on the wholesale funding markets, are the 'different' factors behind this crisis.

13. At a more philosophical level, what the crisis highlighted was the massive breakdown of trust – trust in banks, in financial system, in rating agencies, in investment advisers and in politicians. Trust, which takes time to build up, is an important element in the functioning of financial markets as the very nature of financial contracts requires a high level of trust. Several questions come to mind in this context during the crisis. Was the behaviour of the players across the chain of the financial system fair and ethical or was it influenced by the greed to make quick profits and fat bonuses? Did the bankers and investment advisers explain the risks in the complex financial products they sold to their clients? And what about the credit rating agencies? Did they compromise on their standards?

14. The crisis has triggered an interesting, if also a soul-searching debate on the role of leadership. Leaders at the helm of affairs probably let us down. They were lulled by the phenomenal success of modern financial engineering and the 'great moderation' and got carried away by 'irrational exuberance' and could not see the 'black swan'.

Consequences of the Global Financial Crisis

15. The consequences of the crisis are there for all of us to see. What started as a contamination of sub-prime mortgage loans and the securitised products based on that, led to an illiquidity spiral and soon became a solvency issue for the financial sector. The inter-connection between banks in the financial system propagated it into a systemic crisis. Banks, starved of liquidity, started to deleverage and stopped lending to the real sector. The financial crisis, thus, became a full-scale economic crisis. Since banks are essential to an economy and their failure affects the real sector, particularly when they are too big, the public authorities had no alternative but to rescue the banks by injecting capital, guaranteeing their liabilities and purchasing their toxic assets. This created the moral hazard issue of 'privatisation of profits but socialisation of losses'.

16. However, one unintended but interesting aspect of the rescue programme was that non-equity capital providers to the banks escaped scot-free as they were required to absorb losses only in the event of liquidation of banks and not otherwise.

17. There are several estimates of the cost of the crisis to the public exchequer. The amount of support to the systemically important financial institutions (SIFIs) during the crisis was about 25 per cent of GDP. Capital injection and asset purchase for G20 countries was US$ 653 billion or 2.1 per cent of GDP. Fiscal cost of direct support for G20 countries averaged 2.8 per cent of GDP, with UK at 6.1 per cent, Germany at 4.8 per cent and USA at 3.6 per cent. The Government debt of these countries is projected to rise by 40 per cent of GDP during 2008-15. Cumulative output loss in these countries is estimated to be about a quarter of their GDP.

Enhancement to Basel II or Introduction of Basel II.5

18. Post-crisis, the global initiatives to strengthen the financial regulatory system are driven by the political leadership of the G20 under the auspices of the Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS). Immediately after the crisis, the Basel Committee, in July 2009, came out with certain measures, also called enhancement to Basel II or Basel II.5, to plug the loopholes in its capital rules, which were exploited to arbitrage capital by parking certain banking book positions in the trading book which required less capital.

19. These measures, under Pillar 1, include introduction of an incremental risk charge (IRC) for specific risk or credit risk in trading book under the internal models approach (IMA). Capital charge for securitisation of commercial real estate was increased and that for re-securitisation introduced. The Value-at-Risk (VaR)-based measure for capital charge for market risk under IMA has been substantially enhanced by including a stressed-VaR element. The overall capital requirement for the trading book is expected to rise

by about 3 times. Pillar 2 has been strengthened by issuing guidance on firm-wide risk management; managing reputation risk and liquidity risk; improving valuation practices; and implementing sound stress testing practices. Appropriate additional disclosures complementing enhancements in Pillar 1 and 2 have also been introduced.

The Basel III

20. The Basel Committee published its Basel III rules in December 2010. I propose to discuss the major features of Basel III in a little more detail. Learning the lessons from the crisis, the objectives of Basel III are to minimise the probability of recurrence of a crisis of such magnitude. Towards this end, the Basel III has set its objectives to improve the shock absorbing capacity of each and every individual bank as the first order of defence and in the worst case scenario, if it is inevitable that one or a few banks have to fail, Basel III has measures to ensure that the banking system as a whole does not crumble and its spill-over impact on the real economy is minimised. Therefore, Basel III will have some micro-prudential elements so that risk is contained in each individual institution; and a macro-prudential overlay that will 'lean against the wind' to take care of issues relating to the systemic risk.

Micro-prudential Elements of Basel III

21. The micro-prudential elements of Basel III are (i) definition of capital; (ii) enhancing risk coverage of capital; (iii) leverage ratio; and (iv) international liquidity framework.

Definition of Capital

22. The existing rules require a capital adequacy ratio of 8 per cent to the RWAs. Rules allow Tier 1 capital at a minimum of 4 per cent of RWAs and Tier 2 capital comprising of debt instruments of medium term maturity of at least 5 years at a maximum of 4 per cent of RWAs. Tier 3 capital with short maturity of at least 2 years can also support Tier 2 capital to some extent. Common equity in Tier 1 capital can be as low as 2 per cent of RWAs. Innovative features such as step-up option are allowed in capital instruments. The regulatory adjustments to capital are effected both at Tier 1 and Tier 2 capital in equal measure.

23. The existing definition of capital is, thus, flawed. Capital is not only deficient in quality of equity capital, but also contains elements of debt which do not support the bank as a going concern. As I have stated earlier, big banks entered the crisis with insufficient level and quality of capital. Under Basel III, Tier 1 capital will be the predominant form of regulatory capital. It will be minimum 75 per cent of the total capital of 8 per cent, *i.e.*, 6 per cent, as against 4 per cent now, *i.e.*, 50 per cent of total capital. Within Tier 1 capital, common equity will be the predominant form of capital. It will be minimum 75 per cent of the Tier 1 capital requirement of 6 per cent, *i.e.*, 4.5 per cent, from the existing level of 2 per cent. You may observe that the meaning of 'predominant' portion of common equity in Tier 1 capital and Tier 1 capital portion in total capital (Tier 1 plus Tier 2) as 50 per cent under Basel I and II has undergone a change to 75 per cent under Basel III, improving the overall level of high quality capital in the banks.

24. To my mind, the most revolutionary feature of Basel III in this regard is to ensure that public sector rescue of non-viable, but still functioning banks, does not entail absorption of losses by the tax-payers while leaving the non-common equity capital providers unscathed. Therefore, under Basel III, the terms and conditions of all non-common Tier 1 and Tier 2 instruments issued by banks will have a provision that requires such instruments, at the option of the relevant authority, to be either written off or converted into common equity upon the bank being adjudged by the supervisory authority as having approached or approaching the point of non-viability.

25. Additionally, innovative features in non-equity capital instruments are no longer acceptable. Tier 3 capital has also been completely abolished. The regulatory adjustments or deductions from capital presently applied at 50 per cent to Tier 1 capital and 50 per cent to Tier 2 capital will now be 100 per cent from the common equity Tier 1 capital. To improve market discipline, all elements of capital are required to be disclosed along with a detailed reconciliation to the reported accounts. These requirements will be implemented uniformly across all jurisdictions and the consistency in application will be ensured by the Basel Committee through a peer review process.

26. Thus, the definition of capital in terms of its quality, quantity, consistency and transparency will improve under Basel III.

Enhancing Risk Coverage of Capital

27. In view of significant shortcomings noticed in the management and capitalisation of counterparty credit risk, measures have been introduced under Basel III, to strengthen the capital requirements for counterparty credit exposures arising from banks' over-the-counter (OTC) derivatives, repo and securities financing activities. These reforms will raise the capital set against these exposures, reduce procyclicality and provide additional incentives to move OTC derivative contracts to central counterparties, thus helping to reduce systemic risk across the financial system. They also provide incentives to strengthen the risk management of counterparty credit exposures.

28. Going forward, banks must determine their capital requirement for counterparty credit risk using stressed inputs. This will address concerns about capital charges becoming too low during periods of compressed market volatility and help address procyclicality. Banks will be subject to a credit valuation adjustment (CVA) capital charge to protect themselves against the potential mark-to-market losses associated with deterioration in the creditworthiness of the counterparty. The CVA is a measure of diminution in the fair value of a derivative position due to deterioration in the creditworthiness of the counterparty. Standards for collateral management and initial margining have been strengthened. Banks with large and illiquid derivative exposures to counterparties will have to apply longer margining periods as a basis for determining the regulatory capital requirement. Additional standards have been adopted to strengthen collateral risk management practices.

29. Thus, the Basel III framework will have enhanced risk coverage. This is necessitated due to the excessive exposures of banks to derivative products whose risks were not captured comprehensively under Basel I or Basel II framework.

Leverage Ratio

30. Pre-crisis, the leverage of some of the internationally active banks was at a high level of about 50 times of the capital, even though such banks complied with capital adequacy requirement. The risk of leverage, particularly when built up with short-term borrowings, and the consequential impact of deleveraging during periods of stress by withdrawing credit to the real sector, accentuated the crisis. The Basel Committee has, therefore, introduced a simple, transparent, non-risk-based leverage ratio as a supplementary 'backstop' measure to the risk-based capital requirements. The leverage ratio has both micro-prudential and macro-prudential elements. At the micro level, it serves the purpose of containing excessive risk, as a supplement to the risk-based capital ratio. The risk-based capital ratio does not capture the risk of excessive leverage on account of having low risk assets. The leverage ratio as a simple accounting measure will capture that. The Basel Committee has proposed testing a minimum Tier 1 leverage ratio of 3 per cent (33.33 times) to start with as a Pillar 2 measure which will eventually be made a Pillar 1 requirement.

International Liquidity Framework

31. Despite liquidity being central to the functioning of financial markets in general and banks in particular, liquidity regulation did not receive adequate attention until recently. There were no internationally agreed and harmonised liquidity standards. The regulation of banking sector during the past two decades largely revolved around Basel I and Basel II capital regulations. Nor were there any international standards to limit excessive maturity mismatch resulting in increasing proportions of long-dated assets being financed by short-term borrowings. The financial crisis has highlighted the importance of robust liquidity risk management by banks. It was observed during the crisis that even those banks which had sufficient capital base had experienced difficulties due to imprudent liquidity management practices by excessive dependence on wholesale funding markets. The crisis demonstrated that liquidity and solvency are quite deeply interrelated. Illiquid banks can become

insolvent in no time and similarly an insolvent bank can become illiquid rapidly.

32. Basel III has introduced two new liquidity standards to improve the resilience of banks to liquidity shocks. In the short-term, banks will be required to maintain a buffer of highly liquid securities measured by the liquidity coverage ratio (LCR). This liquidity buffer is intended to promote resilience to potential liquidity disruptions over a 30-day horizon. It will help ensure that a global bank has sufficient unencumbered, high-quality liquid assets to offset the net cash outflows it could encounter under an acute short-term stress scenario of 30 days. The scenarios may include a significant downgrade of the institution's public credit rating, a partial loss of deposits, a loss of unsecured wholesale funding, a significant increase in secured funding haircuts and increases in derivative collateral calls and substantial calls on contractual and non-contractual off-balance sheet exposures, including committed credit and liquidity facilities.

33. Another liquidity risk measure, the net stable funding ratio (NSFR), requires a minimum amount of stable sources of funding at a bank relative to the liquidity profiles of the assets, as well as the potential for contingent liquidity needs arising from off-balance sheet commitments, over a one-year horizon. The NSFR aims to limit over-reliance on short-term wholesale funding during times of buoyant market liquidity and encourage better assessment of liquidity risk across all on-and off-balance sheet items. The objective of the NSFR is to promote resilience over a longer time horizon by creating additional incentives for banks to fund their activities with more stable sources of funding on an ongoing basis.

Macro-prudential Elements of Basel III

34. The changes in definition of capital and enhancements of capital requirement for trading book under Basel II.5 mentioned by me earlier would raise the collective resilience of banks and would, in a way, contribute to reduction in systemic risk. However, in extreme situations this alone would be inadequate to ensure the financial stability. Therefore, ensuring financial stability would necessitate specific macro-prudential elements. Basel III seeks to address issues relating to systemic risk through various measures including (i) leverage ratio; (ii) capital conservation buffer; (iii) countercyclical capital buffer; (iv) addressing procyclicality of provisioning requirements; (v) addressing interconnectedness; (vi) addressing the too-big-to-fail problem; and (vii) addressing reliance on external credit rating agencies.

Leverage Ratio

35. The macro-prudential element of leverage ratio under Basel III has the objective of protecting against system-wide build up of leverage that result in destabilising unwinding process during stress. It also protects against perverse incentive to pile on 'low risk' assets, which may not remain as such under extreme situations producing systemic risk.

Capital Conservation Buffer

36. Drawing lessons from the crisis that banks were distributing earnings even during periods of stress, Basel III prescribes that a capital conservation buffer of 2.5 per cent of RWAs, comprising common equity Tier 1 capital, over and above the minimum common equity requirement of 4.5 per cent and total capital requirement of 8 per cent, needs to be built up outside periods of stress. This can be drawn down as losses are incurred during periods of stress. When buffers have been drawn down, banks can build them up either through a reduction in distribution of dividend, share buyback and staff bonus payments or raising capital from the private sector.

Countercyclical Capital Buffer

37. The countercyclical capital buffer is aimed at ensuring that banking sector capital requirements take account of the macro-financial environment in which banks operate. National authorities will monitor credit growth and other indicators which may signal a build-up of system-wide risk and, accordingly, they will put in place a countercyclical capital buffer requirement as and when circumstances warrant. This requirement will be released when system-wide risk crystallises. The buffer will be implemented through an extension of the capital conservation

buffer and vary between zero and 2.5 per cent of RWAs, depending on the extent of the build-up of system-wide risks. Banks are required to meet this buffer with common equity Tier 1 capital or other fully loss-absorbing capital. Furthermore, banks will be subjected to the restrictions on distributions also if the capital level (capital conservation buffer plus countercyclical buffer) falls below the required levels during the periods when the countercyclical capital buffer is in force. Banks will have to ensure that their countercyclical buffer requirements are calculated and publicly disclosed at least with the same frequency as their minimum capital requirements.

Addressing Procyclicality of Provisioning Requirements

38. Financial institutions are prone to business cycles. In good times, banks' borrowers do well and service the loans in time. In bad times, borrowers tend to default in servicing interest and principal payment. Banks' profits go down but at the same time they are required to make higher loan-loss provisions for the non-performing loans. In order to address the procyclicality issues, the Basel Committee is working closely with the International Accounting Standards Board (IASB) towards an *expected* loss approach to loan loss provisioning instead of the current practice of *incurred* loss approach.

Addressing Interconnectedness

39. Interconnectedness among banks, especially the large ones, is sought to be addressed through various measures such as enhanced regulatory framework for global systemic important banks (G-SIBs), prescription of higher asset value correlation under the Internal Ratings Based (IRB) Approach for exposures to large financial institutions with assets of US$ 100 billion and with unregulated institutions.

Addressing too-big-to-fail Problem

40. The Basel Committee will group G-SIBs into different categories of systemic importance based on the score produced by the indicator-based measurement approach. G-SIBs will be initially allocated into four buckets based on their scores of systemic importance, with varying levels of additional loss absorbency requirements applied to the different buckets. Based on policy judgment derived from various empirical analysis, the Basel Committee has determined that the magnitude of additional loss absorbency for the highest populated bucket should be 2.5 per cent of risk-weighted assets at all times, with an initially empty top bucket (fifth bucket) of 3.5 per cent of risk-weighted assets. The magnitude of additional loss absorbency for the lowest bucket should be 1.0 per cent of risk-weighted assets. The magnitude of additional loss absorbency is to be met with common equity Tier 1 capital as defined by the Basel III framework. The G-SIBs will also be subject to tighter supervision. In addition, liquidity standards have been introduced to reduce excessive reliance on short-term wholesale funding.

Addressing Reliance on External Credit Ratings

41. To reduce the reliance on external ratings of the Basel II framework, measures have been proposed that include requirements for banks to perform their own internal assessments of externally rated securitisation exposures, the elimination of certain 'cliff effects' (sharp increase in applicable risk weights) associated with credit risk mitigation practices, and the incorporation of key elements of the international organisation of securities commissions (IOSCO) *Code of Conduct Fundamentals for Credit Rating Agencies* into the Committee's eligibility criteria for the use of external ratings in the capital framework.

Transition and Phase-in

42. In view of the large-scale reforms and their impact, Basel III will be phased in and implemented over a long period of time, staring from January 1, 2013 to January 1, 2019. Capital instruments that no longer qualify as non-core Tier 1 capital or Tier 2 capital, will be phased out over a ten-year period starting from 2013. The final calibration of liquidity ratios and leverage ratio will be made after further quantitative impact study and observation.

Macroeconomic Impact of Basel III

43. Assuming that banks may be able to raise the increased capital requirement under Basel III from the

market, questions have been raised as to its impact on economic growth and profitability of banks. In general, the increase in equity capital requirement is likely to increase the weighted average cost of capital. Banks would partly pass on the increase cost of capital to the borrowers as higher lending rates. Thus, the equilibrium lending rates are likely to be marginally higher and as a consequence, credit growth could be a little lower than in the last few years.

44. However, the important question is how much? Also, after the steady-state has been reached on full implementation of Basel III, whether the cost would come down? I would try to provide some answers to these questions based on the research done by the official sector including the Basel Committee, and non-official or private sector institutions.

45. The Bank for International Settlements (BIS) and the Financial Stability Board (FSB), with a view to phase-in the new regulations in a manner that is compatible with the global economic recovery, undertook studies to assess the macroeconomic impact of the transition to higher capital and liquidity requirements. The Macroeconomic Assessment Group (MAG) set up by the Basel Committee and FSB has estimated that bringing the global common equity capital ratio to a level that would meet the agreed minimum and the capital conservation buffer, would result in a maximum decline in GDP, relative to baseline forecasts, of 0.22 per cent, at the end of Basel III implementation period. The estimated maximum GDP impact per percentage point of higher capital was 0.17 per cent.

46. In addition, the Basel Committee's study on the long-term economic impact (LEI) of the stronger capital and liquidity requirements has suggested that the net benefits in terms of the gains from reduced probability of banking crises, and the consequential loss of growth, remain positive.

47. The estimates of the International Institute of Finance (IIF), a private sector body, is that level of GDP will be 3.2 per cent lower than it would otherwise be (*i.e.*, relative to the baseline scenario) after five years with an output loss of 0.7 per cent per annum. This is several magnitudes higher than the MAG's estimate of an output loss of 0.03 per cent per annum. The wide difference in estimates is attributed to different assumptions and samples.

Implications of Basel III on Indian banks

48. In general, higher capital and tighter liquidity requirements under Basel III will increase the capital requirements in Indian banks, as in other countries. However, the actual impact would vary in different countries depending upon the amount of exposures impacted under Basel III, existing capital structure of banks, *i.e.*, extent of reliance on non-common equity capital elements, existing rules relating to regulatory adjustments, credit growth experienced by the economies and existing credit to GDP ratio. The impact of these requirements on the profitability of banks would depend upon sensitivity of lending rates to capital structure of banks and sensitivity of the credit growth to the lending rates.

Capital

49 Under Basel III, the trading book exposures, especially those having credit risk and re-securitisations exposures in both banking and trading book, attract enhanced capital charges. The CVA for OTC derivatives will also attract additional capital. Since the trading book and OTC derivative portfolios of Indian banks are very small and they do not have any exposures to re-securitised instruments, impact of these changes in capital regulation on their balance sheets is insignificant.

50. The average Tier 1 capital ratio of Indian banks is around 10 per cent with more than 85 per cent of it comprising common equity. The regulatory adjustments will reduce the available equity capital only marginally for various reasons. *First*, items such as goodwill, deferred tax assets (DTAs) *etc.* are already deducted from Tier 1 capital for Indian banks. *Secondly*, some other items which are subject to deduction such as mortgage servicing rights, treasury stocks, gains on account of fair valuation of liabilities which exist in other developed economies, do not exist in India. *Thirdly*, reciprocal cross-holdings of capital and other investments in the capital of banking, financial and insurance entities are insignificant because these

investments are restricted due to existing regulatory limits. Thus, Indian banks will have high common equity capital ratio even under Basel III which will stand them in good stead. It is worth noting that more than 50 per cent of Indian banks have common equity ratio of higher than 8 per cent at present and can implement Basel III even today without any phase-in.

51. Bank credit to GDP ratio of India is around 55 per cent which is relatively lower as compared with that in many other countries. However, the past trend shows that it is likely to increase in future as the credit penetration in the economy has been steadily increasing. The Indian economy is also expected to grow at an annual growth rate of 8-9 per cent for next 10 years or so. This would undoubtedly necessitate a considerable growth in bank capital. However, we also know that many Indian banks have actually been operating with equity capital ratio of 7-8 per cent for last 5 years when the economy continued to grow at an average rate of about 8 per cent. This provides us comfort in terms of both the ability of banks to operate at higher equity capital levels required under Basel III and also the capacity of the Indian capital market to provide the required equity capital to banks.

52. Government of India has progressively reduced its shareholding in public sector banks and in the case of many of these banks, the Government's shareholding is close to 51 per cent. This means that in the future, the Government of India would provide the matching contribution to meet the additional equity requirements of banks, in contrast to the past when it had allowed a large part of additional equity requirements to be met from the market by letting its shareholding fall from 100 per cent to 51 per cent. Thus, the demand for equity from the capital market would be less to that extent but public sector banks' dependence on the Government for capital support will increase.

Liquidity – Issues relating to SLR and LCR

53. In India, banks are statutorily required to hold minimum reserves of high-quality liquid assets. Currently, such reserves (statutory liquidity ratio – SLR) are required to be maintained at a minimum of 24 per cent of net demand and time liabilities. Since these reserves are part of the minimum statutory requirement, the Reserve Bank faces a dilemma whether and how much of these reserves can be allowed to be reckoned towards the LCR. If these reserves are not reckoned towards the LCR and banks are to meet the entire LCR with additional liquid assets, the proportion of liquid assets in total assets of banks will increase substantially, thereby lowering their income significantly. The Reserve Bank is examining to what extent the SLR requirements could be reckoned towards the liquidity requirement under Basel III.

Profitability

54. Studies have suggested that internationally, Basel III requirements will have a substantial impact on profitability. One such study conducted by McKinsey & Company suggests that all other things being equal, Basel III would reduce return on equity (RoE) for the average bank by about 4 percentage points in Europe and about 3 percentage points in the United States. The retail, corporate, and investment banking segments will be affected in different ways. Retail banks will be affected least, though institutions with very low capital ratios may find themselves under significant pressure. Corporate banks will be affected primarily in specialised lending and trade finance. Investment banks will find several core businesses profoundly affected, particularly trading and securitisation businesses. Banks are already seeking to manage RoE in the new environment by balance-sheet restructuring and business model adjustments. The study suggests that the balance sheet restructuring and business-model adjustments could potentially mitigate up to 40 per cent of Basel III's RoE impact, on an average.

55. I would like to give you a sense of likely impact on the lending rates of banks. Suppose, a typical Indian bank has RoE of 15 per cent and interest paid on non-equity elements of capital is 10 per cent. Further, suppose that the equity to RWAs ratio of the bank is 6 per cent. Now if the bank is required to maintain an additional 1 per cent equity, the weighted average cost of funds would rise by 5 basis points only. If the

equity capital required rises by 2 per cent, the increase in lending rate to pass on the full increase in cost of capital to borrowers would be 10 basis points. There is likely to be some increase in cost of non-equity capital as well. But, all this is unlikely to push the cost of lending significantly. And, Indian banks should keep in mind that their net interest margins (NIMs) are very high as compared with their counterparts in many other countries. This only indicates the need for improving efficiency and considerable scope for bringing down the cost of intermediation. I would also like you to appreciate the fact that while many large international banks are required to increase their equity capital by more than 100 per cent over the existing levels, many Indian banks would certainly not be required to increase their equity levels by that order. Therefore, the impact on their RoE is likely to be much less than 3 to 4 percentage points as observed in the case of US and European banks.

Benefits of Effective Implementation of Basel III

56. Effective implementation of Basel III will demonstrate to regulators, customers, and shareholders that the banking system is recovering well from the global financial crisis of 2008 and has been developing resilience to future shocks. A smooth implementation will also contribute to a bank's competitiveness by delivering better management insight into the business, allowing it to take advantage of future opportunities. At the same time, the challenges in implementation of Basel III should not be underestimated. For every bank, working out the most cost-effective model for implementing Basel III will be a critical issue. The comfortable capital adequacy levels at present for the Indian banking system do provide some comfort. However, as the economy grows, so will the credit demand requiring banks to expand their balance sheets, and in order to be able to do so, they will have to augment their capital; more specifically the equity capital.

57. While implementation of Basel III would undoubtedly imply some costs, this should not be the criterion to determine whether Basel III would add value to the financial system. The correct measure should be whether or not Basel III would deliver a much safer financial system with reduced probability of banking crises at affordable costs. I think Basel III passes that test. The impact of costs is minimised through long phase-in.

58. At times a question is asked whether it is appropriate for the countries which neither contributed to the crisis nor have exposure to the toxic assets need to implement Basel III. The answer is a clear 'Yes'. The reason is that in the present-day globalised world it is difficult for any local financial and economic system to completely insulate itself from the global economic shocks. The indirect effects of events happening in any part of the world can very well be transmitted throughout the world through various channels. In addition, many provisions of Basel III address the weaknesses in the measurement of risk under Basel II framework revealed during the crisis. Thus, Basel III would strengthen the financial system of both developing and developed countries. It needs to be appreciated that if the implementation of Basel III is not consistent across jurisdictions there would be a race to the bottom to make use of arbitrage opportunities, which nobody wins!

59. I feel Indian banks should minimise costs by retaining maximum amount of earnings in the initial years of implementation, even though they might meet the capital requirements at that point in time with smaller retentions. This would avoid costs involved in fresh issuances. Indian banks are also comfortably placed in terms of liquidity requirements as they have a large reservoir of liquid Government securities to meet the SLR stipulation. The Reserve Bank is considering how much of it can be allowed to be reckoned towards compliance with the LCR. It is also expected that as the proportion of equity in the capital structure of banks rises, it would reduce the incremental costs of raising further equity as well as non-common equity capital.

60. Banks will have to issue fresh capital particularly to replace the ineligible non-equity capital towards later years of implementation. Successful issuance of fresh capital would demand greater transparency and greater market discipline.

61. The Reserve Bank of India has issued the draft guidelines on capital and liquidity rules of Basel III on December 30, 2011 and February 21, 2012, respectively. The Reserve Bank's approach has been to adopt Basel III capital and liquidity guidelines with more conservatism and at a quicker pace. As I have discussed above, the impact of these rules is not going to be onerous and there will be considerable advantage in adopting Basel III by our banks. I will be interested in knowing your views.

Conclusion

62. Let me now sum up. I started with the context in which the Basel III was set up – the causes and consequences of the global financial, nay, economic crisis. I thereafter discussed the immediate response to the crisis in enhancing Basel II or introducing Basel II.5 capital requirement for the trading book, which was the epicenter of the crisis and capital arbitrage. Moving from there, I went in detail into the objectives of Basel III and the micro-prudential and macro-prudential elements of Basel III in relation to its objectives.

63. I went on to describe how the definition of capital, its quality and quantity, and consistency and transparency, and risk coverage will improve micro-prudential regulation under Basel III. I also underscored that the new leverage and liquidity framework will not only enhance the risk absorbency of individual banks but also aid in stabilising financial system during periods of extreme stress. The other macro-prudential elements of Basel III, such as, capital conservation buffer, countercyclical capital buffer, and too-big-to-fail problem, were also discussed.

64. I analysed the macroeconomic impact of Basel III and the various research that have observed that there could be some initial cost in implementation of Basel III, but the long-term benefits will be immense as it would reduce the probability of banking crises. The implications of Basel III on capital, liquidity and profitability of banks, particularly Indian banks, were discussed.

65. I would also take this opportunity to apprise you that Basel III is just a part of the financial sector reforms agenda being pursued by G20. While the immediate challenge is to ensure consistent implementation of Basel II and Basel III across banks and jurisdictions, other important issues such as strengthening the corporate governance, compensation practices, and resolution regimes; enhancing the regulatory and supervisory framework for global and domestic Systemic Important Banks (SIBs); improving the OTC derivatives markets; and regulation of shadow banking system have also been addressed or are engaging the attention of FSB and Basel Committee. The macro-prudential framework under Basel III is still untested and would need continuous research, monitoring, and experience-sharing among the regulators to ensure its effectiveness.

OTHER ITEMS

Press Releases
Regulatory and Other Measures
Foreign Exchange Developments

*Press Release**

March 2012

RBI Announces Reduction in the CRR Monetary/Liquidity Measures

March 9, 2012

It has been decided to:

- reduce the cash reserve ratio (CRR) of scheduled banks by 75 basis points from 5.5 per cent to 4.75 per cent of their net demand and time liabilities (NDTL) effective the fortnight beginning March 10, 2012.

This reduction will inject around `480 billion of primary liquidity into the banking system.

In order to mitigate tight liquidity conditions, the cash reserve ratio was reduced by 50 basis points in the Third Quarter Review (TQR) of January 2012, injecting primary liquidity of `315 billion into the banking system. The Reserve Bank also continued with the open market operations (OMOs), injecting primary liquidity of over `1,245 billion this financial year so far, of which `528 billion was injected after the TQR.

Despite these measures, the liquidity deficit has remained large on account of both structural and frictional factors. This was reflected in the net average borrowing under the Reserve Bank's liquidity adjustment facility (LAF) rising from an average of `1,292 billion in January 2012 to `1,405 billion in February. Net injection of liquidity through LAF rose to a peak of `1,917 billion on March 1, 2012, though subsequently it declined to `1,273 billion on March 7, 2012.

Further, the liquidity deficit is expected to increase significantly during the second week of March due to advance tax outflows and the usual frontloading of cash balances by banks with the Reserve Bank. Thus, the overall deficit in the system persists above the comfort level of the Reserve Bank. Accordingly, it has been decided to inject permanent primary liquidity into the system by reducing the CRR so as to ensure smooth flow of credit to productive sectors of the economy.

As already announced, the Reserve Bank will provide its assessment of the macroeconomic situation in its Mid-Quarter Review to be published on March 15, 2012.

Reserve Bank Cancels the Licence of Krishna Valley Co-operative Bank Ltd., Kupwad, Sangli (Maharashtra)

March 12, 2012

In view of the fact that Krishna Valley Co-operative Bank Ltd., Kupwad, Sangli (Maharashtra), had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank with effect from the close of business on March 5, 2012. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/ her deposits up to a monetary ceiling of `1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

The bank was granted a licence by Reserve Bank on February 26, 1998 to commence banking business. The bank was placed under all-inclusive directions under Section 35A of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) [the Act] in view of the precarious financial position of the bank with effect from December 26, 2003 based on the inspections findings with reference to its financial position as on March 31, 2003. The Board of Directors was ineffective and was responsible for deterioration in the financial position of the bank and for conducting

* Important Press Releases during March 2012.

the affairs of the bank in a manner detrimental to the interest of the depositors. The Board of the bank was superseded on December 26, 2003 by RCS and Administrator was appointed to manage the affairs of the bank.

Subsequent inspections revealed further deterioration in the financial position of the bank. The statutory inspection of the bank under Section 35 of the Act, with reference to its financial position as on March 31, 2011 revealed that most of the violations observed earlier continued to persist and financial parameters of the bank had further deteriorated. As per the findings of the inspection with reference to the bank's position as on March 31, 2011, assessed net worth of the bank stood negative at (-) ₹407.71 lakh, assessed CRAR was (-)532.2% and gross NPAs amounted to ₹319.06 lakh (100%) of gross advances. Erosion in deposits stood at 72.8% of total deposits of ₹559.90 lakh. The bank was also not holding the required CRR, thus violating the provisions of Sections 18 of the Act.

Serious deficiencies as mentioned above revealed that the affairs of the bank were being conducted in a manner detrimental to the interest of its depositors. The bank does not comply with the provisions of Section 11(1), 18, 22(3)(a) and 22(3)(b) of the Act. A show cause notice dated November 29, 2011 was issued to the bank requiring it to show cause as to why the licence granted to it under Section 22 of the Act, on February 26, 1998 to carry on banking business should not be cancelled and the bank be taken to liquidation. The bank's reply vide its letter dated December 27, 2011 was examined and not considered satisfactory. The bank did not submit any concrete revival plan or any proposal for merger of the bank.

The realisable value of bank's paid-up capital and reserves was negative and the chances of revival of the bank were remote. In the absence of any viable action plan for revival/ merger, Reserve Bank of India took the extreme measure of cancelling licence of the bank in the interest of bank's depositors. With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of the Krishna Valley Co-operative Bank Ltd., Kupwad, Sangli (Maharashtra), the amount insured as per the DICGC Act, will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, Krishna Valley Co-operative Bank Ltd., Kupwad, Sangli (Maharashtra) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Act.

For any clarifications, depositors may approach Smt. K.S. Jyotsna, Deputy General Manager, Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Mumbai, whose contact details are as below:

Postal Address: Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, 2nd Floor, Garment House, Dr. A.B. Road, Worli, Mumbai–400018 Telephone Number: (022) 24920225, Fax Number: (022) 24935495.

Mid-Quarter Monetary Policy Review: March 2012

March 15, 2012

Monetary and Liquidity Measures

On the basis of the current macroeconomic assessment, it has been decided to:

- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.75 per cent of their net demand and time liabilities; and
- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8.5 per cent.

Consequently, the reverse repo rate under the LAF will remain unchanged at 7.5 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 9.5 per cent.

Introduction

2. The Reserve Bank reduced the CRR by 75 basis points from 5.5 per cent to 4.75 per cent effective March 10, 2012. This measure was necessitated ahead of this scheduled Mid-Quarter Review to address the persistent

structural liquidity deficit beyond the Reserve Bank's comfort level, which would have further worsened during the week of March 12-16 due to advance tax outflows.

Global Economy

3. Since the Reserve Bank's Third Quarter Review (TQR) of January 24, 2012, there has been modest improvement in the global macroeconomic situation. The recent macroeconomic data for the US economy show some positive signs. In particular, labour market conditions have improved. However, the US Fed expects that economic conditions warrant exceptionally low levels for the federal funds rate at least through late 2014.

4. The immediate financial market pressures in the euro area have been alleviated to some extent by the European Central Bank (ECB) injecting liquidity of more than one trillion euro through the two long-term refinancing operations. Growth in the euro area, however, turned negative in Q4. The emerging and developing economies (EDEs) are showing signs of growth slowdown. As a result, the global growth for 2012 and 2013 is expected to be lower than earlier anticipated.

5. Inflation pressures in both advanced economies and EDEs moderated towards the end of 2011 on account of subdued domestic demand and correction in non-fuel commodity prices. Global crude prices, however, have spiked suddenly reflecting both geo-political concerns and abundant global liquidity, accentuating the risks to growth and inflation.

Domestic Economy

Growth

6. GDP growth [year-on-year (y-o-y)] decelerated to 6.1 per cent in Q3 of 2011-12 from 6.9 per cent in Q2 mainly reflecting a slowdown in industrial activity. On the expenditure side, the growth moderation was mainly due to a deceleration in investment activity and weak external demand. The Central Statistics Office (CSO) has estimated the full year growth for 2011-12 at 6.9 per cent, which is in line with the Reserve Bank's projection.

7. Growth in industrial production, as reflected in the index of industrial production (IIP), moderated to 4.0 per cent during 2011-12 (April-January) from 8.3 per cent in the corresponding period a year ago. While growth in the capital goods and intermediate goods sectors was negative, growth in the basic goods and consumer goods sectors decelerated marginally. Given the significant volatility in IIP numbers, the Reserve Bank also uses several other indicators to assess the overall industrial activity. The Manufacturing PMI for February suggested that industrial activity remained in an expansionary mode. While corporate sales growth in Q3 of 2011-12 was robust, margins moderated, reflecting increasing difficulty in passing on rising input prices.

Inflation

8. After remaining above 9 per cent during April-November 2011, y-o-y headline wholesale price index (WPI) inflation rate moderated to 7.7 per cent in December and further to 6.6 per cent in January 2012, before rising to 7.0 per cent in February. While moderation in WPI inflation stemmed mainly from primary food articles, fuel and manufactured products groups also contributed.

9. Primary food articles inflation, which was modest at 0.8 per cent in December, turned negative (-0.5 per cent) in January 2012, before rising to 6.1 per cent in February. Despite the sharp increase in global crude oil prices, fuel group inflation moderated from 15.0 per cent in December to 12.8 per cent in February, reflecting the absence of commensurate pass-through to domestic consumers.

10. Non-food manufactured products inflation moderated from 7.9 per cent in December to 5.8 per cent in February 2012, reflecting both a slowdown in domestic demand following the monetary tightening and moderation in global non-oil commodity prices. The momentum indicator of non-food manufactured products inflation (seasonally adjusted 3-month moving average inflation rate) also showed a moderating trend.

11. Notably, Consumer Price Index (CPI) inflation (as measured by the new series, base year 2010) for the month of January 2012 was 7.7 per cent suggesting that price pressures persist at the retail level.

Fiscal Situation

12. The Centre's fiscal conditions deteriorated during 2011-12 (April-January) with key deficit indicators already crossing the budget estimates for the full year. Apart from sluggishness in tax revenues, Government's non-plan expenditure, particularly subsidies, increased sharply. As indicated in the TQR, the slippage in the fiscal deficit has been adding to inflationary pressures. Credible fiscal consolidation, therefore, will be an important factor in shaping the inflation outlook.

Money, Credit and Liquidity Conditions

13. The y-o-y money supply (M_3) growth and non-food credit growth moderated, reflecting the slowdown in the economy. Liquidity conditions have remained significantly in deficit mode. In order to mitigate the liquidity tightness, the Reserve Bank undertook steps to inject primary liquidity of a more durable nature through open market operations (OMOs) aggregating `1,247 billion during November 2011- March 9, 2012 and reduced the CRR by 125 basis points (50 basis points effective January 28 and 75 basis points effective March 10), injecting primary liquidity of about `800 billion. The liquidity situation has since improved and it is expected to ease further in the weeks ahead.

External Sector

14. While merchandise exports growth decelerated, moderation in imports growth was less pronounced leading to a widening of the trade deficit. After the TQR, the rupee has moved in a range of `48.69 to `50.58 per USD. With sluggish demand conditions in the advanced economies impeding exports growth and crude oil prices rising sharply, the current account deficit (CAD) is likely to remain high. The financing of the CAD will continue to pose a challenge so long as the global situation remains uncertain.

Outlook

15. While the recovery in the US has been progressing, economic activity in the euro area has contracted. Although abundant liquidity injection by the ECB has mitigated the immediate pressures in financial markets, a credible solution to the sovereign debt problem is yet to emerge. Sluggish global economic activity, uncertainty in the euro area and rising crude oil prices will hamper growth prospects of EDEs.

16. On the domestic front, while most indicators suggest that the economy is slowing down, the performance in Q4 of 2011-12 is expected to be better than that in Q3. Inflation has broadly evolved along the projected trajectory so far. However, upside risks to inflation have increased from the recent surge in crude oil prices, fiscal slippage and rupee depreciation. Besides, there continues to be significant suppressed inflation in fuel, fertilizer and power as administered prices do not fully reflect the costs of production.

Guidance

17. Recent growth-inflation dynamics have prompted the Reserve Bank to indicate that no further tightening is required and that future actions will be towards lowering the rates. However, notwithstanding the deceleration in growth, inflation risks remain, which will influence both the timing and magnitude of future rate actions.

The United Co-operative Bank Ltd., Ahmedabad – Penalised

March 15, 2012

The Reserve Bank of India has imposed a monetary penalty of `5.00 lakh (Rupees five lakh only) on the The United Co-operative Bank Ltd., Ahmedabad, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies), for violation of Reserve Bank of India's instructions on Know your customer (KYC) norms, share linking norms, individual exposure ceiling, unsecured advances, submission of Cash Transaction Report (CTR) statements and the provision of Sections 9, 20 and 46 of the Act observed during the course of bank's inspection as on March 31, 2010.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply in the matter, the

Reserve Bank of India came to the conclusion that the violation was substantiated and warranted imposition of the penalty.

Finance Minister meets the Directors of the RBI Central Board

March 19, 2012

Shri Pranab Mukherjee, Hon'ble Union Minister of Finance today addressed the Central Board of the Reserve Bank Board on the various aspects of the Budget and the background of constraints arising out of the international financial situations as also the difficult domestic situation. He said that he had tried to focus on agriculture and infrastructure. He had endeavoured to push the economy on high growth path keeping in view the growth – inflation trade-off. He emphasised the Government's earnest commitment to fiscal consolidation and indicated that all necessary steps would be taken to ensure that budget estimates would be met. The Finance Minster appreciated the Reserve Bank's pro-active role in supporting Government's efforts to promote financial inclusion. He also urged the Reserve Bank to expeditiously finalise the revised priority sector guidelines.

Earlier, the Governor welcomed the Finance Minister and complimented him on the Budget which was formulated in a trying and complex environment. He also articulated the Reserve Bank's concerns particularly with respect to fiscal consolidation.

The Union Finance Minister was addressing the customary post-Budget meeting of the Central Board of the Reserve Bank of India held in New Delhi today. Besides Dr. D. Subbarao, Governor of the Reserve Bank, Deputy Governors Dr. K.C.Chakrabarty, Dr. Subir Gokarn, Shri Anand Sinha and Shri Harun R. Khan of the Reserve Bank attended the meeting. The meeting was also attended by Shri Namo Narain Meena, Minister of State (Expenditure, Banking and Insurance), Shri R. S. Gujral, Finance Secretary and Secretary (Revenue), Shri Mohammad Haleem Khan, Secretary, Disinvestment, Government nominee directors on the Central Board Shri R. Gopalan, Secretary, Economic Affairs and Shri D. K.Mittal, Secretary, Financial Services. The other Directors of the Central Board of the Reserve Bank of India present at the meeting included Shri Kiran Karnik, Dr. Anil Kakodkar, Shri M.V. Rajeev Gowda, Shri Y.H.Malegam, Shri Dipankar Gupta, Shri G. M. Rao, Ms. Ela Bhatt, Dr. Indira Rajaraman and Dr. Najeeb Jung.

RBI holds Annual Statistics Conference 2012

March 21, 2012

The Annual Statistics Conference 2012 of the Reserve Bank of India was organised by its Department of Statistics and Information Management on March 17-18, 2012 in Chandigarh. This conference provided a platform to the statisticians of the Reserve Bank to present their research before the external experts and receive their feedback in order to make analysis more meaningful for policy and research.

Dr. K. C. Chakrabarty and Dr. Subir Gokarn, Deputy Governors; Shri Deepak Mohanty, Executive Director; Heads of select departments/office of the Reserve Bank; renowned statisticians and economists from the academia; and RBI statisticians participated in the conference.

The conference highlighted some broad principles of statistical activity in the Reserve Bank. The two key takeaways were:

- The Reserve Bank plays an important role in providing a large pool of statistics as public good. This, however, puts on it the concomitant responsibility to provide timely, reliable and meaningful data and its dissemination, by harnessing technology to its fullest possible extent.
- The statistical research also needs to encompass operational areas, such as, bank supervision and further develop database for risk assessment, rural credit and financial inclusion.

The conference deliberated on issues in coverage of banking data, need for its improvement and develop micro-level, granular and consistent data to enhance its utility in policy making. It underscored the need to strengthen the database on areas like regional and sectoral distribution of non-performing assets through more effective utilisation of the existing data systems of banks.

Building on the initiatives of the Department in bridging data gaps, undertaking forward looking surveys, providing research inputs, and data dissemination for public use, some areas of further work were identified.

These included building statistical intelligence for regional agricultural conditions and price developments; initiating quarterly survey on retail sales; strengthening modelling and forecasting capabilities; and broadbasing statistical research across departments and regional offices to address operational issues.

The technical sessions of the conference deliberated upon analytical issues in modelling, external sector developments, banking and corporate sector, surveys, risk measurement and other relevant areas.

A new user-friendly interface for the Database on the Indian Economy (DBIE) of the Reserve Bank was released during the conference, which is now open to the public on the RBI website (URL http://dbie.rbi.org.in).

Certificate of Registration of Tamil Nadu Water Investments Company Ltd – Cancelled

March 22, 2012

The Reserve Bank of India has on February 3, 2012 cancelled the certificate of registration No.07.00728 dated June 15, 2002, issued to Tamil Nadu Water Investment Company Ltd., having its registered office at ANURAG, No.15, Murray's Gate Road, Alwarpet, Chennai-600018 for carrying on the business of a non-banking financial institution as the company has voluntarily exited from carrying on NBFI activities. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

By the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Certificate of Registration of LSP Finance Limited – Cancelled

March 22, 2012

The Reserve Bank of India has on January 17, 2012 cancelled the certificate of registration No.07.00353 dated November 6, 1998, issued to LSP Finance Limited., having its registered office at No.12, Ponneri High Road, Manali New Town, Chennai-633103 for carrying on the business of a non-banking financial institution on the supervisory grounds. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

By the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Certificate of Registration of Ashley Holdings Limited – Cancelled

March 22, 2012

The Reserve Bank of India has on January 31, 2012 cancelled the certificate of registration No.07.00202 dated March 27, 1998, issued to Ashley Holdings Limited., having its registered office at 19, Rajaji Salai, Chennai-600001 for carrying on the business of a non-banking financial institution as the company has voluntarily exited from carrying on NBFI activities. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

By the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

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Certificate of Registration of R. R. Finance and Projects Limited – Cancelled

March 27, 2012

The Reserve Bank of India has on January 18, 2012 cancelled the certificate of registration No.09.00227dated December 4, 1998, issued to R. R. Finance and Projects Limited, having its registered office at H.No.301, B-Saidatta Apartments, Srinivasa Nagar Colony (East) Ameerpet, Hyderabad-500038 for carrying on the business of a non-banking financial institution as the company has voluntarily exited from carrying on NBFI activities.. Following cancellation of the registration certificate the company cannot transact the business of a non-banking financial institution.

By the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

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Issuance Calendar for Marketable Dated Securities for April-September 2012-13

March 27, 2012

It has been decided to continue with the practice of releasing indicative calendar for issuance of Government dated securities, enabling institutional and retail investors plan their investment efficiently and, at the same time, providing transparency and stability to the Government securities market. Accordingly, in consultation with the Government of India, an indicative calendar amounting to `370,000 crore for issuance of Government dated securities for the first half of the fiscal year 2012-13 (April 1 to September 30, 2012) is being issued as under:

Calendar for Issuance of Government of India Dated Securities
(April 1, 2012 to September 30, 2012)

Sr. No.	Week of Auction	Amount (` Crore)	Security-wise allocation
1	April 2-6, 2012	18,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `7,000-8,000 cr. iii) 15-19 Years for `3,000-4000 cr. iv) 20 Years & Above for `3,000-4,000 cr.
2	April 9-13, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
3	April 16-20, 2012	16,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
4	April 23-27, 2012	16,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
5	April 30-May 4, 2012	18,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `7,000-8,000 cr. iii) 15-19 Years for `3,000-4000 cr. iv) 20 Years & Above for `3,000-4,000 cr.
6	May 7-11, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
7	May 14-18, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
8	May 21-25, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
9	May 28-June 1, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
10	June 4-8, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
11	June 18-22, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
12	June 25-29, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for ` 6,000-7,000 cr. iii) 15-19 Years for ` 2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.

Sr. No.	Week of Auction	Amount (` Crore)	Security-wise allocation
13	July 2-6, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
14	July 9-13, 2012	16,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
15	July 16-20, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
16	July 23-27, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
17	July 30- August 3, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
18	August 6-10, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
19	August 13-17, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
20	August 20-24, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above `2,000-3,000 cr.
21	August 27-31, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for ` 2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
22	September 3-7, 2012	16,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
23	September 17-21, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
24	September 24-28, 2012	15,000	i) 5-9 Years for `4,000-5000 cr. ii) 10-14 Years for `6,000-7,000 cr. iii) 15-19 Years for `2,000-3000 cr. iv) 20 Years & Above for `2,000-3,000 cr.
Total		**370,000**	

As hitherto, all the auctions covered by the calendar will have the facility of non-competitive bidding scheme under which five per cent or more of the notified amount will be reserved for the specified retail investors.

Like in the past, the Government of India/ Reserve Bank will continue to have the flexibility to bring about modifications in the above calendar in terms of notified amount, issuance period, maturities, *etc.* and to issue different types of instruments depending upon the requirement of the Government of India, evolving market conditions and other relevant factors after giving due notice.

Reserve Bank Cancels the Licence of The Bhusawal People's Co-operative Bank Ltd., Bhusawal, Jalgaon (Maharashtra)

March 28, 2012

In view of the fact that The Bhusawal People's Co-operative Bank Ltd., Bhusawal, Jalgaon (Maharashtra), had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India [RBI] delivered the order cancelling its licence to the bank and the same is effective from the close of business as on March 22, 2012. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of `1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

The bank was granted a licence by RBI on March 31, 1980 to commence banking business. The statutory inspection of the bank under Section 35 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) (hereinafter referred to as the 'Act'), with reference to its financial position as on March 31, 2006 revealed that the gross and net NPAs were assessed at 19.0% & 15.2% of gross and net advances, respectively.

The total loss of the bank for the year 2005-06 was assessed at (-) `34.15 lakh.

The bank was issued operational instructions based on the findings of inspection with reference to its financial position as on March 31, 2006. The bank's exposure limits for lending to individual / group borrowers was restricted to 10% and 25% of its capital funds vide RBI's letter dated September 20, 2006. The bank was further prohibited vide letter dated February 5, 2009 to make any fresh lending or to renew any credit facility except those which are classified as standard.

The financial parameters of the bank continued to deteriorate further as revealed during subsequent inspections conducted with reference to its financial position as on March 31, 2007; March 31, 2008; March 31, 2009; and March 31, 2010.

The statutory inspection of the bank under Section 35 of the Act, with reference to the financial position of the bank as on March 31, 2011 revealed further deterioration in its financial position and other violations. Its net worth was assessed at (-) `420.77 lakh and CRAR was assessed at (-) 13.3% The erosion in deposits was to the extent of 27.1%. The gross and net NPAs formed 88.5% and 69.7% of the gross and net advances respectively. The assessed net loss of the bank stood at `264.64 lakh for the year ended March 31, 2011. The accumulated losses reported by the bank as on March 31, 2011 stood at `813.03 lakh.

In view of the deteriorating financial position, the bank was placed under all inclusive directions under Section 35 A of the Act from the close of business as on October 25, 2011 vide directive UBD. CO.BSD1/D-60/12.22.027/2011-12 dated October 24, 2011 placing restrictions on its activities.

Serious deficiencies as mentioned above revealed that the affairs of the bank were being conducted in a manner detrimental to the interests of the depositors. The bank did not comply with the provisions of Sections 11(1), 22(3) (a) and 22(3) (b) of the Act. Based on the financial position of the bank as on March 31, 2011 the bank was issued a Show Cause Notice (SCN) vide letter dated November 23, 2011 to show cause as to why the licence granted to it on March 31, 1980 to carry on banking business under Section 22 of the Act should not be cancelled and the bank be taken into liquidation. The bank had submitted reply to the SCN vide its letter dated December 21, 2011 and the same was examined and not found to be satisfactory. The bank had not submitted any concrete viable revival plan or merger proposal.

Therefore, RBI took the extreme measure of cancelling licence of the bank in the interest of bank's depositors. With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of the The Bhusawal People's Co-operative Bank Ltd., Bhusawal, Jalgaon (Maharashtra) the amount insured as per the DICGC Act, will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, The Bhusawal People's Co-operative Bank Ltd., Bhusawal, Jalgaon (Maharashtra) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Act.

For any clarifications, depositors may approach Smt.K.S.Jyotsna, Deputy General Manager, Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Mumbai, whose contact details are as below:

Postal Address: Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, 2nd Floor, Garment House, Dr. A.B. Road, Worli, Mumbai – 400 018; Telephone Number: (022) 24920225, Fax Number: (022) 24935495.

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The Harij Nagarik Sahakari Bank Ltd., Harij, Dist. Patan (Gujarat) – Penalised

March 28, 2012

The Reserve Bank of India has imposed a monetary penalty of `1.00 lakh (Rupees one lakh only) on The Harij Nagarik Sahakari Bank Ltd., Harij, Dist. Patan (Gujarat), in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies), for violation of Reserve Bank of India's instructions relating to Section 20A of B.R. Act, 1949 and Anti – Money Laundering (AML) guidelines.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the bank's reply in the matter and submission made during the personal hearing, the Reserve Bank of India came to the conclusion that the violation was substantiated and warranted imposition of the penalty.

RBI keeps Normal Ways and Means Advances to the State Governments Unchanged for Fiscal 2012-13

March 29, 2012

The aggregate Normal Ways and Means Advances (WMA) limit for the State Governments inclusive of the Union Territory of Puducherry is placed at Rs.10,240 crore for the year 2012-13, the Reserve Bank of India stated today. The limits are unchanged from the last year's limits. Other terms and conditions of the Scheme would remain unchanged. The decision was taken after a review of the State-wise limits of Normal Ways and Means Advances (WMA) for the year 2011-12.

LAF Auction Calendar for the Quarter ending 30 June 2012

March 29, 2012

The auctions for Repo/ Reverse repo operations under LAF will be conducted on all working days at Mumbai, excluding Saturdays, Sundays and holidays notified by the Government of Maharashtra under Negotiable Instruments Act, 1881 as well as RTGS holidays declared by RBI. The tenor of the LAF operations shall be one day (unless notified otherwise) and accordingly, the reversal leg of the transaction will fall due on the next working day excluding Saturdays, Sundays and holidays notified by the Government of Maharashtra under Negotiable Instruments Act, 1881 as well as RTGS holidays declared by the Reserve Bank of India.

There is no change in the existing terms and conditions under which the LAF auctions are conducted.

Sulaimani Co-operative Bank Limited, Vadodara (Gujarat) – Penalised

March 29, 2012

The Reserve Bank of India has imposed a monetary penalty of `5.00 lakh (Rupees five lakh only) on the Sulaimani Co-operative Bank Limited, Vadodara (Gujarat) in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies), for violation of operational instructions imposed on the bank by RBI, non-adherence to exposure ceiling prescribed for unsecured advances, non-reporting of loans and advances granted to Directors, non-compliance with KYC norms and AML guidelines, *etc.*

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply in the matter, the Reserve Bank of India came to the conclusion that the violation was substantiated and warranted imposition of the penalty.

Reserve Bank of India penalises The Siddhi Co-operative Bank Ltd., Ahmedabad.

March 29, 2012

The Reserve Bank of India, in exercise of powers vested in it under the provisions of Section 47 A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS), imposed a monetary penalty of Rs. 5.00 lakh (Rupees five lakh only) on The Siddhi Co-operative Bank Ltd., Ahmedabad, for violation of RBI instructions/ directions relating to non disclosure of penalty levied in its balance sheet and inordinate delay in reporting of Securities Transaction Reports (STRs) without any cogent reason.

RBI had issued a Show Cause Notice to the bank in response to which the bank submitted a written reply and after considering facts of the case, bank's reply and personal submissions in the matter, RBI came to the conclusion that the violations were substantiated and warranted imposition of penalty.

WMA Limits for Government of India fixed for the First Half of the Financial Year 2012-13

March 30, 2012

It has been decided in consultation with the Government of India that the limits for Ways and Means Advances (WMA) for the first half of the financial year 2012-13 would be as under:

- `50,000 crore for April 01, 2012 to June 30, 2012.
- `45,000 crore for July 1, 2012 to September 30, 2012.

The Reserve Bank may trigger fresh floatation of market loans when the Government of India utilises 75 per cent of the WMA limit.

The Reserve Bank would retain the flexibility to revise the limits at any time, in consultation with the Government of India, taking into consideration the prevailing circumstances.

The interest rate on WMA/overdraft will be:

a. WMA : Repo Rate

b. Overdraft : Two percent above the Repo Rate

The minimum balance required to be maintained by the Government of India with the Reserve Bank of India will not be less than `100 crore on Fridays, on the date of closure of Government of India's financial year and on June 30, *i.e.*, closure of the annual accounts of the Reserve Bank of India and not less than `10 crore on other days.

As per the provisions of the agreement dated March 26, 1997 between the Government of India and the Reserve Bank of India, overdrafts beyond ten consecutive working days will not be allowed.

The WMA limits for the second half of the financial year 2012-13 would be fixed in September 2012.

State Finances: A Study of Budgets of 2011-12

March 31, 2012

The Reserve Bank of India (RBI) today released 'State Finances: A Study of Budgets of 2011-12', a publication that provides data, analysis and assessment of finances of State governments.

The State government budgets for 2011-12 proposed to carry forward the fiscal correction process by focusing more on expenditure control against the backdrop of roll back of fiscal stimulus measures and tapering off of the impact of the Sixth Pay Commission award. All States, barring one, amended their Fiscal Responsibility and Budget Management (FRBM) Acts/ Rules, in line with the Thirteenth Finance Commission (ThFC) recommendation, with the aim of eliminating revenue deficits and bringing about graduated reductions in fiscal deficit and debt levels latest by 2014-15.

Role of the Reserve Bank in State Finances

The theme chapter on the 'Role of the Reserve Bank in State Finances' traces the responsibilities of the Reserve Bank which have, over the years, increased beyond its mandated roles of serving as a banker and debt manager of the State governments. As a banker to the States, the Reserve Bank extends banking services to all the States. It also modulates ways and means (WMA) limits and overdraft (OD) regulations to meet the short-term resource requirements of the States without impinging upon fiscal discipline and monetary stability. As a debt manager, the Reserve Bank created the enabling conditions for the States to transit from an administered system to a full-fledged auction system for market borrowings. Apart from these traditional roles, the Reserve Bank has also been playing an advisory role and has been instrumental in initiating rule-based medium-term fiscal consolidation of the States, besides advising them on policy issues emerging from time to time to ensure fiscal sustainability. The dissemination of information and analysis of State finances by the Reserve Bank every year have become an important reference for not only undertaking policy decisions but also facilitating research in this area.

Issues in State finances

The Study also highlights several issues of significance and concern for the State Governments. Although all the States except Goa have amended their FRBM Acts/Rules, most of them do not include provisions for additional disclosures for enabling transparent assessment of State finances. The recommended restructuring of the public expenditure system would enable better management of outlays for effective outcomes. Successful restructuring of the public expenditure management system would, however, call for appropriate assimilation of the new system across the government machineries at all levels including the Planning Commission, the Central and the State governments. The rationalisation of the operation of Centrally Sponsored Schemes is expected to address the issues of lack of flexibility in these schemes, counterpart funding shortage from States and low utility of large number of schemes with thinly spread resources at the field level. The financial losses of State power utilities continue to be a drag on State finances which necessitate not only renegotiating debt liabilities of distribution utilities but also undertaking necessary reforms to enable independent functioning of State Electricity Regulatory Commissions and to address issues relating to periodic tariff revisions. As part of fiscal transparency initiatives, the State governments need to ensure that their finances capture both explicit and implicit liabilities associated with certain off-budget activities, including project financing undertaken through SPVs/public-private partnership mode. There is also need for greater focus on structural issues confronting State finances, particularly for those States that could not undertake rule-based fiscal corrections prior to the crisis years of 2008-09 and 2009-10.

Major findings of the Study

Fiscal consolidation budgeted to continue in 2011-12, with a turnaround in the consolidated revenue account

- The consolidated revenue account is budgeted to switch from deficit to surplus during 2011-12 after a gap of two years, driven primarily by a compression in revenue expenditure.
- The improvement in the revenue account is expected to not only provide the necessary resources for increased capital outlay but also enable a reduction in the GFD-GDP ratio by 0.5 percentage point in 2011-12(BE) over 2010-11(RE). The envisaged fiscal deficit-GDP ratio for 2011-12 is, however, higher than the ThFC's annual path, mainly on account of higher capital outlay.

Improvement in key fiscal indicators to be broad-based across States

- Most States have budgeted to eliminate their revenue deficit in 2011-12 as envisioned by the ThFC, with 23 out of the 28 States expected to record revenue surpluses. The GFD-GSDP ratio is budgeted to decline in 18 States during 2011-12, even though capital outlay (CO)-GSDP ratio is placed higher in 17 States during the same period.
- The budgeted improvement in the revenue account is led by a reduction in revenue expenditure-GSDP ratio in 16 States.

Decline in key expenditure ratios raises concern regarding the quality of fiscal adjustment

- State-wise position with regard to quality of expenditure shows that during 2011-12, out of the 28 States, 15 States have budgeted for a decline in development expenditure-GSDP ratio and 16 States have budgeted for a decline in social-sector expenditure-GSDP ratio over the previous year. Committed expenditure-GSDP ratio is budgeted to increase in 15 States during the same period. This raises concerns about the quality of fiscal adjustment being undertaken at the State level.

Decline in States' overall debt-GDP ratio to continue in 2011-12

- The consolidated debt-GDP ratio of the States declined during 2010-11 to 23.5 per cent from 25.5 per cent in 2009-10, with a reduction in debt-GSDP ratio across all the States (except two in the special category). With further budgeted reduction during 2011-12, debt-GDP ratio at 22.5 per cent is expected to be much below the ThFC recommended limit of 26.1 per cent for the year. This trend is poised to continue in the medium term with the amended FRBMs of the States setting out a graduated path of reduction in debt-GSDP ratios for the respective States.
- The compositional shift of outstanding liabilities towards market loans continued during 2010-11

and is budgeted to increase further during 2011-12. The declining trend in the share of NSSF (the high cost component of debt) could be further reinforced in the light of reduction in the mandatory allocation of small savings collections for the States from 80 per cent to 50 per cent from the fiscal year 2012-13.

- Aided by the reduction in debt-GSDP ratios, interest payments (IP) to revenue receipts (RR) ratios of 14 of non-special category States are expected to be lower in 2011-12(BE) than their levels in 2010-11(RE).

This publication has been prepared in the Fiscal Analysis Division (FAD) of the Department of Economic and Policy Research. The current issue along with past issues are available on the RBI website (www.rbi.org.in). All the articles/studies on State Finances from 1950-51 to 2010-11 are available in a Compendium CD, which was released in July 2011. Comments on this publication may be sent to Director, Fiscal Analysis Division, Department of Economic and Policy Research, Reserve Bank of India, Shahid Bhagat Singh Road, Mumbai-400001. Comments can also be sent via e-mail.

Regulatory and Other Measures

March 2012

RBI/2011-12/420 UBD.BPD. (PCB). Cir.No. 22/12.05.001/ 2011-12 dated March 1, 2012

The Chief Executive Officer,
All Primary (Urban) Co-operative Banks.

Supervisory Action Framework for Urban Cooperative Banks (UCBs)

You are aware, that the Reserve Bank of India (the Bank) conducts inspection of UCBs under the provisions of the Banking Regulation Act, 1949 (AACS) (the Act), to assess the financial position of a bank and its adherence to the various provisions of the Act and directions/instructions issued thereunder. It also monitors the financial position of UCBs based on periodical returns/statements submitted by them. Further, the Reserve Bank initiates supervisory actions based on its assessment of the financial position of a bank. The existing supervisory framework, *viz.*, Graded Supervisory Action is based on the Grade and the financial position of a bank. With the introduction of a revised supervisory rating model for UCBs based on CAMELS pattern from March 31, 2009, in the place of the Grading System, the framework of supervisory action has to be realigned.

2. The revised Supervisory Action Framework (SAF) envisages, in the initial stage of deterioration in the financial position, self corrective action by the management of the UCBs themselves and supervisory action by the Reserve Bank in case the financial position of the bank does not improve.

Self-Corrective Action by UCBs

3. If the CRAR falls below 9 per cent or there is deterioration in asset quality or decline in profits, liquidity constraints *etc.* the management of the bank should identify the cause of deterioration and take necessary corrective actions, on their own, with a view to improve the financial position of the bank. Such corrective action should be prompt as any delay could be detrimental to the interest of the depositors and other stake holders of the bank. The corrective action should include measures for augmenting capital, close monitoring of the NPAs and its recovery especially the large NPAs, improving profitability by curtailing expenses, mobilising low cost deposits, *etc.* depending on the nature of the deficiency. The UCBs should also prepare time bound specific action plan for bringing about necessary improvement in its functioning and the Board of Directors should monitor the progress in implementation of the action plan in every meeting of the Board.

Supervisory Action by the Reserve Bank of India

4. UCBs may note that if necessary steps are not taken to improve their financials or the steps taken do not result in the required improvement in the financial position of the bank, the Reserve Bank will step in and initiate supervisory actions as it deems necessary. The supervisory actions which would be taken by the Reserve Bank would be in two stages.

4.1 In the first Stage, the Reserve Bank would commence active monitoring of the performance of the bank. The active monitoring would become necessary when one or more of the following circumstances exists in a bank:

i. Capital adequacy is less than 6 per cent.

ii. Incurred loss for two consecutive years.

iii. Gross NPAs exceed 10 per cent of the advances.

iv. Concentration of deposits *i.e.* where 20 top deposits/depositors exceed 30 per cent of total deposits.

v. Credit Deposit ratio exceeding 70 per cent.

The monitoring would be done by directing the UCBs to submit to the Regional Office of the Reserve Bank, an action plan for improving their performance in the specific areas where there is a deterioration or cause of concern (CRAR, profitability, Gross NPA, CD ratio, concentration of deposits, as the case may be) and returns, pertaining to the specified weak area, at quarterly/half-yearly intervals.

4.2 In the second stage the supervisory action would be in the form of pre-emptive action aimed at arresting further deterioration in the financial position of the bank. The extent and nature of supervisory action would depend on the level of capital adequacy and the extent of erosion in deposits, if any, in the bank. The supervisory action would increase in terms of severity as the financials deteriorate and could include restriction on pre-mature withdrawal of deposits, freeze in the level of advances /deposits, prohibition in acceptance of deposits, issue of show cause for cancellation of banking license *etc.*

4.2.1 If the CRAR of a UCB falls below 4 per cent, but its net worth continues to be positive, the bank will not be permitted to increase its aggregate advances beyond the level of advances as on a specified date.

4.2.2 If the financials of a UCB further deteriorates resulting in the net worth turning negative, then the Bank would initiate further action depending on the extent of deposit erosion.

(i) ***Deposit erosion up to 10 per cent -*** The bank will be advised to explore options for merger with another bank. The bank will not be permitted to increase its aggregate deposits beyond the level of deposits as on a specified date. The bank will also be prohibited from premature payment of all term deposits.

(ii) ***Deposits erosion beyond 10 per cent and up to 25 per cent -*** When all options for revival of the bank are exhausted, the bank will be prohibited from acceptance of fresh deposits and repayment of deposits by issue of all inclusive Directions under Section 35 A of the Act. Renewals of deposits however will be permitted.

(iii) ***Deposit erosion in excess of 25 per cent -*** A show cause notice will be issued for cancellation of the licence of the bank.

5. On certain occasions, notwithstanding the financial position of the bank, issue of Directions, including all inclusive Directions under Section 35A of the Act would be considered if there are exceptional circumstances *viz.* run on a bank, reports of severe liquidity crunch, complaints of non-payment or preferential payment of matured deposits, market information regarding dissension in management *etc.*

6. UCBs may note that the SAF does not preclude the Reserve Bank from taking any action as it deems necessary, including cancelling the licence of a bank, at any stage of the SAF.

7. A copy of this circular may be placed in the next meeting of the Board of Directors and a confirmation to that effect should be sent to the Regional Office concerned.

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RBI/2011-12/422 RPCD.CO.LBS. BC.No. 62/02.08.01/ 2011-12 dated 1 March, 2012

The Chairmen/CMD
All Lead Banks

Assignment of Lead Bank responsibility- Newly formed district of Prabudh Nagar in the State of Uttar Pradesh

The Government of Uttar Pradesh vide their Gazette Notification No. 2875/1-5-2011-155/2011-R-5 dated September 28, 2011 has advised about the constitution of a new district *viz.* Prabudh Nagar with effect from September 28, 2011. The new district with its headquarter at Shamli has been carved out from the existing Mujaffarnagar and comprises of two Tehsils *viz.* Shamli & Kairana.

2. It has been decided to assign the lead bank responsibility of the new district Prabudh Nagar to Punjab National Bank. There is no change in the lead bank responsibilities of other districts in the State.

3. The newly formed district Prabudh Nagar has been allotted District working code 315 for the purpose of reporting.

RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 2, 2012

All Non-Deposit taking NBFCs with asset size of `100 crore and above and Deposit taking NBFCs

Monitoring of frauds

A reference is invited to DNBS(PD)CC.No.59/ 03.10.42/2005-06 dated October 26, 2005 which contained guidelines on classification of frauds, approach towards monitoring of and reporting system for frauds for deposit taking NBFCs.

2. It has now been decided to extend the same Guidelines (issued in exercise of powers vested in the Bank under Section 45K and 45L of the RBI Act, 1934) to NBFCs-ND-SI also with immediate effect. Accordingly all NBFCs-ND-SI are advised to follow the Guidelines which inter alia, stipulate that individual cases of frauds involving amount less than `25 lakhs shall be reported to the respective Regional Offices(ROs) of DNBS in whose jurisdiction registered office of the company is located whereas individual cases of frauds involving amount of `25 lakhs and above may be reported to Frauds Monitoring Cell, Department of Banking Supervision, Reserve Bank of India, Central Office, World Trade Centre, Centre -1, Cuffe Parade, Mumbai-400 005.

3. Additionally, all non-deposit taking NBFCs with asset size of `100 crore and above and deposit taking NBFCs shall disclose the amount related to fraud, reported in the company for the year in their balance sheets. As envisaged in the CC dated October 26, 2005, it is reiterated that NBFCs failing to report fraud cases to the Reserve Bank would be liable for penal action prescribed under the provisions of Chapter V of the RBI Act, 1934.

RBI/2011-12/425 DBOD.No.BL.BC. 82/22.01.009/2011-12 dated March 2, 2012

All Scheduled Commercial Banks
(Including RRBs) & Local Area Banks

Financial Inclusion by Extension of Banking Services - Use of Business Correspondents (BCs)

Please refer to paragraph 3 on 'BC Model' of our circular DBOD.No.BL.BC.43/ 22.01.009/2010-11 dated September 28, 2010 on the above subject wherein it is stated that while a BC can be a BC for more than one bank, at the point of customer interface, a retail outlet or a sub-agent of a BC shall represent and provide banking services of only one bank. It was also stated that the terms and conditions governing the contract between the bank and the BC should be carefully defined in written agreements and subjected to a thorough legal vetting. Banks were also advised to strictly adhere to instructions contained in the guidelines on managing risks and code of conduct in outsourcing of financial services by banks, issued by Reserve Bank of India on November 3, 2006 while drawing up agreements. Further, banks will be fully responsible for the actions of the BCs and their retail outlets / sub agents.

2. In this connection, it has been decided to permit interoperability at the retail outlets or sub-agents of BCs (*i.e.* at the point of customer interface), provided the technology available with the bank, which has appointed the BC, supports interoperability, subject to the following conditions:

a. The transactions and authentications at such retail outlets or sub-agents of BCs are carried out on-line;

b. The transactions are carried out on Core Banking Solution (CBS) platform; and

c. The banks follow the standard operating procedures to be advised by the Indian Banks' Association (IBA).However, the BC or its retail outlet or sub-agent at the point of customer interface would continue to represent the bank, which has appointed the BC.

3. All other conditions as stated in the extant guidelines dated September 28, 2010 would mutatis mutandis apply to the operations executed at the retail outlets or sub-agents of BCs.

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RBI/2011-12/426 DBOD.No. Leg.BC.83/ 09.07.005/2011-12 dated March 5, 2012

All Scheduled Commercial Banks
(excluding RRBs)

Grievance Redressal Mechanism in Banks – Display of Names of Nodal Officers

Please refer to our Circular DBOD.No.Leg.BC.24 /09.07.005/2009-10 dated July 21, 2009 wherein banks were, inter alia, advised to display the names and other details of the officials at their Head Office / Zonal Offices / Regional Offices including the names of the Nodal Officers / Principal Nodal Officers appointed under the Banking Ombudsman Scheme, 2006 on their web-sites who can be contacted for redressal of complaints. Banks were also advised to display the names, addresses, telephone numbers and fax numbers of their CMD / CEO, Line Functioning Heads for operations such as, Credit Cards, Loans and Advances, Retail Banking, Personal Banking, Rural / Agricultural Banking, SME Banking, etc on their web-sites to enable their customers to approach them, if necessary.

2. With a view to making the Grievance Redressal Mechanism more effective, in addition to the instructions contained in the above mentioned circular, banks are further advised as under:

i. Ensure that the Principal Nodal Officer appointed under the Banking Ombudsman Scheme is of a sufficiently senior level, not below the rank of a General Manager.

ii. Contact details including name, complete address, telephone / fax number, email address, *etc.*, of the Principal Nodal Officer needs to be prominently displayed in the portal of the bank preferably on the first page of the web-site so that the aggrieved customer can approach the bank with a sense of satisfaction that she / he has been attended at a senior level.

iii. Grievance Redressal Mechanism (GRM) should be made simpler even if it is linked to call centre of customer care unit without customers facing hassles of proving identity, account details, *etc.*

iv. Adequate and wider publicity are also required to be given by the respective financial services provider.

3. The name and address of the Principal Nodal Officer may also be forwarded to the Chief General Manager, Customer Service Department, Reserve Bank of India, Central Office, 1st Floor, Amar Building, Sir P.M.Road, Mumbai-400 001 (email).

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RBI/2011-12/427 IDMD.PCD. 20 /14.01.02/2011-12 dated March 5, 2012

All RBI-regulated Entities

Settlement of OTC transactions in Certificates of Deposit (CDs) and Commercial Papers (CPs)

In terms of circular IDMD.DOD.11/11.08.36/2009-10 dated June 30, 2010, all RBI-regulated entities are mandated to report their OTC transactions in CDs and CPs on the FIMMDA reporting platform within 15 minutes of the trade for online dissemination of market information. Such trades, however, are being settled between the counterparties on a bilateral basis.

2. It has now been decided to introduce DvP I based settlement for all OTC trades in CDs and CPs on the lines already existing in case of settlement of OTC trades in corporate bonds, *i.e.*, settlement through the pooling accounts of the National Securities Clearing Corporation Limited (NSCCL) and Indian Clearing Corporation Limited (ICCL).

3. Accordingly, with effect from April 1, 2012, all OTC trades in CDs and CPs shall necessarily be cleared and settled through the NSCCL or ICCL under the above arrangement, as per the norms specified by them from time to time.

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RBI/2011-12/429 DBOD No. CID. BC. 84/20.16.042/ 2011-12 dated March 5, 2012

Chairmen / Managing Directors / CEOs
All Scheduled Commercial Banks (excluding RRBs) &
All India Financial Institutions

Grant of 'Certificate of Registration' – For carrying on the business of Credit Information – Credit Information Bureau (India) Limited

We advise that, on March 5, 2012, we have issued 'Certificate of Registration' to Credit Information Bureau (India) Limited (CIBIL) to carry on the business of credit information. The address of the company is as follows:

The Managing Director,
Credit Information Bureau (India) Ltd.
Hoechst House, 6th Floor
193, Backbay Reclamation
Nariman Point
Mumbai – 400 021

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RBI/2011-12/431 UBD.CO.BPD. No. 25/12.05.001/ 2011-12 dated March 6, 2012

Chief Executive Officers of
All Primary (Urban) Co-operative Banks

Convergence of Indian Accounting Standards with International Financial Reporting Standards – Urban Co-operative Banks

The Core Group constituted by the Ministry of Corporate Affairs, Government of India had approved in March 2010, a road map for convergence of Indian Accounting Standards (IAS) with International Financial Reporting Standards (IFRS). In the Annual Policy Statement 2010-2011 of the Reserve Bank issued on April 20, 2010, it was stated that UCBs having net worth in excess of `300 crore would, in the preparation of their accounts, converge with IFRS in tandem with the time schedule given for scheduled commercial banks and accordingly convert their opening balance sheet as on April 1, 2013 in compliance with IFRS converged IAS. UCBs having net worth in excess of `200 crore but not exceeding `300 crore would convert their opening balance sheet as on April 1, 2014 in compliance with IFRS converged IAS. An extract of the relevant paragraphs (92 to 94) of the Annual Policy Statement of 2010-2011 is enclosed.

2. UCBs having net worth in excess of `200 crore are, therefore, advised to take necessary steps to ensure that they are in readiness to adopt the IFRS converged IAS from 1st of April 2013 or 1st April 2014 as the case may be.

3. Please acknowledge receipt of this circular to the concerned Regional Office of this Department.

Encl; one

Annex

Reserve Bank of India – Annual Policy Statement 2010-11 – Convergence of Indian Accounting Standards with International Financial Reporting Standards

'Para 92. As a part of the efforts to ensure convergence of the Indian Accounting Standards (IASs) with the International Financial Reporting Standards (IFRSs), the roadmap for banking companies and non-banking financial companies (NBFCs) has been finalised by the Ministry of Corporate Affairs in consultation with the Reserve Bank. As per the roadmap, all scheduled commercial banks will convert their opening balance sheet as at April 1, 2013 in compliance with the IFRS converged IASs.

Para 93. However, with regard to UCBs and NBFCs, a gradualist approach is considered appropriate. The roadmap envisages UCBs having net worth in excess of `300 crore and NBFCs which are part of NSE Nifty 50 and BSE Sensex 30 as well as those NBFCs having net worth in excess of `1,000 crore to converge with IFRSs in tandem with the time schedule given for scheduled commercial banks, UCBs having net worth in excess of `200 crore but not exceeding `300 crore

Annex (Concld.)

and other listed NBFCs as well as unlisted NBFCs having a net worth in excess of `500 crore shall convert their opening balance sheets as on April 1, 2014 in compliance with the IFRS converged IASs. Remaining UCBs, unlisted NBFCs not falling in the above categories and regional rural banks (RRBs) need to follow only the notified IASs which are not converged with IFRSs.

Para 94. Considering the amount of work involved in the convergence process, it is expected that banks and other entities concurrently initiate appropriate measures to upgrade their skills, management information system (MIS) and Information technology (IT) capabilities to manage the complexities and challenges of IFRSs. The implementation poses additional challenge as certain aspects of IFRSs, especially the standards on financial instruments, are under review and would take sometime before they are finalised. In order to facilitate smooth migration to IFRSs, it is proposed:

- To undertake a study of the implications of the IFRSs convergence process and also to issue operational guidelines as appropriate.
- To disseminate information through learning programmes with a view to preparing banks and other entities to adhere to the roadmap'.

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RBI/2011-12/432 UBD.BPD. (PCB).Cir. No. 26 /16.11.00/ 2011-12 dated March 7, 2012

The Chief Executive Officer,
All Primary (Urban) Co-operative Banks.

Bank Rate

Section 49 of the Reserve Bank of India Act, 1934 requires the Reserve Bank to make public (from time to time) the standard rate at which it is prepared to buy or re-discount bills of exchange or other commercial paper eligible for purchase under that Act.

2. Being the discount rate, the Bank Rate should technically be higher than the policy repo rate. The Bank Rate has, however, been kept unchanged at 6 per cent since April 2003. This was mainly for the reason that monetary policy signalling was done through modulations in the reverse repo rate and the repo rate under the Liquidity Adjustment Facility (LAF) (till May 3, 2011) and the policy repo rate under the revised operating procedure of monetary policy (from May 3, 2011 onwards). Moreover, under the revised operating procedure, marginal standing facility (MSF), instituted at 100 basis points above the policy repo rate, has been in operation, which in many ways serves the purpose of the Bank Rate.

3. While the policy repo rate and the MSF rate have become operational, the Bank Rate continues to remain at 6 per cent. Currently, the Bank Rate acts as the penal rate charged on banks for shortfalls in meeting their reserve requirements (cash reserve ratio and statutory liquidity ratio). The Bank Rate is also used by several other organisations as a reference rate for indexation purposes.

4. The Reserve Bank has consulted various organisations/stakeholders relying on the Bank Rate as a reference rate. Based on the feedback received, it is determined that the Bank Rate should normally stay aligned to the MSF rate. Accordingly, it has been decided that with effect from the close of business of February 13, 2012, the Bank Rate will stand increased by 350 basis points, *i.e.*, from 6.00 per cent per annum to 9.50 per cent per annum. This should be viewed and understood as one-time technical adjustment to align the Bank Rate with the MSF rate rather than a change in the monetary policy stance.

5. All penal interest rates on shortfall in reserve requirements, which are specifically linked to the Bank Rate, will also stand revised as indicated in the Annex.

6. Please acknowledge receipt of this circular to the Regional Office concerned of the Urban Banks Department.

Encl: as above

Annex		
Penal Interest Rates which are linked to the Bank Rate		
Item	**Existing Rate**	**New Rate** (Effective close of business on February 13, 2012)
Penal interest rates on shortfalls in reserve requirements (depending on duration of shortfalls).	Bank Rate plus 3.0 percentage points (9.00 per cent) or Bank Rate plus 5.0 percentage points (11.00 per cent).	Bank Rate plus 3.0 percentage points (12.50 per cent) or Bank Rate plus 5.0 percentage points (14.50 per cent).

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RBI/2011-12/446 DNBS (PD)CC.No.259 /03.02.59/2011-12 dated March 15, 2012

All Non Banking Financial Companies
(excluding Residuary Non Banking Companies)

Non-Reckoning Fixed Deposits with Banks as Financial Assets

In terms of Section 45IA (1) of the RBI Act 1934, no non-banking financial company shall commence business or carry on the business of a non-banking financial institution without (a) obtaining a certificate of registration (CoR) from the Reserve Bank and (b) having a net owned fund of twenty five lakh rupees, which was increased to `200 lakh with effect from April 21, 1999.

2. It has, however, come to the notice of the Reserve Bank that some NBFCs obtain registration from the Bank, park their funds in fixed deposits with commercial banks but do not commence NBFI activities for several years thereafter. The Auditors of the companies have in these cases also certified that the companies are conducting NBFI activities, justifying the continued holding of the CoR issued by the Bank.

3. It is clarified, that the Reserve Bank issues a Certificate of Registration for the specific purpose of conducting NBFI activities. Investments in fixed deposits cannot be treated as financial assets and receipt of interest income on fixed deposits with banks cannot be treated as income from financial assets as these are not covered under the activities mentioned in the definition of "financial Institution" in Section 45I(c) of the RBI Act 1934. Besides, bank deposits constitute near money and can be used only for temporary parking of idle funds, and/or in the above cases, till commencement of NBFI business.

4. In addition, the NBFC which is in receipt of a CoR from the Bank must necessarily commence NBFC business within six months of obtaining CoR. If the business of NBFC is not commenced by the company within the period of six months from the date of issue of CoR, the CoR will stand withdrawn automatically. Further, there can be no change in ownership of the NBFC prior to commencement of business and regularisation of its CoR.

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RBI/2011-12/448 DPSS (CO) CHD.No/ 1691/ 03.01.14 / 2011-2012 dated March 15, 2012

The Chairman and Managing Director /
Chief Executive Officer
All Scheduled Commercial Banks
including Regional Rural Banks/
Scheduled Co-operative Banks/
Banks participating in NEFT and RTGS/
Regional offices of RBI

Access Criteria for Payment Systems-Membership to Clearing Houses operating Decentralised Payment Systems

Please refer to our circular no. DPSS.CO.OD.494/ 04.04.009/2011-2012 dated September 21, 2011 on the above subject.

In order to simplify/rationalise the procedure for admission of members to Clearing Houses operating various decentralised payment systems (MICR/non-MICR/CTS Centres/ECS/RECS *etc.*), it has now been decided to grant automatic membership for such decentralised payment systems to the entities which are direct participants of centralised payment systems like RTGS, NEFT and NECS.

Accordingly, a new paragraph 4.10.1 has been inserted in the above circular as under:

'4.10.1 Scheduled commercial banks, Regional Rural Banks and multi state co-operative banks which have already been admitted as participants of the centralised payment systems(RTGS,NEFT and NECS) will be eligible for automatic membership of the decentralised payment systems (including CTS, ECS/ RECS *etc.*) across all Clearing Houses.'

The updated list of participants of Centralised payment systems have been made available on the web-site of the Bank under the links (http://www.rbi.org.in/Scripts/Bs_viewRTGS.aspx) and http://www.rbi.org.in/Scripts/neft.aspx .

The amendments come into force with immediate effect

Please acknowledge receipt.

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RBI/2011-12/451 RPCD.CO. Plan.BC.66/04.09.54/2011-12 dated March 16, 2012

The Chairman/Managing Director/
Chief Executive Officer
(All Scheduled Commercial Banks excluding RRBs)

Rates of Interest - RIDF and other funds

Consequent upon the revision of Bank Rate from 6 percent to 9.5 percent vide RBI's notification dated February 13, 2012, the interest rates applicable to RIDF and other similar funds with SIDBI and NHB have been reviewed and it has been decided as under:-

(a) to keep the interest rates payable to banks on deposits kept with NABARD/SIDBI/NHB due to shortfall in their prescribed priority sector obligations and on loans disbursed by NABARD from RIDF upto March 31, 2012 unchanged and linked to pre-revised Bank Rate as under:

Deposit Rates		
S. No.	**Shortfall in agriculture lending target for domestic commercial banks and higher of shortfall in overall priority sector lending target or aggregate shortfall in sub-targets of MSE and exports for foreign banks**	**Existing Rate prior to revision of Bank Rate**
1.	Less than 2 percentage points	Pre-revised Bank Rate (6.0 percent)
2.	2 and above, but less than 5 percentage points	Pre-revised Bank Rate minus 1 percentage point (5.0 percent)
3.	5 and above, but less than 9 percentage points	Pre-revised Bank Rate minus 2 percentage points (4.0 percent)
4.	9 percentage points and above	Pre-revised Bank Rate minus 3 percentage points (3.0 percent)
Lending Rates		
5.	Loans disbursed from RIDF upto March 31, 2012	Pre-revised Bank Rate plus 0.5 percentage points (6.5 percent)

(b) to revise the interest rates payable to banks on deposits placed with NABARD/SIDBI/NHB and loans disbursed by NABARD from RIDF on or after April 01, 2012,linked to the Bank Rate as under:

Deposit Rates		
S. No.	**Shortfall in agriculture lending target for domestic commercial banks and higher of shortfall in overall priority sector lending target or aggregate shortfall in sub-targets of MSE and exports for foreign banks**	**Revised Rates**
1.	Less than 2 percentage points	Bank Rate (9.5 per cent at present) minus 2 percentage points

Deposit Rates		
S. No.	**Shortfall in agriculture lending target for domestic commercial banks and higher of shortfall in overall priority sector lending target or aggregate shortfall in sub-targets of MSE and exports for foreign banks**	**Revised Rates**
2.	2 and above, but less than 5 percentage points	Bank Rate (9.5 per cent at present) minus 3 percentage points
3.	5 and above, but less than 9 percentage points	Bank Rate (9.5 per cent at present) minus 4 percentage points
4.	9 percentage points and above	Bank Rate (9.5 per cent at present) minus 5 percentage points
Lending Rates		
5.	Loans disbursed from RIDF on or after April 01, 2012	Bank Rate (9.5 per cent at present) minus 1.5 percentage points

2. Please acknowledge receipt.

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RBI/2011-12/452 A.P. (DIR Series) Circular No.93 dated March 19, 2012

All Category – I Authorised Dealer banks

Investment in Indian Venture Capital Undertakings and /or domestic Venture Capital Funds by SEBI registered Foreign Venture Capital Investors

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to Schedule 6 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20 / 2000 -RB dated May 3, 2000 as amended from time to time, in terms of which, a SEBI registered Foreign Venture Capital Investor (FVCI) may invest in equity, equity linked instruments, debt, debt instruments, debentures of an Indian Venture capital Undertaking (IVCU) or of a Venture Capital Funds (VCF) through Initial Public Offer or Private Placement or in units of schemes / funds set up by a VCF, subject to such terms and conditions mentioned therein.

2. It has now been decided, to allow FVCIs to invest in the eligible securities (equity, equity linked instruments, debt, debt instruments, debentures of an IVCU or VCF, units of schemes / funds set up by a VCF) by way of private arrangement / purchase from a third party also, subject to terms and conditions as stipulated in Schedule 6 of Notification No. FEMA 20 / 2000 -RB dated May 3, 2000 as amended from time to time. It is also being clarified that SEBI registered FVCIs would also be allowed to invest in securities on a recognised stock exchange subject to the provisions of the SEBI (FVCI) Regulations, 2000, as amended from time to time, as well as the terms and conditions stipulated therein.

3. AD Category - I banks may bring the contents of the circular to the notice of their customers and constituents concerned.

4. Necessary amendments to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (Notification No. FEMA 20/2000-RB dated May 3, 2000) are being notified separately.

5. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

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RBI/2011-12/456 Ref: DBOD. No.Ret. BC.88 /12.06.134 /2011-12 dated March 19, 2012

All Scheduled Commercial Banks

Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 – National Australia Bank

We advise that the name of 'National Australia Bank' has been included in the Second Schedule to the

Reserve Bank of India Act, 1934 by notification DBOD. IBD. No. 10193 / 23.13.085/2011-12 dated January 09, 2012, published in the Gazette of India (Part III – Section 4) dated February 04, 2012.

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RBI / 2011-12/455 Ref: DBOD. No.Ret. BC. 87 /12.06.133 /2011-12 dated March 19, 2012

All Scheduled Commercial Banks

Inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 – Woori Bank

We advise that the name of "Woori Bank" has been included in the Second Schedule to the Reserve Bank of India Act, 1934 by notification DBOD. IBD. No. 10184 / 23.13.139/2011-12 dated January 09, 2012, published in the Gazette of India (Part III – Section 4) dated February 04, 2012.

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RBI/2011-12/463 DNBS.PD/ CC.No.263 / 03.10.038 /2011-12 dated March 20, 2012

All NBFCs (excluding RNBCs)

'Non Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) - Provisioning Norms- Extension of time

A new category of NBFCs namely 'Non Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) was introduced vide DNBS.CC.PD. No.250/03.10.01/2011-12 dated December 02, 2011, which also contained guidelines on asset classification and provisioning norms to be adhered to by the MFIs with effect from April 01, 2012. Taking into account the difficulties faced by MFI sector and the representation received by the Bank from them, it has been decided to defer the implementation of asset classification and provisioning norms for NBFC-MFIs to April 01, 2013.

2. NBFC-MFIs are, however, required to comply with the other regulations laid down in the circular dated December 02, 2011.

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RBI/2011-12/467 DNBS.CC.PD.No.265/03.10.01/2011-12 dated March 21, 2012

All NBFCs

Lending Against Security of Single Product – Gold Jewellery

It is observed that NBFCs that are predominantly engaged in lending against the collateral of gold jewellery have recorded significant growth in recent years both in terms of size of their balance sheet and physical presence. This in turn, has led to their increased dependence on public funds including bank finance and non-convertible debentures issued to retail investors.

2. Given the rapid pace of their business growth and the nature of their business model, which has inherent concentration risk and is exposed to adverse movement of gold prices, as a prudential measure, it has been decided that all NBFCs shall

i. hereafter maintain a Loan-to-Value(LTV) ratio not exceeding 60 percent for loans granted against the collateral of gold jewellery and

ii. disclose in their balance sheet the percentage of such loans to their total assets.

3. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50 percent or more of their financial assets) shall maintain a minimum Tier l capital of 12 percent by April 01, 2014.

4. NBFCs should not grant any advance against bullion / primary gold and gold coins.

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RBI/2011-12/475 RPCD.CO.LBS.BC.No.68 /02.01.001/ 2011-12 dated March 29, 2012

The CMDs of all SLBC convenor banks

SLBC website – Standardisation of information/data

As you are aware, all the SLBC convenor banks have been advised vide circular RPCD.CO. LBS.HLC.BC. No. 56/02.19.10/2009-10 dated February 26, 2010, to maintain the SLBC websites where all instructions pertaining to the Lead Bank Scheme and Government Sponsored Schemes are made available and are accessible to the common man desiring any information relating to the conduct of meetings or State wise data/ Bank wise performance.

2. On perusal of SLBC websites of various states, it was felt that there should be standardisation of the SLBC website at least to the extent of availability of minimum relevant information and data. Based on the feedback received from SLBC convenor banks, an indicative list of the information & data that is to be made available on SLBC website is given in the Annex. Banks may please note that this is only an indicative list and SLBCs are free to put any additional information considered relevant for the State.

3. You are requested to arrange to place the prescribed minimum information on the websites of SLBCs of your bank and keep it updated regularly, at least on quarterly basis.

Foreign Exchange Developments

1. Clarification – Establishment of Branch Offices (BO)/Liaison Offices (LO) in India by Foreign Entities – Delegation of Powers

In the A.P. (DIR Series) Circular No.24 dated December 30, 2009, powers as regards the transfer of assets of LO/BO to others were not been delegated. It was, therefore, clarified that transfer of assets of Liaison/Branch Office to subsidiaries or other LO/BO or any other entity is permitted only with the specific approval of the Central Office of the Foreign Exchange Department, Reserve Bank of India. All the other instructions shall remain unchanged.

[A.P. (DIR Series) Circular No. 88
dated March 1, 2012]

2. Foreign Institutional Investor (FII) investment in 'to be listed' debt securities

SEBI has, vide their circular CIR/IMD/FIIC/18/2010 dated November 26, 2010, issued instructions on the revised allocation of investment limits to FIIs. In terms of paragraph 8 of the circular, SEBI has allowed FIIs to invest in 'to be listed' debt securities. Accordingly, it has been decided that SEBI registered FIIs/sub-accounts of FIIs can now invest in primary issues of Non-Convertible Debentures (NCDs)/bonds only if listing of such bonds/NCDs is committed to be done within 15 days of such investment. In case the NCDs/bonds issued to the SEBI registered FIIs/sub-accounts of FIIs are not listed within 15 days of issuance to the SEBI registered FIIs/sub-accounts of FIIs, for any reason, then the FII/sub-account of FII shall immediately dispose of these bonds/NCDs either by way of sale to a third party or to the issuer and the terms of offer to FIIs/sub-accounts should contain a clause that the issuer of such debt securities shall immediately redeem/buyback the said securities from the FIIs/sub-accounts of FIIs in such an eventuality.

[A.P. (DIR Series) Circular No. 89
dated March 1, 2012]

3. Clarification – Liberalised Remittance Scheme for Resident Individuals

The following is clarified in respect of the Liberalised Remittance Scheme (LRS):

The LRS facility is available to all resident individuals including minors. In case of remitter being a minor, the LRS declaration form should be countersigned by the minor's natural guardian. Accordingly, the revised LRS application cum declaration form is enclosed with the circular;

Remittances under the facility can be consolidated in respect of family members subject to individual family members complying with the terms and conditions of the scheme; and

Remittances under the scheme can be used for purchasing objects of art subject to the provisions of other applicable laws such as the extant Foreign Trade Policy of the Government of India.

[A.P. (DIR Series) Circular No. 90
dated March 6, 2012]

4. Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR

A further revision has taken place on February 6, 2012 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.68.838139 with effect from February 9, 2012.

[A.P. (DIR Series) Circular No. 91
dated March 13, 2012]

5. Opening of Diamond Dollar Accounts (DDAs) – Change in periodicity of the reporting

With a view to further rationalising the reporting mechanism, it has now been decided that AD Category-I banks should submit **quarterly reports instead of monthly reports** to the Chief General Manager-in-Charge, Foreign Exchange Department, Reserve Bank of India, Trade Division, Amar Building, Mumbai – 400 001, giving details of the name and address of the firm/ company in whose name the Diamond Dollar Account is opened, along with the date of opening/closing the Diamond Dollar Account with effect from the quarter ended March 2012, by the 10th of the month following the quarter to which it relates.

[A.P. (DIR Series) Circular No. 92
dated March 13, 2012]

6. Investment in Indian Venture Capital Undertakings and/or domestic Venture Capital Funds by SEBI registered Foreign Venture Capital Investors

It has now been decided, to allow FVCIs to invest in the eligible securities (equity, equity linked instruments, debt, debt instruments, debentures of an IVCU or VCF, units of schemes/funds set up by a VCF) by way of private arrangement/purchase from a third party also, subject to terms and conditions as stipulated in Schedule 6 of Notification No. FEMA 20/2000 -RB dated May 3, 2000 as amended from time to time. It is also being clarified that SEBI registered FVCIs would also be allowed to invest in securities on a recognised stock exchange subject to the provisions of the SEBI (FVCI) Regulations, 2000, as amended from time to time, as well as the terms and conditions stipulated therein.

[A.P. (DIR Series) Circular No. 93
dated March 19, 2012]

7. Clarification – Prior intimation to the Reserve Bank of India for raising the aggregate Foreign Institutional Investors/Non-Resident Indian limits for investments under the Portfolio Investment Scheme

It is hereby clarified that the Indian company raising the aggregate FII investment limit of 24 per cent to the sectoral cap/statutory limit, as applicable to the respective Indian company or raising the aggregate NRI investment limit of 10 per cent to 24 per cent, should necessarily intimate the same to the Reserve Bank of India, immediately, as hitherto, along with a Certificate from the Company Secretary stating that all the relevant provisions of the extant Foreign Exchange Management Act, 1999 regulations and the Foreign Direct Policy, as amended from time to time, have been complied with.

It may also be noted that the Reserve Bank of India monitors the ceilings on FII/NRI/PIO investments in Indian companies on a daily basis. For effective monitoring of foreign investment ceiling limits, the Reserve Bank has fixed cut-off points that are two percentage points lower than the actual ceilings. Once the aggregate net purchases of equity shares of the company by FIIs/NRIs/PIOs reaches the cut-off point of 2 per cent below the overall limit, the Reserve Bank cautions all the designated bank branches not to purchase any more equity shares of the respective company on behalf of any FIIs/ NRIs/ PIOs without prior approval of the Reserve Bank. The link offices are then required to intimate the Reserve Bank about the total number and value of equity shares/convertible debentures of the company proposed to be bought on behalf of their FIIs /NRIs /PIOs clients. On receipt of such proposals, the Reserve Bank gives clearances on a first-come-first served basis till such investments in companies reaches the respective limits (such as, 10/24/30/40/49 per cent limit or the sectoral caps/ statutory ceilings), as applicable. On reaching the aggregate ceiling limit, the Reserve Bank advises all designated bank branches to stop purchases on behalf of their FIIs/NRIs/PIOs clients. The Reserve Bank also informs the general public about the 'caution' and the 'stop purchase' in these companies through a press release and an updated list regarding the same is placed on the RBI website (www.rbi.org.in).

[A.P. (DIR Series) Circular No. 94
dated March 19, 2012]

8. Foreign Exchange Management (Deposit) Regulations, 2000 – Credit to Non Resident (External) Rupee/ Foreign Currency Non-Resident (Bank) Account

In terms of Notification No. FEMA 3/2000-RB dated May 3, 2000, as amended from time to time, an individual resident in India may borrow a sum not exceeding US$ 250,000/- or its equivalent from her/his close relatives outside India, subject to the conditions mentioned therein.

The Reserve Bank has received representations that the repayment of such loans may be allowed to be credited to the Non Resident (External) Rupee (NRE) Accounts. On review, it has been decided that AD Category-I banks may allow repayment of such loans to NRE/Foreign Currency Non-Resident (Bank) [FCNR(B)] account of the lender concerned subject to the condition that the loan to the resident individual was extended by way of inward remittance in foreign exchange through normal banking channels or by debit to the NRE/FCNR(B) account of the lender and the lender is eligible to open NRE/FCNR(B) account within meaning of the Foreign Exchange Management (Deposit) Regulations, 2000 notified vide Notification No. FEMA 5/2000-RB dated May 3, 2000, as amended from time to time. Such credit shall be treated as an eligible credit to the NRE/FCNR(B) account in terms of Para 3(j) of Schedule-1 read with Para 5 of Scheule-2 of Notification No. FEMA 5/2000-RB, ibid.

[A.P. (DIR Series) Circular No. 95
dated March 21, 2012]

9. Overseas Direct Investments by Indian Party – Rationalisation

To grant more flexibility to the Indian party, it has been decided to further liberalise various provisions/ regulations of the Notification as detailed under.

Creation of charge on immovable/movable property and other financial assets

It has been decided that proposals from the Indian party for creation of charge in the form of pledge/ mortgage/hypothecation on the immovable/movable property and other financial assets of the Indian Party and their group companies may be considered by the Reserve Bank under the approval route within the overall limit fixed (presently 400 per cent) for financial commitment subject to submission of a 'No Objection' by the Indian Party and their Group companies from their Indian lenders. Appropriate reporting mechanism for capturing the financial commitment on account of creation of charge on such property/assets shall be introduced shortly.

Reckoning bank guarantee issued on behalf of JV/WOS for computation of Financial Commitment

It has been decided that the bank guarantee issued by a resident bank on behalf of an overseas JV/WOS of the Indian party, which is backed by a counter guarantee/collateral by the Indian party, shall be reckoned for computation of the financial commitment of the Indian Party and reported accordingly. Appropriate reporting mechanism for capturing the financial commitment on account of issuance of bank guarantee shall be introduced shortly.

Issuance of personal guarantee by the direct/ indirect individual promoters of the Indian Party

It has been decided that issuance of personal guarantee by the promoters of the Indian Party as presently allowed under the General Permission shall also be extended to the indirect resident individual promoters of the Indian Party with same stipulations as in the case of personal guarantee by the direct promoters.

Financial Commitment without equity contribution to JV/WOS

Keeping in view the business requirement of the Indian party, particularly the legal requirement of the host country, it has now been decided that the proposals from the Indian party for undertaking financial commitment without equity contribution in JV/WOS may be considered by the Reserve Bank under the approval route. AD banks may forward the proposals from their constituents after ensuring that the laws of the host country permit incorporation of a company without equity participation by the Indian party.

Submission of Annual Performance Report

Where the law of the host country does not mandatorily require auditing of the books of accounts of JV/WOS, the Annual Performance Report (APR) may be submitted by the Indian party based on the un-audited annual accounts of the JV/WOS provided:

a. The Statutory Auditors of the Indian party certifies that 'The un-audited annual accounts of the JV/

WOS reflect the true and fair picture of the affairs of the JV/WOS' and

b. That the un-audited annual accounts of the JV/WOS has been adopted and ratified by the Board of the Indian party.

Compulsorily Convertible Preference Shares (CCPS)

Keeping in view the nature of the Compulsorily Convertible Preference Shares (CCPS), it has been decided that Compulsorily Convertible Preference Shares shall be treated at par with equity shares and the Indian party is allowed to undertake financial commitment based on the exposure to JV by way of CCPS.

[A.P. (DIR Series) Circular No. 96 dated March 28, 2012]

10. Overseas Investments by Resident Individuals – Liberalisation / Rationalisation

Reserve Bank of India has reviewed the facilities available to the resident individuals for acquiring equity shares of a foreign entity by way of/under (i) qualification shares, (ii) professional services rendered and (iii) ESOP scheme. Further, the Committee to Review the Facilities for Individuals under the Foreign Exchange Management Act, 1999 (Chairperson Smt K J Udeshi) in its report submitted in August 2011 suggested that general permission may be made available to the resident individuals for acquiring equity shares of a foreign entity as above. Accordingly, it has been decided to grant general permission to resident individuals in respect of the following.

Acquiring qualification shares of an overseas company for holding the post of a Director

In terms of Regulation 24(1)(a) of the Notification *ibid*, a person resident in India being an individual may acquire foreign securities as qualification shares issued by a company incorporated outside India for holding the post of a Director in the company provided that:

i. the number of shares so acquired shall be the minimum required to be held for holding the post of director and in any case shall not exceed 1 (one) per cent of the paid-up capital of the company, and

ii. the consideration for acquisition of such shares does not exceed the ceiling as stipulated by RBI from time to time.

Since the necessity of having certain qualification shares by an individual to be appointed as a Director of the company is governed by the law of the host country, it has been decided to remove the existing cap of 1 (one) per cent on the ceiling for resident individuals to acquire qualification shares for holding the post of a Director in the overseas company. Accordingly, henceforth, remittance shall be allowed from resident individuals for acquiring the qualification shares for holding the post of a Director in the overseas company to the extent prescribed as per the law of the host country where the company is located. The limit of remittance for acquiring such qualification shares shall be within the overall ceiling prescribed for the resident individuals under the Liberalised Remittance Scheme (LRS) in force at the time of acquisition.

Acquiring shares of a foreign company towards professional services rendered or in lieu of Director's remuneration

It has been decided to grant General Permission to the resident individuals to acquire shares of a foreign entity in part/full consideration of professional services rendered to the foreign company or in lieu of Director's remuneration. The limit of acquiring such shares in terms of value shall be within the overall ceiling prescribed for the resident individuals under the Liberalised Remittance Scheme (LRS) in force at the time of acquisition.

Acquiring shares in a foreign company through ESOP Scheme

It has now been decided that resident employees or Directors may be permitted to accept shares offered under an ESOP Scheme globally, on uniform basis, in a foreign company irrespective of the percentage of the direct or indirect equity stake in the Indian company subject to:

i. the shares under the ESOP Scheme are offered by the issuing company globally on a uniform basis, and

ii. an Annual Return is submitted by the Indian company to the Reserve Bank through the AD Category – I bank giving details of remittances/ beneficiaries, *etc.*

[A.P. (DIR Series) Circular No. 97 dated March 28, 2012]

11. Discontinuation of Supplying Printed GR forms by Reserve Bank

With the advent of technology and penetration of internet access, the need for printing and supplying of GR forms by Reserve Bank does not exist any more. It has therefore, been decided to discontinue supplying/ selling printed GR forms across the counter by Regional Offices of Reserve Bank. Therefore, with effect from **July 1, 2012**, GR forms shall be available only online at Reserve Bank's website www.rbi.org.in at the following link:

'Notification-> FEMA -> Forms -> For Printing of GR Form'

While downloading the GR forms, the exporter may ensure to use 'Legal' size paper *i.e.* 8.5 * 14 inches. Further, both the printer (printing preference) and paper size in the page setup option have to be set to legal size before printing. The GR number will be automatically allotted when the document goes to the print queue.

[A.P. (DIR Series) Circular No. 98 dated March 30, 2012]

12. External Commercial Borrowings (ECB) Policy – Review of all-in-cost ceiling

Considering the developments in the global financial markets and the fact that borrowers were experiencing difficulties in raising ECBs within the existing all-in-cost ceiling, the all-in-cost ceiling for ECBs with average maturity of three and up to five years was enhanced to 6 months Libor + 350 bps with effect from November 23, 2011 and was subject to review on March 31, 2012. On a review, it has been decided to continue with the enhanced all-in-cost ceiling for a further period of six months in respect of ECBs as under:

Average Maturity Period	**All-in-cost over 6 month LIBOR***
Three years and up to five years	350 bps
More than five years	500 bps

* for the respective currency of borrowing or applicable benchmark

The all-in-cost ceiling is applicable up to September 30, 2012 and subject to review thereafter. All other aspects of ECB policy remain unchanged.

[A.P. (DIR Series) Circular No. 99 dated March 30, 2012]

13. Trade Credits for Imports into India – Review of all-in-cost ceiling

Considering the developments in the global financial markets and the fact that domestic importers were experiencing difficulties in raising trade credit within the existing all-in-cost ceiling, the all-in-cost ceiling for trade credit was enhanced to 6 months Libor + 350 bps with effect from November 15, 2011 and was subject to review on March 31, 2012. On a review, it has been decided to continue with the enhanced all-in-cost ceiling for Trade Credits for a further period of six months as under:

Maturity Period	**All-in-cost over 6 month LIBOR***
Upto one year	350 bps
More than one year and upto three years	

* for the respective currency of credit or applicable benchmark

The all-in-cost ceiling will include arranger fee, upfront fee, management fee, handling/processing charges, out of pocket and legal expenses, if any.

The all-in-cost ceiling is applicable up to September 30, 2012 and subject to review thereafter. All other aspects of Trade Credit policy remain unchanged.

[A.P. (DIR Series) Circular No. 100 dated March 30, 2012]

current statistics

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Notes: (1) The coverage of data will be expanded from time to time to include new statistical information as and when it becomes available.

(2) Some of the figures included in the tables are provisional and may be revised in later issues. Each issue contains all the revisions made upto the date of publication of the Bulletin.

(3) The following symbols have been used throughout this Section:
.. = Figure is not available.
- = Figure is nil or negligible.
P = Provisional.

(4) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be, in some tables, a slight discrepancy between the sum of the constituent items and the total.

(5) A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different basis and are not strictly comparable. In each case, a suitable footnote is added.

(6) For definitions of important items, sources of data, coverage, scope, method of compilation, etc. a reference may be made to the Explanatory Notes, issued as a supplement to the October 1978 issue of the Bulletin.

(7) 1 Billion = 100 Crore, 10 Million = 1 Crore, 1 Million = 10 Lakh, 1 Lakh = 1,00,000.

General

No. 1: Selected Economic Indicators

Item	Unit / Base	1990-91	2008-09	2009-10	2010-11	2011	2012	
						Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8
Output								
1. Gross Domestic Product at Factor Cost (at 2004-05 prices)	` Billion	13,478.9	41,625.0	45,076.4	48,859.5 (Q.E.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1993-94 = 100	148.4 +	162.3	160.0	178.8			
a. Foodgrains Production	Million tonnes	176.4	234.5	218.1	244.8 £			
3. General Index of Industrial Production (1)	2004-05=100	212.6 *	145.2	152.9	162.5	180	187.9 (P)	
Money and Banking								
Reserve Bank of India (2)								
4. Notes in Circulation	` Billion	537.8	6,810.6	7,902.2	9,421.1	10,067.6	10,245.8	10,433.7
5. Rupee Securities (3)	"	860.4	1,219.6	1,767.6	3,217.6	4,388.9	5,182.8	4,881.5
6. Loans and Discount	"	199.0	215.6	38.2	62.9	189.0	113.4	77.7
(a) Scheduled Commercial Banks (4)	"	81.7	117.2	–	50.3	58.8	92.6	55.2
(b) Scheduled State Co-operative Banks (4)	"	0.4	–	–	0.3	–	–	–
(c) Bills Purchased and Discounted (internal)	"	–	–	–	–	–	–	–
Scheduled Commercial Banks								
7. Aggregate Deposits (5)	` Billion	1,925.4	38,341.1	44,928.3	52,079.7	58,325.1	57,719.5	58,154.7 (P)
8. Bank Credit (5)	"	1,163.0	27,755.5	32,447.9	39,420.8	43,668.8	43,527.3	44,075.2 (P)
9. Investment in Govt. Securities (5)	"	500.0	11,557.9	13,783.9	14,971.5	16,914.8	16,883.1	17,418.6 (P)
10. Cheque Clearances (6)	` Billion	17,030.0	60,195.1	45,276.6	42,352.3 (P)	3,414.5 (P)	3,412.1 (P)	3,116.6 (P)
11. Money Stock Measures (7)								
(a) M_1	` Billion	928.9	12,596.7	14,892.7	16,355.1	16,896.7	16,638.7	16,843.8
(b) M_3	"	2,658.3	47,947.8	56,027.0	64,994.9	71,986.8	71,594.7	72,262.7
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (14)	Per cent	15.00	5.00	5.75	6.00	6.00	6.00	5.50
13. Bank Rate	Per cent Per annum	10.00	6.00	6.00	6.00	6.00	6.00	9.50
14. Inter-bank Call Money Rate (Mumbai) (8)	"	4.00-7.00	2.50-5.75	2.25-5.75	5.70-10.00	7.30-8.90	7.50-9.15	6.75-9.05
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.00 (II)	3.25-8.00	1.50-6.50	2.50-8.00	4.00-8.10	4.00-8.10	4.00-8.10
(b) 1 year and above	"	9.00-11.00	8.00-8.50	6.00-7.50	8.25-9.50	9.00-9.25	9.00-9.25	9.00-9.25

Q.E. : Quick Estimate. R: Revised.

* Base: 1980-81 = 100. + Base Triennium ending 1981-82=100 and from 2002-03 new base (Triennium ending 1993-94=100)

^ Base: 2001 = 100 from January 2006 onwards.

^ ^ CPI (UNME) are Linked All - India Index from the April 2008 onwards. As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, these data will not be updated henceforth.

£ Final Estimates of Production of Foodgrains for 2010-11.

Also see 'Notes on Tables'.

No. 1: Selected Economic Indicators *(Concld.)*

Item	Unit/Base	1990-91	2008-09	2009-10	2010-11	2011	2012	
						Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8
16. Base Rate (10)	"		11.50-12.50	11.00-12.00	8.25-9.50	10.00-10.75	10.00-10.75	10.00-10.75
17. Yield on 7.40% Loan 2012	"		7.26	6.08				
Government Securities Market (2)								
18. Govt. of India 91-day Treasury Bills (Total outstandings)	` Billion		755.5	715.0	703.5	871.2	989.4	1,223.2
Price Indices								
19. Wholesale Prices (11)	2004-05=100							
(a) All Commodities	"	182.7+	126.0	130.8	143.3	157.3	157.7 (P)	158.4 (P)
(b) Primary Articles	"	184.9+	137.5	154.9	182.4	198.9	199.7 (P)	201.5 (P)
(c) Fuel and Power	"	175.8+	135.0	132.1	148.3	172.7	172.8 (P)	173.2 (P)
(d) Manufactured Products	"	182.8+	120.4	123.1	130.1	140.9	141.2 (P)	141.7 (P)
(e) Foodgrains (Cereals + Pulses)	"	179.2+	145.3	166.4	174.4	182.1	183.6 (P)	183.4 (P)
(f) Edible Oils	"	223.3+	121.6	114.4	120.6	137.0	139.4 (P)	139.2 (P)
(g) Sugar, Khandsari & Gur	"	152.3+	106.8	161.9	160.5	173.8	170.7 (P)	169.8 (P)
(h) Raw Cotton	"	145.5+	141.2	138.6	199.3	210.0	204.4 (P)	199.2 (P)
20. Consumer Prices (All-India) (1)								
(a) Industrial Workers ^	2001=100	193	145	163	180	197	198	199
(b) Urban Non-Manual Employees ^ ^	1984-85=100	161	561	634	..	..	..	..
(c) Agricultural Labourers	July 1986-June 1987=100	"	462	530	577	618	618	621
Foreign Trade								
21. Value of Imports	U.S. $ Million	24,073	303,696	288,373	369,769 (P)	37,753 (P)	40,108 (P)	
22. Value of Exports	"	18,145	185,295	178,751	251,105 (P)	25,016 (P)	25,347 (P)	
23. Balance of Trade	"	–5,927	–118,401	–109,621	–118,664 (P)	–12,737 (P)	–14,761 (P)	
24. Foreign Exchange Reserves (12)								
(a) Foreign Currency Assets	U.S. $ Million	2,236	241,426	254,685	274,330	262,933	258,830	260,544
(b) Gold	"	3,496	9,577	17,986	22,972	26,620	26,728	28,128
(c) SDRs	"	102	1	5,006	4,569	4,429	4,475	4,490
Employment Exchange Statistics (13)								
25. Number of Registrations	Thousand	6,541	5,315.7	5,693.7	..	..	..	..
26. Number of Applicants								
(a) Placed in Employment	"	265	304.9	261.5	..	..	..	..
(b) On live Register (12)	"	34,632	39,114.9	38,152.2	..	..	..	..

Note: Data for 2008-09 and 2009-10 Employment Exchange Statisctics are End-December 2008 and 2009 respectively.

Money and Banking

No. 2: Reserve Bank of India

(` Billion)

Last Friday / Friday	1990-91	2009-10	2010-11	2011					2012						
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. 2	Mar.9	Mar.16	Mar.23	Mar.30
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Issue Department															
Liabilities															
Notes in Circulation	**537.84**	**7,902.23**	**9,421.07**	**9,421.07**	**9,630.06**	**9,988.29**	**10,022.67**	**10,067.58**	**10,245.75**	**10,433.70**	**10,439.49**	**10,593.69**	**10,610.11**	**10,585.03**	**10,558.28**
Notes held in Banking Department	0.23	0.16	0.17	0.17	0.20	0.06	0.16	0.09	0.15	0.14	0.11	0.14	0.15	0.16	0.12
Total Liabilities (Total Notes Issued) or Assets	**538.07**	**7,902.39**	**9,421.24**	**9,421.24**	**9,630.26**	**9,988.35**	**10,022.83**	**10,067.67**	**10,245.90**	**10,433.83**	**10,439.60**	**10,593.83**	**10,610.26**	**10,585.19**	**10,558.40**
Assets															
Gold Coin and Bullion	66.54	434.11	524.22	524.22	735.00	735.00	688.76	743.07	743.07	695.78	721.32	721.32	721.32	721.32	724.43
Foreign Securities	2.00	7,454.91	8,884.20	8,884.20	8,882.02	9,241.43	9,323.16	9,311.27	9,490.63	9,725.04	9,705.54	9,860.06	9,876.86	9,852.17	9,822.63
Rupee Coin (1)	0.29	2.91	2.36	2.36	2.78	1.46	0.45	2.87	1.73	2.54	2.27	1.97	1.61	1.23	0.88
Government of India Rupee Securities	469.24	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46	10.46
Banking Department															
Liabilities															
Deposits	**385.42**	**3,189.34**	**3,565.34**	**3,565.34**	**4,353.95**	**3,826.39**	**4,031.28**	**3,832.40**	**4,014.75**	**3,417.84**	**3,928.81**	**3,425.27**	**3,969.04**	**4,195.37**	**4,255.36**
Central Government	0.61	39.33	62.93	62.93	1.01	1.00	1.00	1.00	1.01	1.01	1.01	1.01	710.31	665.29	489.51
Market Stabilisation Scheme	–	27.37	–	–	–	–	–	–	–	–	–	–	–	–	–
State Governments	0.33	0.41	0.41	0.41	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	9.97	0.42
Scheduled Commercial Banks	334.84	2,813.90	3,191.63	3,191.63	4,025.20	3,508.70	3,713.79	3,506.10	3,683.65	3,117.22	3,599.51	3,116.07	2,974.39	3,232.71	3,465.45
Scheduled State Co-operative Banks	2.44	39.17	34.94	34.94	37.87	37.10	38.27	39.81	38.41	36.65	37.62	35.21	31.69	32.65	34.46
Non-Scheduled State Co-operative Banks	0.13	0.77	0.86	0.86	0.77	0.60	0.64	0.62	0.59	0.66	0.67	0.78	0.74	0.86	0.87
Other Banks	0.88	131.20	151.98	151.98	169.03	170.21	169.74	167.51	169.82	157.23	162.85	157.44	145.60	142.31	147.56
Others	46.19	137.19	122.60	122.60	119.65	108.35	107.41	116.94	120.84	104.65	126.72	114.34	105.89	111.58	117.08
Other Liabilities (2)	283.42	3,166.42	3,613.50	3,613.50	5,127.21	5,512.91	5,747.73	6,193.90	5,462.25	5,345.22	5,440.57	5,549.51	5,691.73	5,892.05	5,990.18
Total Liabilities or Assets	**668.84**	**6,355.77**	**7,178.85**	**7,178.85**	**9,481.16**	**9,339.29**	**9,779.01**	**10,026.31**	**9,477.00**	**8,763.06**	**9,369.38**	**8,974.78**	**9,660.77**	**10,087.42**	**10,245.54**

See 'Notes on Tables.'

No. 2: Reserve Bank of India *(Concld.)*

(` Billion)

Last Friday / Friday	1990-91	2009-10	2010-11	2011					2012						
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.2	Mar.9	Mar.16	Mar.23	Mar.30
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Assets															
Notes and Coins	0.23	0.17	0.17	0.17	0.20	0.06	0.16	0.09	0.15	0.14	0.11	0.14	0.16	0.16	0.12
Balances held Abroad (3)	40.08	4,014.29	3,345.47	3,345.47	4,624.25	4,661.40	4,799.80	4,713.00	3,440.89	3,103.59	3,130.41	3,099.26	3,203.43	3,396.88	3,514.56
Loans and Advances															
Central Government	–	–	–	–	243.87	361.53	213.25	109.86	–	–	–	–	–	–	–
State Governments (4)	9.16	5.58	7.29	7.29	6.05	3.45	0.91	0.42	0.87	1.14	–	–	0.55	1.13	2.28
Scheduled Commercial Banks	81.69	0.42	50.31	50.31	39.53	37.45	58.32	58.79	92.62	55.24	49.30	69.39	69.13	87.55	63.25
Scheduled State Co-op.Banks	0.38	–	0.30	0.30	–	–	–	–	–	–	–	–	–	–	–
Industrial Dev. Bank of India	37.05	–	–	–	–	–	–	–	–	–	–	–	–	–	–
NABARD	33.28	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EXIM Bank	7.45	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	16.15	32.22	5.04	5.04	8.67	6.11	7.36	19.97	19.88	21.27	21.98	26.79	27.02	27.00	26.93
Bills Purchased and Discounted															
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	13.84	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	402.86	1,786.63	3,222.42	3,222.42	3,821.27	3,559.88	4,023.81	4,394.05	5,187.82	4,886.46	5,440.13	5,056.54	5,636.17	5,849.00	5,904.72
Other Assets (5)	26.66	516.46	547.84	547.84	737.32	709.41	675.39	730.14	734.77	695.23	727.45	722.66	724.32	725.69	733.68
	(–)	(394.34)	(476.19)	(476.19)	(667.66)	(667.66)	(625.66)	(674.99)	(674.99)	(632.04)	(655.24)	(655.24)	(655.24)	(655.24)	(658.07)

No. 3: All Scheduled Banks – Business in India

(` Billion)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2011						2012	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	299	232	232	232	233	235	235	235	235	234	234
Liabilities to the Banking System (1)	**66.7**	**1,057.3**	**1,134.3**	**1,071.8**	**1,084.4**	**1,113.6**	**1,103.5**	**1,040.9**	**1,221.1**	**1,207.3**	**1,208.7**
Demand and Time Deposits from Banks (2)	56.0	673.7	765.3	735.7	744.9	787.6	726.1	716.1	774.1	769.4	807.0
Borrowings from Banks (3)	10.0	323.8	297.7	265.1	239.6	225.7	277.8	224.5	327.3	336.0	275.5
Other Demand and Time Liabilities (4)	0.8	59.8	71.3	71.1	99.9	100.3	99.6	100.2	119.6	102.0	126.2
Liabilities to Others (1)	**2,131.3**	**50,763.7**	**58,363.6**	**56,944.3**	**61,975.3**	**64,183.6**	**63,555.6**	**63,607.6**	**65,295.9**	**64,765.4**	**65,135.8**
Aggregate Deposits (5)	**1,996.4**	**46,352.2**	**53,551.6**	**52,330.8**	**56,674.5**	**58,705.3**	**58,009.4**	**58,212.4**	**59,940.3**	**59,359.8**	**59,811.6**
Demand	348.2	6,604.5	6,565.5	6,184.4	5,760.5	6,627.6	5,968.0	5,872.3	6,553.9	6,098.2	6,110.5
Time (5)	1,648.2	39,747.8	46,986.1	46,146.4	50,914.0	52,077.7	52,041.4	52,340.1	53,386.3	53,261.6	53,701.1
Borrowings (6)	6.4	1,061.9	1,332.9	1,256.5	1,640.5	1,848.4	1,945.4	1,805.4	1,589.3	1,850.4	1,828.9
Other Demand and Time Liabilities (4)	128.4	3,349.5	3,479.1	3,357.0	3,660.2	3,629.8	3,600.8	3,589.9	3,766.3	3,555.2	3,495.3
Borrowings from Reserve Bank (7)	**34.8**	**0.4**	**51.1**	**34.3**	**17.4**	**39.9**	**37.8**	**58.7**	**59.1**	**92.9**	**55.2**
Against Usance Bills / Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	34.8	0.4	51.1	34.3	17.4	39.9	37.8	58.7	59.1	92.9	55.2
Cash in Hand and Balances with Reserve Bank	**259.9**	**3,161.2**	**3,589.5**	**3,566.3**	**4,080.5**	**4,504.3**	**4,026.3**	**4,205.4**	**3,993.2**	**4,162.5**	**3,581.7**
Cash in Hand	18.5	263.0	311.1	319.8	364.1	377.9	417.8	390.8	387.6	380.0	372.8
Balances with Reserve Bank (9)	241.5	2,898.2	3,278.4	3,246.5	3,716.4	4,126.4	3,608.5	3,814.6	3,605.5	3,782.5	3,208.9

See "Notes on Tables"

No. 3: All Scheduled Banks – Business in India *(Concld.)*

(` Billion)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2011						2012	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
Assets with the Banking System	**68.5**	**1,669.5**	**1,758.8**	**1,530.2**	**1,694.9**	**1,963.1**	**1,774.6**	**1,685.3**	**2,117.4**	**1,998.7**	**1,976.0**
Balances with Other Banks	33.5	703.7	628.6	579.8	578.4	699.3	652.9	624.5	733.7	716.3	721.9
In Current Account	19.3	148.5	115.2	104.9	108.1	143.5	109.4	97.9	115.9	100.7	107.1
In Other Accounts	14.2	555.2	513.4	474.9	470.3	555.8	543.6	526.6	617.8	615.6	614.8
Money at Call and Short Notice	22.0	331.4	269.4	272.4	283.0	265.7	305.1	244.1	354.8	356.0	314.2
Advances to Banks (10)	9.0	101.5	129.2	68.6	79.0	124.8	62.4	72.6	97.8	76.5	72.1
Other Assets	4.0	532.9	731.7	609.4	754.6	873.3	754.2	744.1	931.0	849.9	867.7
Investment	**768.3**	**14,377.7**	**15,509.1**	**15,363.6**	**17,539.7**	**17,370.8**	**17,576.0**	**17,623.8**	**17,471.7**	**17,393.6**	**17,979.2**
Government Securities (11)	510.9	14,284.7	15,452.2	15,307.7	17,487.5	17,319.6	17,532.9	17,581.3	17,435.4	17,359.6	17,945.8
Other Approved Securities	257.5	93.0	56.9	55.9	52.2	51.3	43.1	42.5	36.3	34.0	33.4
Bank Credit	**1,255.8**	**33,375.5**	**40,608.4**	**39,281.6**	**41,738.0**	**43,530.2**	**42,884.8**	**43,377.6**	**45,007.4**	**44,892.9**	**45,469.6**
Loans, Cash-credits and Overdrafts	1,149.8	32,127.9	39,107.7	37,848.9	40,283.8	41,983.1	41,361.5	41,832.1	43,352.5	43,309.2	43,864.8
Inland Bills-Purchased	35.3	126.9	139.7	136.0	115.6	146.2	136.9	143.8	164.0	160.3	162.2
Inland Bills-Discounted	24.1	633.2	810.1	737.6	825.6	821.3	817.7	826.3	862.2	835.5	870.5
Foreign Bills-Purchased	27.9	162.1	186.3	186.9	174.5	195.4	186.2	188.7	215.8	192.0	181.5
Foreign Bills-Discounted	18.6	325.5	364.6	372.2	338.6	384.2	382.6	386.7	412.8	395.8	390.8
Cash-Deposit Ratio	***13.0***	***6.8***	***6.7***	***6.8***	***7.2***	***7.7***	***6.9***	***7.2***	***6.7***	***7.0***	***6.0***
Investment-Deposit Ratio	***38.5***	***31.0***	***29.0***	***29.4***	***30.9***	***29.6***	***30.3***	***30.3***	***29.1***	***29.3***	***30.1***
Credit-Deposit Ratio	***62.9***	***72.0***	***75.8***	***75.1***	***73.6***	***74.2***	***73.9***	***74.5***	***75.1***	***75.6***	***76.0***

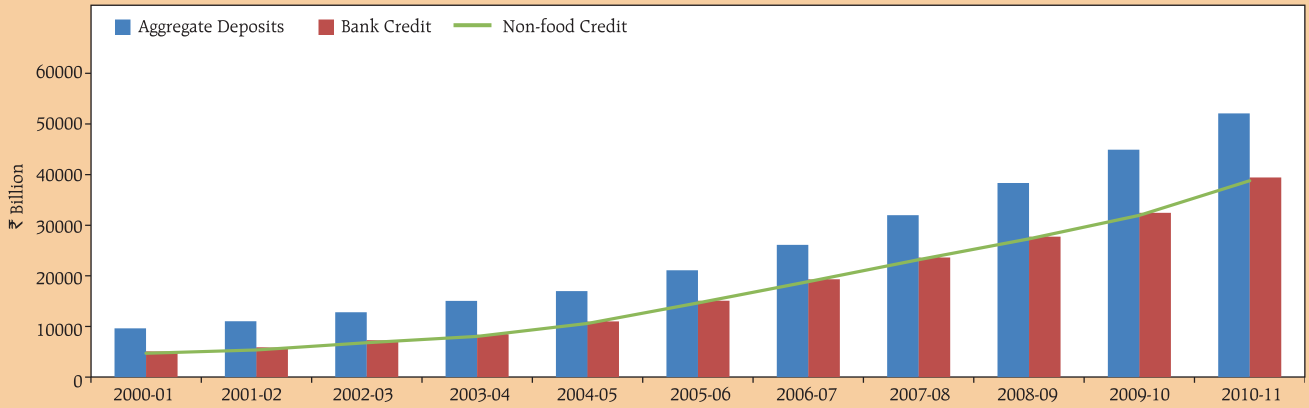
No. 4: All Scheduled Commercial Banks – Business in India

(` Billion)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2011						2012	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	271	163	163	163	164	166	166	166	166	166	166
Liabilities to the Banking System (1)	**64.9**	**1,032.7**	**1,105.9**	**1,042.7**	**1,053.8**	**1,078.7**	**1,068.1**	**1,008.6**	**1,189.9**	**1,176.2**	**1,175.4**
Demand and Time Deposits from Banks (2), (12)	54.4	649.3	737.4	708.4	716.6	758.5	697.4	687.3	744.9	739.7	776.8
Borrowings from Banks (3)	9.7	323.6	297.2	263.2	237.3	220.0	271.2	221.1	325.4	334.6	272.4
Other Demand and Time Liabilities (4)	0.8	59.8	71.2	71.0	99.8	100.3	99.5	100.2	119.5	101.9	126.2
Liabilities to Others (1)	**2,056.0**	**49,265.2**	**56,811.1**	**55,413.9**	**60,360.0**	**62,530.3**	**61,902.5**	**61,943.8**	**63,610.8**	**63,051.3**	**63,405.0**
Aggregate Deposits (5)	**1,925.4**	**44,928.3**	**52,079.7**	**50,879.9**	**55,134.7**	**57,130.2**	**56,429.8**	**56,622.3**	**58,325.1**	**57,719.5**	**58,154.7**
Demand	331.9	6,456.1	6,417.1	6,040.5	5,615.3	6,478.7	5,823.0	5,730.1	6,410.0	5,955.6	5,964.4
Time (5)	1,593.5	38,472.2	45,662.6	44,839.4	49,519.3	50,651.5	50,606.8	50,892.2	51,915.1	51,763.9	52,190.2
Borrowings (6)	4.7	1,042.8	1,313.4	1,235.6	1,623.6	1,829.9	1,929.6	1,789.1	1,576.4	1,833.9	1,813.3
Other Demand and Time Liabilities (4), (13)	125.9	3,294.2	3,418.0	3,298.4	3,601.8	3,570.3	3,543.1	3,532.3	3,709.3	3,498.0	3,437.1
Borrowings from Reserve Bank (7)	**34.7**	**0.4**	**50.3**	**33.5**	**17.0**	**39.5**	**37.5**	**58.3**	**58.8**	**92.6**	**55.2**
Against Usance Bills/ Promissory Notes	-	-	-	-	-	-	-	-	-	-	-
Others	34.7	0.4	50.3	33.5	17.0	39.5	37.5	58.3	58.8	92.6	55.2

See 'Notes on Tables'.

Select Banking Aggregates



No. 4: All Scheduled Commercial Banks – Business in India *(Concld.)*

(` Billion)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11	2011						2012	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
Cash in Hand and Balances with Reserve Bank	**256.7**	**3,069.7**	**3,495.1**	**3,471.8**	**3,979.4**	**4,395.2**	**3,914.2**	**4,095.0**	**3,884.7**	**4,054.5**	**3,481.7**
Cash in Hand	18.0	255.8	303.5	312.1	355.2	370.0	405.5	381.2	378.6	370.8	364.5
Balances with Reserve Bank (9)	238.6	2,813.9	3,191.6	3,159.8	3,624.1	4,025.2	3,508.7	3,713.8	3,506.1	3,683.6	3,117.2
Assets with the Banking System	**55.8**	**1,344.4**	**1,543.9**	**1,310.5**	**1,464.0**	**1,730.1**	**1,547.0**	**1,453.5**	**1,886.5**	**1,753.1**	**1,720.7**
Balances with Other Banks	28.5	624.2	561.4	508.5	497.3	615.6	577.2	546.4	656.5	643.2	641.9
In Current Account	17.9	132.1	101.0	90.3	92.9	124.4	95.2	82.3	99.1	86.0	92.5
In Other Accounts	10.5	492.1	460.4	418.2	404.4	491.2	482.0	464.1	557.4	557.2	549.5
Money at Call and Short Notice	14.5	176.7	166.1	171.4	164.5	152.1	193.9	137.3	248.6	230.8	190.1
Advances to Banks (10)	9.0	98.9	125.7	65.6	75.5	121.5	58.6	68.8	94.2	72.9	68.4
Other Assets	3.9	444.6	690.7	565.0	726.7	840.8	717.2	701.1	887.2	806.2	820.2
Investment	**750.7**	**13,847.5**	**15,016.2**	**14,866.7**	**17,021.6**	**16,858.1**	**17,063.5**	**17,106.5**	**16,948.1**	**16,914.4**	**17,449.3**
Government Securities (11)	500.0	13,783.9	14,971.5	14,823.2	16,981.3	16,818.7	17,023.9	17,067.4	16,914.8	16,883.1	17,418.6
Other Approved Securities	250.7	63.6	44.7	43.6	40.2	39.4	39.6	39.1	33.2	31.3	30.8
Bank credit (14)	**1,163.0** **(45.1)**	**32,447.9** **(484.9)**	**39,420.8** **(642.8)**	**38,130.2** **(652.9)**	**40,476.3** **(735.8)**	**42,232.8** **(693.0)**	**41,574.5** **(726.8)**	**42,060.8** **(785.0)**	**43,668.8** **(845.5)**	**43,527.3** **(830.9)**	**44,075.2** **(832.1)**
Loans, Cash-Credits and Overdrafts	1,059.8	31,221.6	37,940.1	36,717.5	39,042.7	40,706.3	40,070.5	40,534.7	42,032.8	41,963.0	42,489.1
Inland Bills – Purchased	33.7	120.1	134.4	130.6	110.8	142.0	132.6	139.5	159.6	155.7	157.3
Inland Bills – Discounted	23.4	622.2	798.7	726.5	812.7	807.7	805.5	814.3	850.8	824.6	860.8
Foreign Bills – Purchased	27.6	161.3	185.8	186.1	174.2	195.1	186.0	188.3	215.5	191.1	180.2
Foreign Bills – Discounted	18.5	322.7	361.8	369.4	336.0	381.7	379.8	384.0	410.0	393.0	387.9
Cash-Deposit Ratio	***13.3***	***6.8***	***6.7***	***6.8***	***7.2***	***7.7***	***6.9***	***7.2***	***6.7***	***7.0***	***6.0***
Investment- Deposit Ratio	***39.0***	***30.8***	***28.8***	***29.2***	***30.9***	***29.5***	***30.2***	***30.2***	***29.1***	***29.3***	***30.0***
Credit-Deposit Ratio	***60.4***	***72.2***	***75.7***	***74.9***	***73.4***	***73.9***	***73.7***	***74.3***	***74.9***	***75.4***	***75.8***

No. 5: Scheduled Commercial Banks' Investments

(` Billion)

Outstanding as on	SLR Securities	Commercial Paper	Shares issued by			Bonds/Debentures issued by			Instruments issued by	
			PSUs	Private Corporate Sector	Others	PSUs	Private Corporate Sector	Others	Mutual funds	Financial institutions
	1	2	3	4	5	6	7	8	9	10
March 21, 2003	5,475.5	40.4	16.4	75.9	0.0	482.6	330.3	0.0	64.6	310.7
March 19, 2004	6,775.9	38.4	15.7	74.0	0.4	497.2	279.7	52.3	119.3	329.9
March 18, 2005	7,391.5	39.4	18.9	102.9	0.4	469.4	319.9	69.8	127.4	315.6
March 31, 2006	7,174.5	48.4	26.3	105.0	0.4	330.2	295.5	151.5	104.1	292.0
March 30, 2007	7,915.2	90.4	21.3	162.3	0.7	292.3	276.4	177.9	117.6	265.7
March 28, 2008	9,717.1	132.7	30.2	233.9	2.9	279.4	287.0	292.3	188.2	259.4
March 27, 2009	11,664.1	200.0	27.7	250.6	4.1	254.6	331.3	310.7	370.3	325.9
March 26, 2010	13,847.5	251.9	46.2	254.8	0.9	227.1	400.7	309.0	528.9	326.0
March 25, 2011	15,016.2	123.1	89.6	323.5	4.5	279.5	660.3	456.1	476.0	313.0
February 11, 2011	14,720.8	323.7	84.2	285.1	4.2	237.6	622.4	297.4	948.4	289.0
February 25, 2011	14,866.7	303.3	84.4	285.8	4.2	240.1	627.1	334.4	857.5	295.1
March 11, 2011	14,967.7	130.5	83.8	286.8	4.3	252.2	631.0	394.4	1,056.5	287.4
March 25, 2011	15,016.2	123.1	89.6	323.5	4.5	279.5	660.3	456.1	476.0	313.0
April 8, 2011	15,708.0	110.2	83.2	297.2	4.5	241.9	663.4	412.8	1,158.2	323.5
April 22, 2011	15,553.1	96.6	82.9	299.4	4.5	255.5	631.8	387.5	1,242.6	301.9
May 6, 2011	15,698.0	103.2	81.0	300.3	4.8	237.8	645.2	394.8	1,209.0	279.7
May 20, 2011	15,824.3	109.8	81.3	301.8	4.8	240.8	641.9	396.4	1,062.7	285.5
June 3, 2011	16,137.5	132.0	82.3	299.7	4.8	268.8	658.5	436.7	916.5	291.5
June 17, 2011	16,066.8	129.9	84.1	300.0	4.8	248.9	658.2	445.3	839.5	308.9
July 1, 2011	16,051.7	134.0	83.3	298.8	4.8	238.5	652.9	480.8	539.0	304.1
July 15, 2011	16,724.3	132.6	82.5	299.0	4.7	234.5	652.2	409.5	748.1	286.4
July 29, 2011	16,832.0	133.5	82.1	302.3	4.8	240.8	681.1	300.8	714.1	300.8
August 12, 2011	16,876.5	154.0	82.2	305.1	4.8	241.4	686.3	511.3	757.1	314.7
August 26, 2011	17,021.6	159.4	82.3	306.0	4.8	247.6	708.9	531.7	699.6	308.8
September 9, 2011	17,107.7	172.9	82.7	304.8	4.8	283.1	728.7	502.8	739.6	298.5
September 23, 2011	17,023.7	187.5	82.7	304.3	6.5	277.7	729.3	445.6	662.6	320.8
October 7, 2011	17,362.6	212.1	83.4	305.2	9.1	352.2	733.4	436.5	616.9	331.5
October 21, 2011	17,063.8	228.5	83.0	303.9	5.1	350.1	739.2	419.4	637.9	347.4
November 4, 2011	17,330.2	227.3	82.7	304.2	5.1	353.8	739.0	424.9	661.7	339.6
November 18, 2011	17,121.3	218.2	80.4	301.5	5.1	361.6	746.5	404.7	644.2	326.8
December 2, 2011	17,449.1	250.0	77.7	299.8	5.1	353.0	753.8	425.0	554.9	342.8
December 16, 2011	16,800.3	271.0	76.7	295.4	5.1	331.2	769.1	405.0	494.1	355.9
December 30, 2011	16,948.1	214.9	75.1	294.4	5.1	330.7	780.7	385.2	270.5	364.1
January 13, 2012	16,830.9	268.5	73.8	297.4	5.1	306.2	778.5	345.1	343.3	369.1
January 27, 2012	16,914.4	264.8	72.7	299.4	5.1	323.3	754.3	358.2	379.6	392.2
February 10, 2012	17,314.1	260.9	70.5	299.4	5.1	327.3	710.6	382.4	392.9	400.4
February 24, 2012	17,449.3	301.2	69.0	298.6	8.1	360.2	723.9	385.4	336.2	416.6

Note : Data on Investments are based on Statutory Section 42(2) Returns.
Final upto January 27, 2012

No. 6: State Co-operative Banks Maintaining Accounts with the Reserve Bank of India

(` Billion)

Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday	1990-91	2009-10	2010-11	2010	2011									
				Nov.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.4	Nov.18	Nov.25
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Number of Reporting Banks	28	31	31	31	31	31	31	31	31	31	31	31	31	31
Demand and Time Liabilities														
Aggregate Deposits (1)	**21.53**	**268.96**	**285.59**	**282.35**	**287.03**	**280.17**	**284.72**	**288.45**	**287.40**	**288.47**	**292.36**	**295.34**	**296.99**	**294.37**
Demand Liabilities	**18.32**	**97.46**	**116.72**	**97.64**	**113.28**	**108.38**	**111.07**	**110.86**	**109.79**	**118.42**	**108.60**	**110.91**	**108.10**	**107.91**
Deposits														
Inter-Bank	7.18	20.21	16.56	12.53	12.57	12.38	14.23	13.83	14.74	17.69	13.05	13.40	12.76	13.27
Others	7.94	48.87	62.34	58.47	62.68	62.02	63.89	61.70	60.85	62.28	61.73	63.03	63.49	63.53
Borrowings from Banks	1.81	9.05	10.88	7.86	12.26	12.71	11.85	13.09	10.58	14.79	9.47	9.46	9.65	9.07
Others	1.39	19.33	26.94	18.78	25.77	21.27	21.11	22.25	23.62	23.66	24.35	25.02	22.20	22.05
Time Liabilities	**39.63**	**714.85**	**659.05**	**665.05**	**673.33**	**651.92**	**650.68**	**653.16**	**655.36**	**662.10**	**666.68**	**670.36**	**671.92**	**670.84**
Deposits														
Inter-Bank	25.45	484.89	427.24	435.51	441.40	426.21	422.33	419.30	421.70	430.24	430.10	431.96	432.32	434.02
Others	13.59	220.10	223.25	223.88	224.35	218.15	220.83	226.75	226.55	226.19	230.63	232.31	233.50	230.85
Borrowings from Banks	–	2.05	3.15	0.09	2.04	2.04	2.04	2.12	2.04	0.04	0.04	–	0.01	–
Others	0.59	7.80	5.41	5.56	5.54	5.52	5.47	4.98	5.07	5.63	5.90	6.09	6.10	5.97
Borrowing from Reserve Bank	**0.15**	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowings from the State Bank and/or a Notified bank (2) and State Government	**18.61**	**135.05**	**172.93**	**141.90**	**159.40**	**159.01**	**163.18**	**161.28**	**163.72**	**173.71**	**196.76**	**194.44**	**195.39**	**198.87**
Demand	1.16	36.87	81.13	42.60	68.06	72.34	74.55	66.45	73.12	78.70	99.99	98.48	101.43	100.56
Time	17.45	98.17	91.80	99.29	91.35	86.67	88.63	94.82	90.60	95.02	96.76	95.96	93.96	98.31
Assets														
Cash in Hand and Balances with Reserve Bank	**3.34**	**41.40**	**37.50**	**41.08**	**41.76**	**41.93**	**39.65**	**39.52**	**38.58**	**40.37**	**39.60**	**40.17**	**40.95**	**40.74**
Cash in Hand	0.24	1.51	1.72	1.82	1.62	1.76	1.82	2.00	1.84	1.82	1.94	1.88	1.93	1.87
Balance with Reserve Bank	3.10	39.88	35.78	39.26	40.14	40.17	37.83	37.52	36.75	38.55	37.66	38.29	39.02	38.88
Balances with Other Banks in Current Account	0.93	6.83	6.12	5.40	5.64	5.30	4.84	5.11	4.88	6.38	6.23	5.46	5.72	5.86
Investments in Government Securities (3)	10.58	248.96	245.08	257.84	254.70	254.80	252.38	252.70	247.78	248.66	249.84	249.85	249.93	250.03
Money at Call and Short Notice	4.98	190.10	131.05	148.06	151.46	151.34	153.30	145.79	151.34	144.26	148.49	144.34	146.22	147.00
Bank Credit (4)	**25.53**	**194.49**	**243.31**	**212.34**	**238.16**	**252.35**	**248.48**	**245.88**	**245.02**	**241.65**	**236.62**	**235.51**	**233.52**	**234.35**
Advances														
Loans, Cash-Credits and Overdrafts	25.28	194.36	243.18	212.18	237.96	252.18	248.37	245.82	244.85	241.55	236.49	235.34	233.37	234.19
Due from Banks (5)	55.60	282.88	401.79	347.30	403.14	398.97	407.59	427.38	438.72	457.39	472.27	472.24	471.67	471.85
Bills Purchased and Discounted	0.25	0.13	0.13	0.16	0.20	0.17	0.12	0.07	0.17	0.10	0.13	0.17	0.15	0.16
Cash – Deposit Ratio	***15.5***	***15.4***	***13.1***	***14.5***	***14.5***	***15.0***	***13.9***	***13.7***	***13.4***	***14.0***	***13.5***	***13.6***	***13.8***	***13.8***
Investment – Deposit Ratio	***49.1***	***92.6***	***85.8***	***91.3***	***88.7***	***90.9***	***88.6***	***87.6***	***86.2***	***86.2***	***85.5***	***84.6***	***84.2***	***84.9***
Credit – Deposit Ratio	***118.6***	***72.3***	***85.2***	***75.2***	***83.0***	***90.1***	***87.3***	***85.2***	***85.3***	***83.8***	***80.9***	***79.7***	***78.6***	***79.6***

See 'Notes on Tables'.

No. 7: Reserve Bank's Standing Facilities to Scheduled Commercial Banks

(` Billion)

As on the Last Reporting Friday of	Export Credit Refinance						Others @						Total	
	Normal *		Back Stop **		Total ***		Normal *		Back Stop **		Total		Standing Facility	
	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing
	1	2	3	4	5 =(1+3)	6 =(2+4)	7	8	9	10	11 =(7+9)	12 =(8+10)	13 =(5+11)	14 =(6+12)
2006-07	–	–	–	–	81.10	49.85	–	–	–	–	–	–	81.10	49.85
2007-08	–	–	–	–	91.03	28.25	–	–	–	–	–	–	91.03	28.25
2008-09	–	–	–	–	349.52	31.07	–	–	–	–	–	–	349.52	31.07
2009-10	–	–	–	–	90.72	0.42	–	–	–	–	–	–	90.72	0.42
2010-11	–	–	–	–	101.61	50.76	–	–	–	–	–	–	101.61	50.76
Feb. 2010	–	–	–	–	88.39	2.40	–	–	–	–	–	–	88.39	2.40
Mar. 2010	–	–	–	–	90.72	0.42	–	–	–	–	–	–	90.72	0.42
Apr. 2010	–	–	–	–	99.38	–	–	–	–	–	–	–	99.38	–
May 2010	–	–	–	–	96.64	–	–	–	–	–	–	–	96.64	–
Jun. 2010	–	–	–	–	90.81	18.70	–	–	–	–	–	–	90.81	18.70
Jul. 2010	–	–	–	–	88.76	20.42	–	–	–	–	–	–	88.76	20.42
Aug. 2010	–	–	–	–	86.75	8.95	–	–	–	–	–	–	86.75	8.95
Sep. 2010	–	–	–	–	88.03	23.16	–	–	–	–	–	–	88.03	23.16
Oct. 2010	–	–	–	–	86.37	41.24	–	–	–	–	–	–	86.37	41.24
Nov. 2010	–	–	–	–	90.08	44.82	–	–	–	–	–	–	90.08	44.82
Dec. 2010	–	–	–	–	94.98	50.17	–	–	–	–	–	–	94.98	50.17
Jan. 2011	–	–	–	–	101.27	44.18	–	–	–	–	–	–	101.27	44.18
Feb. 2011	–	–	–	–	100.42	33.96	–	–	–	–	–	–	100.42	33.96
Mar. 2011	–	–	–	–	101.61	50.76	–	–	–	–	–	–	101.61	50.76
Apr. 2011	–	–	–	–	98.46	17.99	–	–	–	–	–	–	98.46	17.99
May 2011	–	–	–	–	100.27	26.35	–	–	–	–	–	–	100.27	26.35
Jun. 2011	–	–	–	–	100.57	20.64	–	–	–	–	–	–	100.57	20.64
Jul. 2011	–	–	–	–	93.31	23.96	–	–	–	–	–	–	93.31	23.96
Aug. 2011	–	–	–	–	91.98	16.08	–	–	–	–	–	–	91.98	16.08
Sep. 2011	–	–	–	–	96.08	27.77	–	–	–	–	–	–	96.08	27.77
Oct. 2011	–	–	–	–	112.17	11.02	–	–	–	–	–	–	112.17	11.02
Nov. 2011	–	–	–	–	116.58	32.57	–	–	–	–	–	–	116.58	32.57
Dec. 2011	–	–	–	–	119.76	59.10	–	–	–	–	–	–	119.76	59.10
Jan. 2012	–	–	–	–	129.14	92.90	–	–	–	–	–	–	129.14	92.90
Feb. 2012	–	–	–	–	129.32	55.20	–	–	–	–	–	–	129.32	55.20

@ Others include Collateralised Lending Facility (CLF) (withdrawn completely effective from October 5, 2002)/Additional CLF (withdrawn effective from June 5, 2000), etc.
* Normal Limit =1/2 of total limit effective from November 16, 2002 ; 1/3 rd of total limit effective from December 27, 2003.
** Back-Stop Limit = 1/2 of total limit effective from November 16, 2002 ; 2/3 rd of total limit effective from December 27, 2003.
*** Total limits under Normal facility and Back-stop facility merged into single facility effective from March 29, 2004.
Also see 'Notes on Tables'

No. 8: Cheque Clearing Data

(Number in Million and Amount in ` Billion)

Month/Year	Total		Total MICR* Centres		Total Non-MICR** Centres		Total of RBI Centres		RBI Centres***					
									Ahmedabad		Bangalore		Bhopal	
	1=(2+3)		2=(4+22)		3		4		5		6		7	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	901.50	125,752.54	537.70	109,473.91	363.80	16,278.63	537.70	109,473.91	41.40	2,075.24	44.50	2,693.46	–	–
2002-03	1,013.90	134,243.13	598.00	109,787.62	415.90	24,455.51	598.00	109,787.62	43.40	2,250.60	48.50	3,075.77	–	–
2003-04	1,022.80	115,959.60	624.10	91,787.51	398.70	24,172.09	624.10	91,787.51	47.30	2,806.49	54.70	3,758.85	–	–
2004-05	1,166.85	104,588.95	941.46	93,562.52	225.39	11,026.43	738.48	84,933.21	52.55	3,526.97	60.16	4,778.10	5.93	471.88
2005-06	1,286.76	113,291.34	1,031.84	94,743.71	254.92	18,547.63	794.24	81,949.77	60.37	4,065.99	65.61	4,983.44	7.19	321.81
2006-07	1,367.28	120,424.26	1,144.10	104,354.36	223.18	16,069.90	830.99	85,994.94	59.44	4,299.56	70.25	5,586.76	7.17	522.25
2007-08	1,460.56	133,960.66	1,222.96	115,286.90	237.60	18,673.76	877.59	94,517.48	64.73	5,067.59	73.45	6,323.28	7.74	626.52
2008-09	1,397.39	124,691.35	1,163.82	104,082.42	233.57	20,608.93	834.72	82,973.85	57.03	4,771.13	68.76	5,460.18	7.45	708.38
2009-10	1,380.27	104,099.42	1,149.71	85,315.17	230.57	18,784.25	812.69	65,221.35	58.83	4,521.70	66.19	4,579.73	7.11	653.26
2010-11	1,387.40	101,341.28	1,155.06	83,012.18	232.34	18,329.09	814.08	61,957.75	61.94	4,100.98	66.35	4,741.35	7.14	634.61
2010-11														
April (P)	117.53	8,599.83	97.09	7,040.89	20.44	1,558.94	68.18	5,263.61	5.14	335.01	5.69	416.79	0.61	48.75
May (P)	111.05	8,217.73	91.98	6,727.32	19.07	1,490.40	64.85	5,003.03	4.72	301.93	5.61	353.61	0.55	47.12
June (P)	110.44	8,358.97	91.47	6,926.41	18.97	1,432.56	65.01	5,249.55	4.77	303.20	5.55	371.81	0.57	59.50
July (P)	118.75	8,102.69	99.66	6,738.01	19.08	1,364.68	70.10	5,020.33	5.08	310.52	5.70	388.79	0.63	57.64
August (P)	117.54	8,116.08	97.31	6,638.02	20.23	1,478.07	68.36	4,970.97	5.21	314.89	5.55	394.35	0.61	46.33
September (P)	108.46	7,758.62	90.69	6,256.42	17.77	1,502.20	63.82	4,672.11	4.80	297.92	5.23	374.12	0.56	52.48
October (P)	124.44	9,077.60	104.99	7,638.99	19.45	1,438.60	73.21	5,753.48	6.20	413.67	5.64	400.45	0.61	50.82
November (P)	110.41	8,095.69	92.18	6,539.57	18.22	1,556.12	64.83	4,780.43	4.77	316.01	5.18	358.81	0.56	51.11
December (P)	119.44	8,747.05	100.16	7,281.43	19.28	1,465.61	70.35	5,452.59	5.50	380.79	5.67	405.28	0.59	56.68
January (P)	110.51	8,114.13	92.17	6,476.35	18.34	1,637.78	65.66	4,788.05	4.86	334.42	5.25	385.87	0.60	50.66
February (P)	108.09	7,978.45	90.11	6,429.94	17.98	1,548.51	63.73	4,763.74	4.82	338.93	5.18	379.81	0.60	44.86
March (P)	130.75	10,174.45	107.24	8,318.83	23.51	1,855.62	75.97	6,239.87	6.09	453.68	6.12	511.65	0.65	68.65
Total (upto March 2011)	**1,387.40**	**101,341.28**	**1,155.06**	**83,012.18**	**232.34**	**18,329.09**	**814.08**	**61,957.75**	**61.94**	**4,100.98**	**66.35**	**4,741.35**	**7.14**	**634.61**
2011-12														
April (P)	109.75	8,666.80	91.53	7,063.63	18.22	1,603.17	64.27	5,364.54	4.90	340.78	5.44	399.84	0.53	52.71
May (P)	112.13	8,445.55	94.48	7,030.99	17.64	1,414.56	66.82	5,279.32	4.78	328.53	5.64	390.62	0.53	48.32
June (P)	105.22	7,654.94	85.98	6,066.19	19.24	1,588.75	60.12	4,466.13	4.80	324.60	5.54	397.92	0.49	48.62
July (P)	116.24	9,029.37	95.83	6,839.83	20.41	2,189.54	66.95	4,848.17	4.93	320.12	5.58	401.86	0.55	48.02
August (P)	111.67	7,438.30	93.24	6,075.61	18.43	1,362.69	65.34	4,534.75	4.74	313.78	5.43	395.71	0.54	47.79
September (P)	111.27	7,649.98	92.75	6,292.21	18.53	1,357.77	65.16	4,775.36	4.85	307.63	5.25	393.85	0.54	46.49
October (P)	113.39	8,530.93	95.55	6,849.49	17.85	1,681.44	66.46	4,824.56	5.30	351.24	5.18	410.90	0.53	46.28
November (P)	108.58	7,849.52	90.00	6,410.86	18.58	1,438.67	62.49	4,500.71	4.47	285.55	5.40	403.47	0.53	46.28
December (P)	107.09	8,187.95	88.15	6,660.60	18.93	1,527.35	64.21	5,106.47	4.95	335.94	5.49	433.19	0.55	59.82
January (P)	111.10	7,906.40	92.88	6,403.89	18.21	1,502.51	65.68	4,974.92	4.66	320.13	5.20	390.20	0.54	48.61
February (P)	105.42	7,601.31	87.64	6,311.14	17.78	1,290.17	62.47	4,639.93	4.59	326.94	5.04	397.73	0.53	38.91
Total (upto February 2012)	**1,211.85**	**88,961.04**	**1,008.03**	**72,004.43**	**203.82**	**16,956.61**	**709.96**	**53,314.88**	**52.98**	**3,555.24**	**59.18**	**4,415.28**	**5.85**	**531.86**

* MICR – Magnetic Ink Character Recognition – automated CPC (Cheque Processing Centers)

** Non-MICR Clearing done at the clearing houses where MICR Cheque Processing Centres have not been set up. The processing is done either using Magnetic Media Based Clearing System (MMBCS) or is done manually.

*** RBI Centres (MICR) refers to all centres where RBI is the manager of Clearing House.

1. Non MICR Data pertains to the Clearing Houses managed by 10 banks namely SBI (688), SBBJ (50), SB Indore (27), PNB (3), SBT (81), SBP (52), SBH (51), SBS (28), SBM (46) and United Bank of India (4). Figures in bracket indicate Non MICR Cheque Clearing Houses managed by the bank.
2. The other MICR Centres include 43 centres managed by 13 PSBs namely Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of India, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, State Bank of Hyderabad and Union Bank of India. The list of other MICR centres (apart from RBI) is given in the Notes on Table 8.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Million and Amount in ` Billion)

Month/Year	RBI Centres***													
	Bhubaneswar		Chandigarh		Chennai		Guwahati		Hyderabad		Jammu $$		Jaipur	
	8		9		10		11		12		13		14	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	2.70	216.25	–	–	52.20	5,008.72	3.00	195.92	30.50	1,827.64	–	–	12.30	544.32
2002-03	3.30	263.49	–	–	55.70	5,529.13	3.40	224.36	33.70	2,150.35	–	–	13.00	582.02
2003-04	3.70	371.36	–	–	60.20	6,121.58	3.70	278.40	36.90	2,755.03	–	–	14.80	701.22
2004-05	4.18	472.53	11.28	1,110.92	73.51	7,598.83	4.24	327.14	39.02	3,016.79	–	–	16.80	890.87
2005-06	4.86	536.50	12.38	1,270.38	81.32	6,552.78	4.82	396.60	41.68	3,633.17	–	–	18.74	1,134.53
2006-07	5.62	648.34	14.07	1,982.05	80.35	6,922.02	5.51	491.01	43.89	3,959.11	–	–	19.78	1,377.85
2007-08	6.00	809.94	14.14	1,612.18	85.41	7,788.54	5.95	551.69	45.46	4,524.99	–	–	21.93	1,620.22
2008-09	5.79	880.62	13.18	1,454.51	83.20	8,019.64	5.97	620.86	44.78	4,347.37	–	–	19.76	1,508.90
2009-10	5.86	627.22	13.37	1,409.66	79.02	6,311.01	6.36	587.73	41.49	3,513.92	1.19	79.68	19.99	1,311.93
2010-11	5.81	636.25	13.42	1,545.50	79.04	5,498.87	6.13	557.25	40.81	3,328.63	2.94	192.00	21.00	1,385.19
2010-11														
April (P)	0.50	48.59	1.14	139.08	6.57	470.80	0.49	47.50	3.10	271.19	0.25	19.24	1.73	112.53
May (P)	0.45	43.34	1.06	128.49	6.27	414.55	0.52	41.01	3.39	256.60	0.24	17.72	1.67	104.90
June (P)	0.45	48.05	1.07	107.32	6.53	440.02	0.50	45.32	3.36	273.85	0.24	14.38	1.59	109.81
July (P)	0.52	57.38	1.21	211.84	7.06	470.36	0.51	50.58	3.58	303.15	0.24	16.20	1.79	115.08
August (P)	0.50	48.18	1.13	102.50	6.90	466.78	0.53	41.07	3.45	268.80	0.25	13.82	1.70	101.62
September (P)	0.47	55.72	1.07	106.66	6.31	444.35	0.48	44.80	3.16	238.36	0.24	12.98	1.66	107.72
October (P)	0.49	48.18	1.20	135.24	6.88	475.91	0.52	44.83	3.75	299.59	0.27	17.29	2.00	128.16
November (P)	0.47	47.88	1.06	131.18	6.34	434.04	0.49	40.72	3.38	266.15	0.24	14.06	1.70	115.89
December (P)	0.49	58.71	1.15	125.53	6.64	477.30	0.53	49.99	3.58	288.07	0.25	15.81	1.87	127.17
January (P)	0.46	56.80	1.04	110.61	6.10	424.61	0.46	41.97	3.20	269.36	0.23	18.88	1.65	107.27
February (P)	0.46	48.80	1.03	116.76	6.22	458.47	0.49	45.21	3.03	242.90	0.23	13.65	1.64	109.95
March (P)	0.56	74.61	1.26	130.28	7.22	521.68	0.61	64.24	3.82	350.60	0.27	17.96	1.99	145.09
Total (upto March 2011)	**5.81**	**636.25**	**13.42**	**1,545.50**	**79.04**	**5,498.87**	**6.13**	**557.25**	**40.81**	**3,328.63**	**2.94**	**192.00**	**21.00**	**1,385.19**
2011-12														
April (P)	0.46	44.12	1.13	146.04	6.07	485.79	0.45	45.24	3.29	318.37	0.24	18.00	1.68	126.20
May (P)	0.47	46.69	1.16	129.76	6.38	452.95	0.49	41.33	3.18	285.18	0.24	14.95	1.62	107.78
June (P)	0.47	54.97	1.17	114.28	3.27	224.49	0.49	42.90	3.34	286.90	0.23	14.45	1.61	122.72
July (P)	0.63	51.01	1.14	118.11	6.57	472.95	0.50	45.57	3.37	299.29	0.23	18.58	1.69	114.45
August (P)	0.53	44.43	1.06	96.32	6.64	464.69	0.48	40.64	3.31	289.83	0.23	13.51	1.60	106.79
September (P)	0.47	54.97	1.18	142.38	6.25	446.88	0.51	46.26	3.14	269.62	0.29	14.85	1.64	112.92
October (P)	0.47	44.34	1.11	107.25	6.02	446.83	0.46	42.89	3.05	256.44	0.24	16.29	1.65	110.77
November (P)	0.49	40.81	1.08	116.02	4.45	345.30	0.51	46.74	3.47	277.61	0.24	14.81	1.65	112.68
December (P)	0.52	57.54	1.05	119.55	3.29	270.80	0.53	48.45	3.42	289.27	0.24	20.35	1.72	120.08
January (P)	0.48	47.59	1.05	120.66	5.98	454.14	0.46	45.64	3.06	268.57	0.23	16.07	1.58	108.63
February (P)	0.45	40.89	1.00	101.58	6.01	415.22	0.47	43.57	3.00	261.16	0.23	14.03	1.58	109.10
Total (upto February 2012)	**5.43**	**527.36**	**12.14**	**1,311.96**	**60.94**	**4,480.04**	**5.34**	**489.23**	**35.62**	**3,102.23**	**2.64**	**175.89**	**18.02**	**1,252.12**

$$ Settlement of MICR Clearing is being done in the book of Reserve Bank of India effective November, 2009.

No. 8: Cheque Clearing Data

(Number in Million and Amount in ` Billion)

Month/Year	RBI Centres***													
	Kanpur		Kolkata		Mumbai		Nagpur		New Delhi $		Patna		Thiruvananthapuram	
	15		16		17		18		19		20		21	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	6.70	323.69	52.30	3,731.31	167.90	82,178.16	10.20	411.51	107.90	9,903.15	2.70	174.21	3.40	190.32
2002-03	7.30	345.32	53.10	4,191.64	201.90	76,947.48	10.90	469.24	116.40	13,196.25	3.70	195.06	3.70	366.91
2003-04	7.80	413.97	47.00	4,653.08	216.20	55,112.93	12.00	563.30	110.70	13,546.77	5.00	267.39	4.10	437.14
2004-05	8.71	472.26	59.99	5,606.60	230.41	37,536.70	12.44	634.95	147.93	17,736.10	6.50	308.62	4.82	443.96
2005-06	9.27	553.29	64.24	6,586.40	239.19	33,428.29	13.48	757.72	159.72	16,975.83	5.92	368.20	5.46	384.84
2006-07	9.69	643.96	68.42	6,823.58	251.83	33,190.90	14.56	925.47	169.09	17,735.48	5.68	479.69	5.62	406.93
2007-08	10.00	698.85	73.05	7,783.04	265.16	36,854.07	15.13	1,063.52	177.57	18,009.76	6.26	610.07	5.60	573.23
2008-09	9.28	726.92	69.23	7,530.68	251.27	27,997.65	14.62	1,062.46	172.69	16,647.09	6.20	679.77	5.50	557.70
2009-10	8.96	680.11	67.89	6,582.29	248.22	19,393.27	14.12	902.52	162.46	12,990.00	6.32	644.24	5.30	433.09
2010-11	8.46	564.49	67.48	5,393.11	247.20	17,069.12	14.39	883.30	160.44	14,391.16	6.15	665.82	5.38	370.12
2010-11														
April (P)	0.73	50.52	5.42	456.98	20.94	1,489.94	1.22	83.83	13.66	1,166.25	0.54	69.71	0.44	36.89
May (P)	0.69	48.34	5.61	442.35	18.87	1,282.78	1.12	68.07	13.13	1,370.38	0.50	55.80	0.45	26.03
June (P)	0.67	47.09	5.24	407.98	19.70	1,279.46	1.14	75.24	12.73	1,575.71	0.47	59.91	0.45	30.90
July (P)	0.78	47.78	5.74	426.42	20.68	1,303.81	1.24	78.80	14.35	1,099.31	0.51	52.46	0.48	30.21
August (P)	0.73	46.26	5.87	432.93	20.74	1,359.18	1.16	67.22	13.12	1,198.76	0.51	40.55	0.44	27.72
September (P)	0.67	46.20	5.48	416.13	19.16	1,310.97	1.10	65.32	12.50	1,017.96	0.51	52.46	0.43	27.96
October (P)	0.74	46.65	5.67	427.24	22.94	1,945.40	1.33	74.47	13.96	1,164.20	0.55	49.45	0.47	31.92
November (P)	0.65	43.49	5.60	417.33	19.75	1,358.20	1.15	65.01	12.59	1,042.45	0.46	49.51	0.45	28.60
December (P)	0.71	46.66	5.84	549.63	21.47	1,502.81	1.24	71.96	13.80	1,200.90	0.56	64.47	0.45	30.83
January (P)	0.65	44.42	5.39	432.97	20.42	1,325.68	1.16	72.29	13.24	1,035.16	0.49	45.66	0.44	31.42
February (P)	0.66	42.87	5.26	424.39	19.37	1,299.71	1.14	68.96	12.72	1,054.88	0.50	46.98	0.39	26.60
March (P)	0.77	54.24	6.35	558.75	23.18	1,611.19	1.39	92.15	14.63	1,465.19	0.57	78.87	0.48	41.02
Total (upto March 2011)	**8.46**	**564.49**	**67.48**	**5,393.11**	**247.20**	**17,069.12**	**14.39**	**883.30**	**160.44**	**14,391.16**	**6.15**	**665.82**	**5.38**	**370.12**
2011-12														
April (P)	0.66	48.36	4.99	433.16	19.51	1,498.65	1.13	80.19	12.93	1,232.09	0.48	63.58	0.37	31.42
May (P)	0.65	47.77	5.45	435.61	19.53	1,339.17	1.14	74.49	14.63	1,465.19	0.48	41.56	0.44	29.42
June (P)	0.63	45.68	3.81	297.08	19.50	1,281.99	1.14	73.37	12.70	1,064.88	0.51	43.26	0.43	28.02
July (P)	0.66	44.18	5.40	302.03	19.98	1,277.06	1.19	70.15	13.52	1,186.86	0.59	48.25	0.43	29.68
August (P)	0.65	43.17	5.34	276.02	20.03	1,254.97	1.13	63.75	12.60	1,015.46	0.63	41.99	0.41	25.93
September (P)	0.69	45.28	5.66	428.74	19.60	1,260.40	1.16	62.62	12.89	1,052.80	0.67	64.74	0.37	24.93
October (P)	0.69	47.82	4.69	340.40	21.73	1,370.27	1.18	68.40	13.17	1,089.88	0.54	44.45	0.44	30.12
November (P)	0.69	46.04	5.15	376.61	19.84	1,236.71	1.16	66.07	12.89	1,050.79	0.49	45.14	0.43	26.29
December (P)	0.68	48.51	5.66	450.66	20.52	1,491.62	1.22	71.66	13.42	1,201.43	0.51	58.56	0.44	29.06
January (P)	0.65	46.44	4.95	384.45	21.60	1,483.75	1.14	70.76	13.19	1,089.79	0.52	49.14	0.40	30.35
February (P)	0.61	44.77	5.24	407.98	18.89	1,233.17	1.06	65.45	12.86	1,060.20	0.52	48.11	0.41	31.11
Total (upto February 2012)	**7.25**	**508.02**	**56.35**	**4,132.73**	**220.73**	**14,727.77**	**12.64**	**766.88**	**144.80**	**12,509.36**	**5.93**	**548.78**	**4.58**	**316.34**

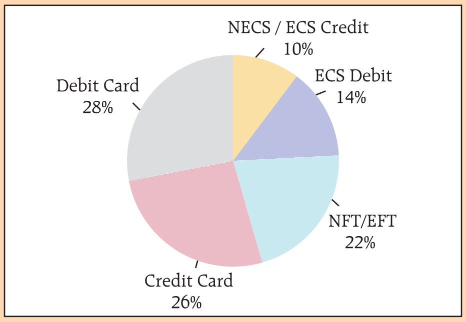
$ Cheque Truncation System (CTS) implemented at NCR since February 2008 and complete Cheque clearing volume has been migrated to CTS from July 2009.

No. 8: Cheque Clearing Data *(Concld.)*

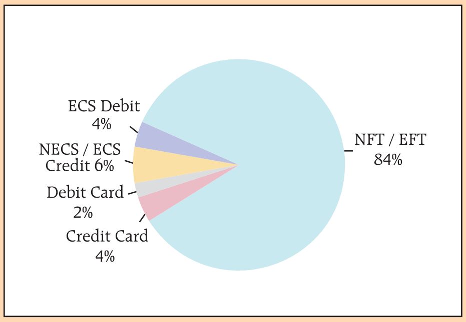
(Number in Million and Amount in ` Billion)

Month/Year	"Other MICR Centres"	
	22	
	Number	Amount
2001-02	–	–
2002-03	–	–
2003-04	–	–
2004-05	202.98	8,629.31
2005-06	237.59	12,793.94
2006-07	313.11	18,359.42
2007-08	345.37	20,769.42
2008-09	329.10	21,108.57
2009-10	337.02	20,093.82
2010-11	340.98	21,054.44
2010-11		
April (P)	28.91	1,777.29
May (P)	27.13	1,724.30
June (P)	26.46	1,676.86
July (P)	29.56	1,717.68
August (P)	28.95	1,667.05
September (P)	26.86	1,584.31
October (P)	31.78	1,885.51
November (P)	27.35	1,759.14
December (P)	29.81	1,828.84
January (P)	26.51	1,688.30
February (P)	26.38	1,666.21
March (P)	31.27	2,078.96
Total (upto March 2011)	**340.98**	**21,054.44**
2011-12		
April (P)	27.26	1,699.09
May (P)	27.67	1,751.67
June (P)	25.86	1,600.05
July (P)	28.88	1,991.66
August (P)	27.91	1,540.86
September (P)	27.59	1,516.85
October (P)	29.09	2,024.93
November (P)	27.52	1,910.15
December (P)	23.94	1,554.12
January (P)	27.20	1,428.96
February (P)	25.17	1,671.20
Total (upto February 2012)	**298.07**	**18,689.55**

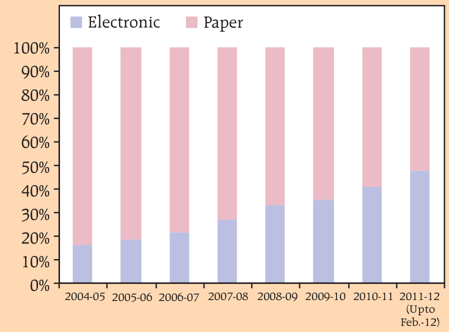
Retail Electronic Transactions - Volume in February 2012



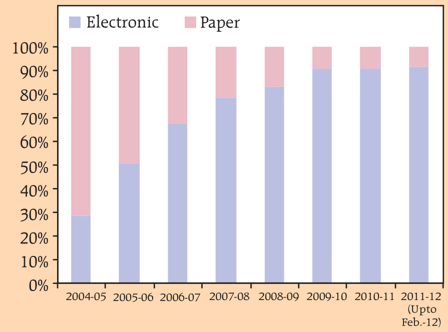
Retail Electronic Transactions - Value in February 2012



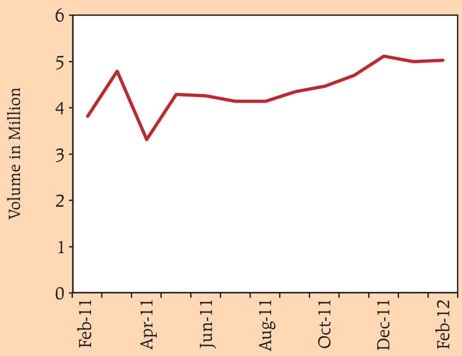
Representation of Electronic Transactions Volume in Total



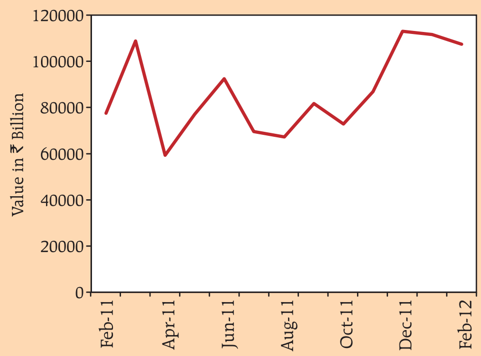
Representation of Electronic Transaction Value in Total



Growth in RTGS Volume



Growth in RTGS Value



No. 9A: Retail Electronic Payment Systems

(Number in Million and Amount in ₹ Billion)

Year/Period	Total Electronic Payments		Electronic Clearing Services (ECS)				National Electronic Funds Transfer NEFT/EFT		Card Payments#					
			NECS/ECS (Credit)		ECS (Debit)				Credit			Debit*		
	1=(2+3+4+5+6)		2		3		4		5			6		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number of Outstanding Cards**	Number	Amount	Number of Outstanding Cards**	Number	Amount
2003-04	166.94	521.43	20.32	102.28	7.87	22.54	0.82	171.25	–	100.18	176.63	–	37.76	48.74
2004-05	228.90	1,087.50	40.05	201.80	15.30	29.21	2.55	546.01	–	129.47	256.86	–	41.53	53.61
2005-06	285.01	1,463.83	44.22	323.24	35.96	129.86	3.07	612.88	17.33	156.09	338.86	49.76	45.69	58.97
2006-07	378.71	2,356.93	69.02	832.73	75.20	254.41	4.78	774.46	23.12	169.54	413.61	74.98	60.18	81.72
2007-08	535.31	10,419.92	78.37	7,822.22	127.12	489.37	13.32	1,403.26	27.55	228.20	579.85	102.44	88.31	125.21
2008-09	667.82	5,003.22	88.39	974.87	160.05	669.76	32.16	2,519.56	24.70	259.56	653.56	137.43	127.65	185.47
2009-10	718.16	6,848.86	98.13	1,176.13	149.28	695.24	66.34	4,095.07	18.33	234.24	618.24	181.97	170.17	264.18
2010-11	908.59	13,086.87	117.30	1,816.86	156.74	736.46	132.34	9,391.49	18.04	265.14	755.16	227.84	237.06	386.91
2009-10														
April	50.57	553.80	3.82	111.34	12.22	58.07	3.94	317.29	24.37	18.54	49.32	140.55	12.05	17.78
May	52.05	426.36	5.12	66.65	12.13	57.93	3.89	234.74	24.05	18.20	48.16	143.03	12.71	18.88
June	55.02	516.10	6.07	86.69	12.75	57.50	4.50	305.13	22.84	19.10	48.63	146.39	12.59	18.15
July	63.70	637.86	11.55	127.98	12.62	56.72	5.10	382.61	22.26	20.21	49.57	151.26	14.23	20.98
August	63.34	573.44	11.89	150.38	11.76	57.14	5.22	294.01	21.95	19.67	48.58	155.10	14.79	23.33
September	60.79	540.92	11.42	114.20	11.61	60.70	4.95	295.82	21.31	19.13	49.05	159.02	13.69	21.14
October	67.37	679.23	13.43	109.84	13.10	50.51	5.95	436.55	21.12	20.46	56.61	162.81	14.42	25.72
November	58.94	487.98	7.59	73.11	12.22	58.16	5.58	281.52	20.84	19.42	52.63	165.83	14.13	22.57
December	60.71	571.28	5.83	73.86	12.65	60.35	6.31	357.67	20.64	20.48	55.07	170.57	15.44	24.34
January	61.36	599.93	6.51	77.34	12.57	58.96	6.20	384.47	20.44	20.26	54.26	174.13	15.83	24.91
February	58.21	584.41	7.81	90.52	11.19	56.24	6.42	366.31	20.16	18.12	49.23	177.98	14.68	22.11
March	66.10	677.55	7.09	94.22	14.47	62.96	8.28	438.97	18.33	20.64	57.12	181.97	15.62	24.27
Total (upto March 2010)	**718.16**	**6,848.86**	**98.13**	**1,176.13**	**149.28**	**695.24**	**66.34**	**4,095.07**	**18.33**	**234.24**	**618.24**	**181.97**	**170.17**	**264.18**
2010-11(P)														
April	63.91	841.87	7.87	128.19	12.74	58.74	7.48	575.12	19.29	19.83	54.74	184.79	16.00	25.08
May	65.79	805.63	6.57	100.61	12.62	57.40	7.74	558.67	19.02	20.95	59.36	188.25	17.90	29.59
June	67.18	796.87	8.92	129.12	12.82	61.91	8.42	524.47	18.94	20.20	55.39	191.91	16.82	25.97
July	75.40	1,054.67	12.24	237.92	12.96	59.03	9.46	670.52	18.93	21.90	58.17	195.70	18.84	29.03
August	79.00	919.55	13.39	149.42	12.64	57.91	9.80	616.42	18.85	22.61	62.59	200.09	20.55	33.21
September	73.42	885.70	10.79	127.90	12.67	59.60	9.84	609.87	18.43	21.09	58.48	203.83	19.04	29.85
October	86.01	1,224.65	16.70	253.52	13.28	89.35	11.63	777.04	18.22	22.91	67.60	208.14	21.49	37.14
November	77.98	1,115.83	9.13	174.88	13.18	60.90	11.75	773.61	18.19	23.04	69.22	211.88	20.88	37.22
December	79.56	1,321.00	7.75	217.07	13.46	62.22	13.46	937.20	18.10	23.49	68.46	216.04	21.39	36.06
January	79.32	1,197.88	6.73	91.46	13.31	61.06	12.96	938.88	18.14	24.08	69.35	218.21	22.23	37.13
February	79.20	1,162.44	10.37	111.67	13.20	49.72	13.43	905.88	18.13	21.65	62.13	222.37	20.55	33.04
March	81.83	1,760.78	6.84	95.10	13.86	58.63	16.36	1,503.81	18.04	23.40	69.67	227.84	21.37	33.57
Total (upto March 2011)	**908.59**	**13,086.87**	**117.30**	**1,816.86**	**156.74**	**736.46**	**132.34**	**9,391.49**	**18.04**	**265.14**	**755.16**	**227.84**	**237.06**	**386.91**
2011-12														
April (P)	81.53	1,631.72	7.73	158.27	13.24	62.90	14.87	1,302.94	17.78	23.23	70.55	230.26	22.46	37.06
May (P)	85.73	1,467.84	6.69	136.55	13.54	65.15	15.77	1,145.32	17.66	25.34	78.81	234.98	24.39	42.01
June (P)	87.68	1,661.88	10.40	165.70	13.27	66.48	15.95	1,319.95	17.66	24.18	71.91	239.52	23.89	37.84
July (P)	93.02	1,626.58	11.53	160.70	12.64	65.30	16.63	1,283.54	17.65	25.61	74.72	243.34	26.60	42.33
August (P)	101.78	1,641.27	15.40	221.53	13.60	67.67	17.33	1,225.68	17.58	27.69	80.79	251.48	27.75	45.61
September (P)	95.21	1,666.85	12.71	130.10	13.31	53.29	17.56	1,365.51	17.63	25.59	76.94	251.97	26.05	41.01
October (P)	109.67	1,807.89	17.20	171.21	14.09	70.46	19.25	1,420.33	17.62	28.64	89.98	255.56	30.50	55.91
November (P)	93.48	1,657.65	7.55	102.43	13.67	70.58	18.78	1,362.15	17.64	26.41	79.20	259.83	27.06	43.29
December (P)	98.97	1,938.81	7.08	154.01	14.27	73.42	20.07	1,578.34	17.67	28.15	84.22	263.80	29.41	48.82
January (P)	98.04	2,078.06	6.25	187.15	14.18	72.49	20.65	1,686.91	17.74	26.28	81.49	268.00	30.67	50.02
February (P)	100.45	2,021.79	10.22	114.83	13.95	75.41	21.64	1,705.70	17.57	26.57	81.97	273.65	28.07	43.89
Total (upto February 2012)	**1,045.55**	**19,200.34**	**112.75**	**1,702.49**	**149.76**	**743.14**	**198.49**	**15,396.37**	**17.57**	**287.68**	**870.57**	**273.65**	**296.87**	**487.78**

\# Card Payments figures pertain only to Point of Sale (POS) transactions.
* Debit Cards figures for 2003-04 and 2004-05 are estimated based on 2005-06 figures.
** Cards issued by banks (excluding those withdrawn/blocked).

No. 9B: Large Value Clearing and Settlement Systems

(Number in Million and Amount in ` Billion)

Year / Period	Real Time Gross Settlement System									
	Total		Customer remittance		Inter-Bank remittance		Inter-bank clearing settlement**		Total Inter-bank	
	1=(2+3+4)		2		3		4		5=(3+4)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2003-04	0.00	19.65	0.00	0.00	0.00	19.65	–	–	0.00	19.65
2004-05	0.46	40,661.84	0.07	2,496.62	0.39	38,165.22	–	–	0.39	38,165.22
2005-06	1.77	115,408.36	0.71	25,702.12	1.05	89,706.24	–	–	1.05	89,706.24
2006-07	3.88	246,191.80	2.48	71,678.08	1.39	113,133.47	0.004	61,380.25	1.40	174,513.72
2007-08	5.85	482,945.59	4.15	161,001.73	1.69	112,181.57	0.014	209,762.29	1.71	321,943.86
2008-09	13.38	611,399.12	11.23	200,041.08	2.13	122,757.73	0.019	288,600.31	2.15	411,358.05
2009-10	33.25	1,011,699.31	30.44	295,167.77	2.80	99,365.82	0.012	617,165.72	2.81	716,531.54
2010-11	49.27	941,039.34	45.73	361,862.93	3.53	123,009.41	0.010	456,167.00	3.54	579,176.41
2009-10										
April	1.81	74,830.10	1.62	18,825.70	0.19	9,385.19	0.001	46,619.21	0.20	56,004.39
May	1.98	93,675.48	1.77	20,051.21	0.21	9,269.22	0.002	64,355.05	0.21	73,624.27
June	2.23	100,451.67	2.01	24,148.93	0.22	9,322.56	0.002	66,980.18	0.22	76,302.74
July	2.35	99,660.69	2.12	23,616.96	0.22	8,176.80	0.001	67,866.93	0.22	76,043.73
August	2.32	92,481.13	2.11	24,516.21	0.21	7,443.64	0.001	60,521.28	0.21	67,964.92
September	2.43	92,581.42	2.22	26,390.52	0.22	8,394.48	0.001	57,796.41	0.22	66,190.90
October	2.93	84,496.96	2.68	26,113.20	0.25	7,622.82	0.001	50,760.94	0.25	58,383.76
November	2.94	77,805.24	2.70	21,225.57	0.24	6,727.13	0.001	49,852.55	0.24	56,579.68
December	3.28	76,681.26	3.03	26,980.72	0.25	7,763.96	0.001	41,936.58	0.25	49,700.55
January	3.26	73,349.01	3.01	23,916.46	0.25	7,629.07	0.001	41,803.48	0.25	49,432.54
February	3.36	69,009.32	3.11	22,094.98	0.25	6,751.75	0.001	40,162.58	0.25	46,914.34
March	4.37	76,677.03	4.06	37,287.31	0.31	10,879.20	0.001	28,510.52	0.31	39,389.72
Total (upto March 2010)	**33.25**	**1,011,699.31**	**30.44**	**295,167.77**	**2.80**	**99,365.82**	**0.012**	**617,165.72**	**2.81**	**716,531.54**
2010-11										
April	3.73	70,719.82	3.47	28,025.42	0.27	8,390.52	0.001	34,303.87	0.27	42,694.39
May	3.93	56,778.74	3.65	24,807.07	0.28	7,948.52	0.001	24,023.15	0.28	31,971.67
June	4.09	68,405.64	3.80	28,722.84	0.29	8,610.90	0.001	31,071.90	0.29	39,682.80
July	4.15	67,160.66	3.86	26,646.82	0.29	9,725.18	0.001	30,788.66	0.29	40,513.83
August	4.20	50,390.22	3.90	25,566.79	0.29	9,020.25	0.001	15,803.17	0.29	24,823.43
September	4.10	65,608.43	3.83	30,700.13	0.28	10,436.80	0.001	24,471.50	0.28	34,908.30
October	4.71	82,842.52	4.41	31,029.82	0.30	11,575.13	0.001	40,237.57	0.30	51,812.69
November	4.01	95,111.57	3.72	30,063.50	0.29	11,341.53	0.001	53,706.55	0.29	65,048.08
December	3.90	111,051.32	3.60	34,500.12	0.30	11,525.62	0.001	65,025.57	0.30	76,551.20
January	3.83	86,676.68	3.53	28,608.61	0.30	9,629.93	0.001	48,438.14	0.30	58,068.07
February	3.81	77,635.01	3.52	28,322.25	0.29	9,758.63	0.001	39,554.12	0.29	49,312.76
March	4.80	108,658.72	4.43	44,869.53	0.36	15,046.40	0.001	48,742.79	0.36	63,789.19
Total (upto March 2010)	**49.27**	**941,039.34**	**45.73**	**361,862.93**	**3.53**	**123,009.41**	**0.010**	**456,167.00**	**3.54**	**579,176.41**
2011-12										
April	3.30	59,382.87	3.04	28,746.34	0.25	9,438.38	0.001	21,198.16	0.25	30,636.54
May	4.28	76,972.65	3.94	30,709.45	0.33	11,191.40	0.001	35,071.80	0.33	46,263.21
June	4.25	92,653.63	3.92	34,547.81	0.33	13,142.24	0.001	44,963.58	0.33	58,105.82
July	4.13	69,653.42	3.81	29,267.83	0.32	11,296.06	0.001	29,089.52	0.32	40,385.58
August	4.13	67,016.01	3.82	28,687.28	0.31	9,759.18	0.001	28,569.56	0.31	38,328.73
September	4.34	81,722.96	4.02	34,319.00	0.32	12,520.00	0.001	34,883.96	0.32	47,403.96
October	4.46	72,766.33	4.14	28,487.39	0.32	10,397.50	0.001	33,881.45	0.32	44,278.94
November	4.70	86,881.37	4.37	29,205.79	0.33	9,504.18	0.001	48,171.41	0.33	57,675.58
December	5.10	113,223.14	4.73	37,737.43	0.37	14,182.90	0.001	61,302.81	0.37	75,485.71
January	5.00	111,581.73	4.64	31,856.59	0.35	14,026.32	0.001	65,698.83	0.35	79,725.14
February	5.02	107,402.24	4.68	32,009.65	0.34	11,100.70	0.001	64,291.90	0.34	75,392.59
Total (upto February 2012)	**48.70**	**939,256.36**	**45.11**	**345,574.56**	**3.59**	**126,558.84**	**0.009**	**467,122.96**	**3.59**	**593,681.80**

* Inter-bank Clearing Settlement pertains to the MNSB batches. MNSB settlement in RTGS started from August 12, 2006.

** The MNSB Settlement relates to the settlement of NECS, ECS, EFT, NEFT, REPO, Outright, FOREX, CBLO and Cheque Clearing at Mumbai.

No.9B: Large Value Clearing and Settlement Systems

(Number in Million and Amount in ` Billion)

Year / Period	CCIL Operated Systems							
	Government Securities Settlement				Forex Settlement		CBLO Settlement	
	Outright		Repo					
	6		7		8		9	
	Number of Trades	Amount	Number of Trades	Amount	Number of Trades	Amount	Number of Trades	Amount
2003-04	0.24	15,751.33	0.021	9,431.89	0.33	23,185.31	0.00	768.51
2004-05	0.16	11,342.22	0.024	15,579.07	0.47	40,424.35	0.03	9,767.57
2005-06	0.13	8,647.51	0.025	16,945.09	0.49	52,396.74	0.07	29,531.34
2006-07	0.14	10,215.36	0.030	25,565.02	0.61	80,230.78	0.09	47,322.71
2007-08	0.19	16,538.51	0.027	39,487.51	0.76	127,268.32	0.11	81,108.29
2008-09	0.25	21,602.33	0.024	40,942.86	0.84	169,374.89	0.12	88,247.84
2009-10	0.32	29,138.90	0.029	60,728.28	0.88	142,114.86	0.14	155,413.78
2010-11	0.33	28,709.53	0.027	40,992.83	1.15	191,601.53	0.15	122,597.44
2009-10								
April	0.03	2,845.12	0.002	4,108.99	0.06	12,269.79	0.01	8,791.58
May	0.03	2,592.05	0.003	5,387.88	0.07	13,154.09	0.01	11,641.23
June	0.03	2,497.16	0.003	5,640.49	0.07	12,617.91	0.01	13,923.84
July	0.03	3,047.03	0.003	5,265.97	0.08	11,985.62	0.01	12,090.15
August	0.02	1,704.89	0.002	5,592.89	0.07	10,211.45	0.01	13,703.84
September	0.03	2,820.82	0.003	6,435.26	0.07	10,772.27	0.01	14,349.30
October	0.03	2,360.08	0.002	5,392.20	0.08	10,588.22	0.01	13,412.06
November	0.03	3,002.52	0.002	5,181.62	0.08	10,355.51	0.01	12,621.23
December	0.03	2,455.06	0.002	5,124.90	0.08	11,421.52	0.01	13,834.47
January	0.03	2,342.73	0.002	3,641.33	0.08	12,041.18	0.01	12,642.83
February	0.02	1,813.84	0.002	4,360.71	0.08	12,759.48	0.01	14,001.91
March	0.02	1,657.61	0.002	4,596.04	0.08	13,937.82	0.01	14,401.35
Total (upto March 2010)	**0.32**	**29,138.90**	**0.029**	**60,728.28**	**0.88**	**142,114.86**	**0.14**	**155,413.78**
2010-11								
April	0.03	2,693.31	0.002	4,673.32	0.09	14,026.92	0.01	11,704.97
May	0.05	4,180.93	0.002	4,226.37	0.09	14,515.19	0.01	10,145.79
June	0.04	3,481.32	0.002	2,464.96	0.11	16,328.82	0.01	8,089.28
July	0.02	2,319.17	0.002	3,122.97	0.09	14,442.47	0.01	7,566.53
August	0.03	2,822.95	0.002	3,887.68	0.09	16,166.75	0.01	11,295.15
September	0.03	2,504.98	0.002	3,648.77	0.09	15,107.07	0.01	12,241.26
October	0.03	2,293.63	0.003	3,615.13	0.11	19,019.76	0.01	10,957.68
November	0.02	1,676.19	0.002	2,391.18	0.10	19,370.62	0.01	7,910.67
December	0.02	1,658.97	0.003	3,248.15	0.10	15,597.56	0.01	10,945.91
January	0.02	1,499.41	0.002	2,885.28	0.10	15,068.88	0.01	11,203.87
February	0.02	1,546.23	0.002	2,894.18	0.09	14,329.15	0.01	9,304.17
March	0.03	2,032.44	0.002	3,934.84	0.10	17,628.34	0.01	11,232.16
Total (upto March 2011)	**0.33**	**28,709.53**	**0.027**	**40,992.83**	**1.15**	**191,601.53**	**0.15**	**122,597.44**
2011-12								
April	0.01	1,312.16	0.002	2,889.57	0.08	15,133.92	0.01	11,232.03
May	0.02	1,683.86	0.003	3,974.30	0.10	17,144.50	0.01	10,231.17
June	0.04	3,012.42	0.003	4,328.93	0.10	18,531.00	0.01	10,741.34
July	0.03	2,717.02	0.002	2,937.02	0.10	15,209.93	0.01	10,661.56
August	0.04	3,374.03	0.003	3,549.85	0.11	18,757.67	0.01	9,391.34
September	0.03	2,705.00	0.002	3,334.86	0.13	19,356.61	0.01	10,828.50
October	0.02	2,040.16	0.002	3,035.43	0.11	17,502.65	0.01	9,579.34
November	0.03	2,376.19	0.002	3,181.73	0.12	20,659.01	0.01	7,897.36
December	0.06	4,655.86	0.003	2,586.26	0.12	20,491.62	0.01	6,888.28
January	0.06	5,291.94	0.002	2,228.05	0.11	20,327.90	0.01	6,989.79
February	0.04	3,419.94	0.003	2,798.98	0.10	19,290.86	0.01	7,681.01
Total (upto February 2012)	**0.38**	**32,588.58**	**0.027**	**34,844.98**	**1.17**	**202,405.67**	**0.13**	**102,121.72**

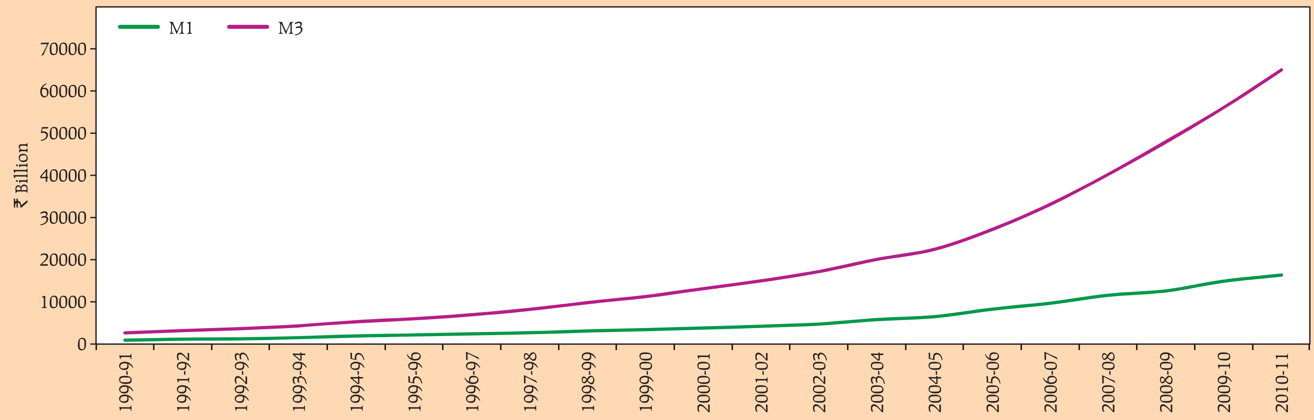
No. 10: Money Stock Measures

(` Billion)

March 31/ reporting Fridays of the month/last reporting Friday of the month	Currency with the Public					Deposit Money of the Public			M_1 (5+8)	Post Office Saving Bank Deposits	M_2 (9+10)	Time Deposits with Banks	M_3 (9+12)	Total Post Office Deposits	M_4 (13+14)
	Notes in Circulation(1)	Circulation of Rupee Coins (2)	Circulation of Small Coins (2)	Cash on Hand with Banks	Total (1+2+3-4)	Demand Deposits with Banks	'Other' Deposits with Reserve Bank (3)	Total (6+7)							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2008-09	6,811.0	84.9	15.7	257.0	6,654.5	5,886.9	55.3	5,942.2	**12,596.7**	50.4	**12,647.1**	35,351.0	**47,947.8**	259.7	**48,207.4**
2009-10	7,882.8	97.0	15.7	320.6	7,674.9	7,179.7	38.1	7,217.8	**14,892.7**	50.4	**14,943.1**	41,134.3	**56,027.0**	259.7	**56,286.7**
2010-11	9,369.4	111.6	15.7	354.6	9,142.0	7,176.6	36.5	7,213.1	**16,355.1**	50.4	**16,405.5**	48,639.8	**64,994.9**	259.7	**65,254.6**
February 11, 2011	9,294.1	109.1	15.7	341.8	9,077.1	6,493.0	30.9	6,523.9	**15,601.0**	50.4	**15,651.4**	47,638.6	**63,239.6**	259.7	**63,499.3**
February 25, 2011	9,287.8	110.2	15.7	360.2	9,053.5	6,788.4	35.8	6,824.2	**15,877.7**	50.4	**15,928.1**	47,789.4	**63,667.1**	259.7	**63,926.8**
October 2011	9,840.4	120.5	15.7	438.5	9,538.1	6,385.8	11.4	6,397.3	**15,935.3**	50.4	**15,985.7**	53,718.2	**69,653.6**	259.7	**69,913.3**
November 2011	10,081.3	121.5	15.7	433.5	9,784.9	6,301.2	11.6	6,312.8	**16,097.8**	50.4	**16,148.2**	54,059.6	**70,157.4**	259.7	**70,417.1**
December 2011	10,067.6	121.5	15.7	424.8	9,779.9	7,093.9	22.9	7,116.8	**16,896.7**	50.4	**16,947.1**	55,090.1	**71,986.8**	259.7	**72,246.5**
January 2012	10,245.7	121.5	15.7	416.4	9,966.5	6,645.4	26.8	6,672.2	**16,638.7**	50.4	**16,689.1**	54,956.0	**71,594.7**	259.7	**71,854.3**
February 10, 2012	10,415.6	121.5	15.7	387.5	10,165.3	6,639.5	21.7	6,661.2	**16,826.5**	50.4	**16,876.9**	55,292.4	**72,118.9**	259.7	**72,378.6**
February 24, 2012	10,433.7	121.5	15.7	411.0	10,159.8	6,673.4	10.6	6,684.0	**16,843.8**	50.4	**16,894.2**	55,418.8	**72,262.7**	259.7	**72,522.4**

Note: Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.
Also see Notes on Tables.

Money Stock Measures



No. 11: Sources of Money Stock (M_3)

(` Billion)

Sources	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month				
	2008-09	2009-10	2010-11	February 11, 2011	February 25, 2011
	1	2	3	4	5
1. Net Bank Credit to Government (A+B)	**12,773.3**	**16,691.9**	**19,827.7**	**18,566.5**	**18,729.6**
A. RBI's net credit to Government (i-ii)	615.8	2,115.9	3,965.5	2,994.3	3,002.1
(i) Claims on Government (a+b)	1,591.7	2,227.2	3,970.5	3,431.1	3,277.5
(a) Central Government	1,574.9	2,226.7	3,941.4	3,411.2	3,265.5
(b) State Governments	16.8	0.5	29.2	19.9	12.0
(ii) Government deposits with RBI (a+b)	975.9	111.3	5.0	436.8	275.4
(a) Central Government	957.3	110.9	1.0	436.4	275.0
(b) State Governments	18.6	0.4	4.0	0.4	0.4
B. Other Banks' Credit to Government	12,157.5	14,576.0	15,862.2	15,572.2	15,727.5
2. Bank Credit to Commercial Sector (A+B)	**30,148.9**	**34,914.1**	**42,354.1**	**40,731.7**	**41,038.3**
A. RBI's credit to commercial sector	138.2	13.3	21.6	15.7	15.7
B. Other banks' credit to commercial sector (i+ii+iii)	30,010.7	34,900.8	42,332.4	40,716.0	41,022.6
(i) Bank credit by commercial banks	27,755.5	32,447.9	39,420.8	37,877.8	38,130.2
(ii) Bank credit by co-operative banks	2,108.9	2,346.3	2,837.2	2,760.4	2,814.1
(iii) Investments by commercial and co-operative banks in other securities	146.3	106.6	74.4	77.7	78.4
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,521.8**	**12,814.6**	**13,933.4**	**13,817.0**	**13,804.8**
A. RBI's net foreign exchange assets (i-ii)	12,801.1	12,319.4	13,285.7	13,344.9	13,332.7
(i) Gross foreign assets	12,801.3	12,319.7	13,285.7	13,345.1	13,332.9
(ii) Foreign liabilities	0.3	0.2	0.0	0.2	0.2
B. Other banks' net foreign exchange assets	720.7	495.2	647.7	472.1	472.1
4. Government's Currency Liabilities to the Public	**100.5**	**112.7**	**127.2**	**124.8**	**125.9**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**8,596.8**	**8,506.3**	**11,247.6**	**10,000.4**	**10,031.4**
A. Net non-monetary liabilities of RBI	3,879.6	3,016.4	3,683.5	3,734.8	3,715.4
B. Net non-monetary liabilities of other banks (residual)	4,717.2	5,489.9	7,564.1	6,265.6	6,316.0
M_3 (1+2+3+4-5)	**47,947.8**	**56,027.0**	**64,994.9**	**63,239.6**	**63,667.1**

No. 11: Sources of Money Stock (M_3) *(Concld.)*

(` Billion)

Sources	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month					
	October 2011	November 2011	December 2011	January 2012	February 10, 2012	February 24, 2012
	6	7	8	9	10	11
1. Net Bank Credit to Government (A+B)	**21,910.7**	**22,222.9**	**22,351.1**	**23,010.1**	**23,189.6**	**23,266.0**
A. RBI's net credit to Government (i-ii)	3,947.4	4,169.0	4,500.6	5,184.0	4,992.6	4,883.7
(i) Claims on Government (a+b)	3,948.8	4,170.5	4,502.0	5,185.4	4,994.1	4,885.1
(a) Central Government	3,944.5	4,157.2	4,501.6	5,184.5	4,994.1	4,884.0
(b) State Governments	4.3	13.2	0.4	0.9	0.0	1.1
(ii) Government deposits with RBI (a+b)	1.4	1.4	1.4	1.4	1.4	1.4
(a) Central Government	1.0	1.0	1.0	1.0	1.0	1.0
(b) State Governments	0.4	0.4	0.4	0.4	0.4	0.4
B. Other Banks' Credit to Government	17,963.3	18,053.9	17,850.5	17,826.1	18,197.0	18,382.3
2. Bank Credit to Commercial Sector (A+B)	**44,600.8**	**44,981.2**	**46,817.9**	**46,693.2**	**47,006.8**	**47,268.2**
A. RBI's credit to commercial sector	18.8	19.1	32.7	32.6	33.8	34.3
B. Other banks' credit to commercial sector (i+ii+iii)	44,582.0	44,962.1	46,785.3	46,660.6	46,973.0	47,233.9
(i) Bank credit by commercial banks	41,515.5	41,890.4	43,656.4	43,513.3	43,823.9	44,075.2
(ii) Bank credit by co-operative banks	3,005.7	3,009.8	3,071.2	3,093.9	3,097.1	3,107.7
(iii) Investments by commercial and co-operative banks in other securities	60.8	61.8	57.7	53.4	51.9	51.0
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**16,028.1**	**15,894.4**	**15,905.6**	**14,812.7**	**14,686.5**	**14,619.6**
A. RBI's net foreign exchange assets (i-ii)	15,567.1	15,433.3	15,444.6	14,351.7	14,225.4	14,158.5
(i) Gross foreign assets	15,567.2	15,433.4	15,444.8	14,351.9	14,225.6	14,158.7
(ii) Foreign liabilities	0.1	0.0	0.2	0.2	0.2	0.2
B. Other banks' net foreign exchange assets	461.0	461.0	461.0	461.0	461.0	461.0
4. Government's Currency Liabilities to the Public	**136.1**	**137.2**	**137.2**	**137.2**	**137.2**	**137.2**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**13,022.2**	**13,078.3**	**13,225.0**	**13,058.5**	**12,901.1**	**13,028.3**
A. Net non-monetary liabilities of RBI	5,785.6	5,774.5	6,232.4	5,496.1	5,403.6	5,375.7
B. Net non-monetary liabilities of other banks (residual)	7,236.6	7,303.8	6,992.7	7,562.4	7,497.5	7,652.6
M_3 (1+2+3+4-5)	**69,653.6**	**70,157.4**	**71,986.8**	**71,594.7**	**72,118.9**	**72,262.7**

Notes: 1. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.
2. Net Foreign Exchange Assets of the RBI includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20,2009.
3. Data are provisional.

Also see Notes on Tables.

No. 11A: Commercial Bank Survey

(` Billion)

Item		Outstanding as on						
		Mar. 27, 2009	Mar. 26, 2010	Feb. 11, 2011	Feb. 25, 2011	Mar. 25, 2011	Feb. 10, 2012	Feb. 24, 2012
		1	2	3	4	5	6	7
Components								
C.I	**Aggregate Deposits of Residents** (C.I.1+C.I.2)	**37,668.4**	**44,278.2**	**49,755.2**	**50,177.2**	**51,378.9**	**57,229.2**	**57,382.5**
C.I.1	Demand Deposits	5,230.8	6,456.1	5,752.5	6,040.5	6,417.1	5,932.6	5,964.4
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	32,437.6	37,822.1	44,002.7	44,136.7	44,961.9	51,296.5	51,418.1
C.I.2.1	Short-term Time Deposits	14,596.9	17,020.0	19,801.2	19,861.5	20,232.8	23,083.4	23,138.1
C.I.2.1.1	Certificates of Deposits (CDs)	1,989.3	3,431.0	4,147.1	4,263.5	4,320.4	4,005.4	4,085.1
C.I.2.2	Long-term Time Deposit	17,840.7	20,802.2	24,201.5	24,275.2	24,729.0	28,213.1	28,279.9
C.II	**Call/Term Funding from Financial Institutions**	**1,139.4**	**1,042.8**	**1,247.6**	**1,235.6**	**1,313.4**	**1,825.5**	**1,813.3**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**41,511.5**	**48,665.9**	**55,708.7**	**56,041.4**	**57,170.9**	**64,029.6**	**64,478.8**
S.I.1	Credit to the Government	11,557.9	13,783.9	14,677.3	14,823.2	14,971.5	17,282.4	17,418.6
S.I.2	Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)	29,953.6	34,882.0	41,031.4	41,218.2	42,199.4	46,747.2	47,060.2
S.I.2.1	Bank Credit	27,755.5	32,447.9	37,877.8	38,130.2	39,420.8	43,823.9	44,075.2
S.I.2.1.1	Non-food Credit	27,293.4	31,963.0	37,237.8	37,477.2	38,778.0	43,008.1	43,243.1
S.I.2.2	Net Credit to Primary Dealers	16.7	25.1	18.1	12.8	8.2	42.0	55.1
S.I.2.3	Investments in Other Approved Securities	106.2	63.6	43.5	43.6	44.7	31.7	30.8
S.I.2.4	Other Investments (in non-SLR Securities)	2,075.2	2,345.4	3,092.0	3,031.7	2,725.7	2,849.5	2,899.2
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-533.6**	**-560.7**	**-838.7**	**-825.6**	**-611.2**	**-694.6**	**-672.8**
S.II.1	Foreign Currency Assets	553.1	441.7	395.6	390.0	623.9	734.1	730.7
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	672.7	650.0	704.5	702.8	700.8	775.4	772.2
S.II.3	Overseas Foreign Currency Borrowings	414.0	352.4	529.7	512.8	534.4	653.3	631.3
S.III	**Net Bank Reserves (S.III.1+S.III.2-S.III.3)**	**2,467.5**	**3,069.3**	**3,402.4**	**3,438.3**	**3,444.8**	**3,556.3**	**3,426.5**
S.III.1	Balances with the RBI	2,381.9	2,813.9	3,137.5	3,159.8	3,191.6	3,258.0	3,117.2
S.III.2	Cash in Hand	202.8	255.8	294.9	312.1	303.5	340.2	364.5
S.III.3	Loans and Advances from the RBI	117.3	0.4	29.9	33.5	50.3	41.9	55.2
S.IV	**Capital Account**	**3,324.4**	**3,903.7**	**4,558.8**	**4,560.3**	**4,813.3**	**5,193.7**	**5,193.9**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,313.1**	**1,949.7**	**2,710.9**	**2,681.1**	**2,498.8**	**2,642.9**	**2,842.9**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	2,661.2	2,941.8	2,704.4	2,785.6	2,883.7	2,768.0	2,805.8
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	-207.8	-286.7	-205.1	-255.1	-429.8	-507.2	-490.3

Note: Data are provisional.

No. 11B: Monetary Survey

(` Billion)

Item		Outstanding as on						
		Mar. 31, 2009	Mar. 31, 2010	Feb. 11, 2011	Feb. 25, 2011	Mar. 31, 2011	Feb. 10, 2012	Feb. 24, 2012
		1	2	3	4	5	6	7
Monetary Aggregates								
M_1 (C.I+C.II.1+C.III)		12,575.6	14,809.3	15,512.3	15,788.7	16,264.4	16,815.5	16,830.8
NM_2 (M_1+C.II.2.1)		28,004.5	32,740.1	36,255.7	36,600.2	37,456.7	40,865.6	40,935.1
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**48,001.5**	**55,698.4**	**62,856.4**	**63,272.0**	**64,671.8**	**72,085.6**	**72,209.2**
Components								
C.I	**Currency with the Public**	**6,655.5**	**7,679.0**	**9,082.6**	**9,059.8**	**9,147.6**	**10,166.8**	**10,160.4**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**40,151.3**	**46,938.6**	**52,495.4**	**52,940.8**	**54,174.3**	**60,071.6**	**60,224.9**
C.II.1	Demand Deposits	5,864.8	7,092.3	6,398.9	6,693.1	7,080.3	6,627.0	6,659.8
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	34,286.5	39,846.3	46,096.5	46,247.7	47,094.0	53,444.6	53,565.1
C.II.2.1	Short-term Time Deposits	15,428.9	17,930.8	20,743.4	20,811.5	21,192.3	24,050.1	24,104.3
C.II.2.1.1	Certificates of Deposit (CDs)	1,989.3	3,431.0	4,147.1	4,263.5	4,320.4	4,005.4	4,085.1
C.II.2.2	Long-term Time Deposits	18,857.6	21,915.5	25,353.1	25,436.2	25,901.7	29,394.5	29,460.8
C.III	**'Other' Deposits with RBI**	**55.3**	**38.1**	**30.9**	**35.8**	**36.5**	**21.7**	**10.6**
C.IV	**Call/Term Funding from Financial Institutions**	**1,139.4**	**1,042.8**	**1,247.6**	**1,235.6**	**1,313.4**	**1,825.5**	**1,813.3**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**44,710.1**	**53,419.7**	**61,589.0**	**61,975.9**	**64,055.6**	**72,031.7**	**72,371.6**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	12,685.5	16,491.6	18,283.9	18,439.4	19,534.7	22,879.8	22,901.9
S.I.1.1	Net RBI credit to the Government	615.8	2,115.9	2,994.3	3,002.1	3,965.5	4,992.6	4,883.7
S.I.1.2	Credit to the Government by the Banking System	12,069.7	14,375.8	15,289.6	15,437.3	15,569.2	17,887.2	18,018.2
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	32,024.6	36,928.0	43,305.1	43,536.5	44,520.9	49,151.8	49,469.7
S.I.2.1	RBI Credit to the Commercial Sector	138.2	13.3	15.7	15.7	21.6	33.8	34.3
S.I.2.2	Credit to the Commercial Sector by the Banking System	31,886.4	36,914.7	43,289.4	43,520.8	44,499.2	49,118.0	49,435.5
S.I.2.2.1	Other Investments (Non-SLR Securities)	2,164.8	2,435.1	3,181.7	3,121.3	2,815.3	2,939.1	2,988.8
S.II	**Government's Currency Liabilities to the Public**	**100.5**	**112.7**	**124.8**	**125.9**	**127.2**	**137.2**	**137.2**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**12,267.5**	**11,758.7**	**12,506.2**	**12,507.1**	**12,674.5**	**13,530.8**	**13,485.8**
S.III.1	Net Foreign Exchange Assets of the RBI	12,801.1	12,319.4	13,344.9	13,332.7	13,285.7	14,225.4	14,158.5
S.III.2	Net Foreign Currency Assets of the Banking System	-533.6	-560.7	-838.7	-825.6	-611.2	-694.6	-672.8
S.IV	**Capital Account**	**7,166.9**	**7,022.0**	**8,296.0**	**8,272.5**	**8,450.0**	**10,450.9**	**10,386.7**
S.V	**Other items (net)**	**1,909.7**	**2,570.7**	**3,067.6**	**3,064.3**	**3,735.5**	**3,163.2**	**3,398.6**

Note: 1. Data are provisional.
2. Monetary Aggregates as at end-March incorporate data on i) scheduled commercial banks as on Last Reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

No.11C: Reserve Bank of India Survey

(` Billion)

Item		Outstanding as on						
		Mar. 31, 2009	Mar. 31, 2010	Feb. 11, 2011	Feb. 25, 2011	Mar. 31, 2011	Feb. 10, 2012	Feb. 24, 2012
		1	2	3	4	5	6	7
Components								
C.I	Currency in Circulation	6,911.5	7,995.5	9,418.9	9,413.7	9,496.6	10,552.7	10,570.9
C.II	Bankers' Deposits with the RBI	2,912.7	3,523.0	3,326.3	3,345.7	4,235.1	3,453.1	3,311.8
C.II.1	Scheduled Commercial Banks	2,774.6	3,339.4	3,137.5	3,159.8	4,026.6	3,258.0	3,117.2
C.III	'Other' Deposits with the RBI	55.3	38.1	30.9	35.8	36.5	21.7	10.6
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III – S.IV – S.V)**	**9,879.6**	**11,556.5**	**12,776.0**	**12,795.2**	**13,768.2**	**14,027.6**	**13,893.2**
Sources								
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**857.6**	**2,140.8**	**3,041.1**	**3,052.1**	**4,038.8**	**5,068.6**	**4,973.2**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	615.8	2,115.9	2,994.3	3,002.1	3,965.5	4,992.6	4,883.7
S.I.1.1	Net RBI credit to the Central Government (S.I.1.1.1+S.I.1.1.2+S.I.1.1.3+S.I.1.1.4-S.I.1.1.5)	617.6	2,115.8	2,974.9	2,990.5	3,940.3	4,993.1	4,883.0
S.I.1.1.1	Loans and Advances to the Central Government	–	–	–	–	–	–	–
S.I.1.1.2	Investments in Treasury Bills	–	–	–	–	–	–	–
S.I.1.1.3	Investments in dated Government Securities	1,573.9	2,224.0	3,409.0	3,263.8	3,939.0	4,992.9	4,881.5
S.I.1.1.3.1	Central Government Securities	1,563.4	2,213.6	3,398.5	3,253.3	3,928.5	4,982.5	4,871.0
S.I.1.1.4	Rupee Coins	1.0	2.7	2.3	1.7	2.3	1.1	2.5
S.I.1.1.5	Deposits of the Central Government	957.3	110.9	436.4	275.0	1.0	1.0	1.0
S.I.1.2	Net RBI credit to State Governments	-1.8	–	19.4	11.6	25.2	-0.4	0.7
S.I.2	RBI's Claims on Banks	103.6	11.7	31.1	34.3	51.6	42.2	55.2
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	101.6	11.7	29.9	33.5	51.2	41.9	55.2
S.I.3	RBI's Credit to Commercial Sector	138.2	13.3	15.7	15.7	21.6	33.8	34.3
S.I.3.1	Loans and Advances to Primary Dealers	7.5	–	2.5	2.5	8.4	7.3	7.7
S.I.3.2	Loans and Advances to NABARD	–	–	–	–	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**100.5**	**112.7**	**124.8**	**125.9**	**127.2**	**137.2**	**137.2**
S.III	**Net Foreign Exchange Assets of the RBI**	**12,801.1**	**12,319.4**	**13,344.9**	**13,332.7**	**13,285.7**	**14,225.4**	**14,158.5**
S.III.1	Gold	487.9	811.9	1,007.4	1,007.4	1,025.7	1,327.8	1,327.8
S.III.2	Foreign Currency Assets	12,313.3	11,507.7	12,337.7	12,325.5	12,260.1	12,897.8	12,830.9
S.IV	**Capital Account**	**3,600.8**	**2,876.6**	**3,495.6**	**3,470.6**	**3,395.0**	**5,015.5**	**4,951.1**
S.V	**Other Items (net)**	**278.8**	**139.9**	**239.3**	**244.9**	**288.5**	**388.1**	**424.5**

Note: 1. Data are provisional.

No. 11D: Liquidity Aggregates (Outstanding Amounts)

(` Billion)

Month/Year	NM_3	Postal Deposits	L_1	Liabilities of Financial Institutions: Term Money Borrowings	CDs	Term Deposits	Total	L_2	Public Deposits with NBFCs	L_3
	1	2	3=(1+2)	4	5	6	7=(4+5+6)	8=(3+7)	9	10=(8+9)
2009-10										
April	48,923.8	1,138.9	**50,062.7**	26.6	0.3	2.5	29.3	**50,092.1**		
May	49,447.1	1,141.4	**50,588.5**	26.6	0.3	2.5	29.3	**50,617.9**		
June	49,375.2	1,144.3	**50,519.5**	26.6	0.3	2.5	29.3	**50,548.8**	246.5	**50,795.3**
July	50,289.2	1,143.1	**51,432.3**	26.6	0.3	2.5	29.3	**51,461.6**		
August	50,594.3	1,142.0	**51,736.3**	26.6	0.3	2.5	29.3	**51,765.6**		
September	50,889.3	1,145.4	**52,034.7**	26.6	0.3	2.5	29.3	**52,064.0**	246.5	**52,310.5**
October	51,546.1	1,144.3	**52,690.5**	26.6	0.3	2.5	29.3	**52,719.8**		
November	51,981.9	1,145.6	**53,127.5**	26.6	0.3	2.5	29.3	**53,156.8**		
December	52,266.0	1,154.3	**53,420.3**	26.6	0.3	2.5	29.3	**53,449.6**	246.5	**53,696.1**
January	53,375.3	1,149.7	**54,525.0**	26.6	0.3	2.5	29.3	**54,554.4**		
February	54,241.4	1,150.8	**55,392.2**	26.6	0.3	2.5	29.3	**55,421.5**		
March	55,698.4	1,168.9	**56,867.3**	26.6	0.3	2.5	29.3	**56,896.6**	246.5	**57,143.1**
2010-11										
April	56,308.9	1,175.1	**57,484.0**	26.6	0.3	2.5	29.3	**57,513.3**		
May	56,770.4	1,181.1	**57,951.5**	26.6	0.3	2.5	29.3	**57,980.9**		
June	56,880.9	1,188.1	**58,069.1**	26.6	0.3	2.5	29.3	**58,098.4**	246.5	**58,344.9**
July	58,227.4	1,194.8	**59,422.2**	26.6	0.3	2.5	29.3	**59,451.5**		
August	58,301.2	1,201.8	**59,503.0**	26.6	0.3	2.5	29.3	**59,532.3**		
September	58,636.1	1,204.1	**59,840.2**	26.6	0.3	2.5	29.3	**59,869.5**	246.5	**60,116.0**
October	60,403.2	1,205.8	**61,609.0**	26.6	0.3	2.5	29.3	**61,638.3**		
November	60,445.4	1,209.2	**61,654.6**	26.6	0.3	2.5	29.3	**61,683.9**		
December	61,812.1	1,210.1	**63,022.1**	26.6	0.3	2.5	29.3	**63,051.5**	246.5	**63,297.9**
January	62,168.6	1,199.1	**63,367.6**	26.6	0.3	2.5	29.3	**63,397.0**		
February	63,272.0	1,188.8	**64,460.8**	26.6	0.3	2.5	29.3	**64,490.1**		
March	64,671.8	1,198.3	**65,870.1**	26.6	0.3	2.5	29.3	**65,899.5**	246.5	**66,145.9**
2011-12										
April	66,180.9	1,195.2	**67,376.1**	26.6	0.3	2.5	29.3	**67,405.5**		
May	66,358.3	1,195.4	**67,553.6**	26.6	0.3	2.5	29.3	**67,583.0**		
June	66,657.1	1,204.0	**67,861.2**	26.6	0.3	2.5	29.3	**67,890.5**	246.5	**68,136.9**
July	67,877.5	1,199.3	**69,076.7**	26.6	0.3	2.5	29.3	**69,106.1**		
August	68,321.6	1,197.5	**69,519.1**	26.6	0.3	2.5	29.3	**69,548.4**		
September	68,614.2	1,196.2	**69,810.4**	26.6	0.3	2.5	29.3	**69,839.8**	246.5	**70,086.2**
October	69,553.3	1,199.9	**70,753.2**	26.6	0.3	2.5	29.3	**70,782.5**		
November	69,974.6	1,203.6	**71,178.2**	26.6	0.3	2.5	29.3	**71,207.5**		
December	71,674.2	1,213.4	**72,887.5**	26.6	0.3	2.5	29.3	**72,916.9**	246.5	**73,163.3**
January	71,571.4	1,215.2	**72,786.7**	26.6	0.3	2.5	29.3	**72,816.0**		
February	72,209.2	1,215.2	**73,424.4**	26.6	0.3	2.5	29.3	**73,453.8**		

CDs: Certificates of Deposit. L_1, L_2 and L_3: Liquidity Aggregates. NBFCs: Non-Banking Financial Compaines.

Notes :
1. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
2. Financial Institutions (FIs), here, comprise IFCI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC. Since October 2004, data on FI's do not include that of IDBI reflecting its conversion into a banking entity.
3. Since July 2001, the term money borrowings of the FIs comprise borrowings from corporate and others.
4. Since August 2002,Term Deposits include CP and Others.
5. Estimates of public deposits are generated on the basis of returns received from all NBFCs with public deposits of `0.20 billion and more as had been recommended by the Working Group.
6. While L_1 and L_2 are compiled on a monthly basis, L_3 is compiled on a quarterly basis.
7. Data are provisional. Wherever data are not available, the estimates for the last available month have been repeated.

No. 12: Reserve Money and its Components

(` Billion)

Outstandings as on March 31/ each Friday/ last reporting Friday of the month	Currency in Circulation		'Other' Deposits with RBI	Bankers' Deposits with RBI	Reserve Money (1+3+4)
	Total	o/w cash with banks			
	1	2	3	4	5
2008-2009	6,911.5	257.0	55.3	2,912.7	9,879.6
2009-2010	7,995.5	320.6	38.1	3,523.0	11,556.5
2010-2011	9,496.6	354.6	36.5	4,235.1	13,768.2
February 4, 2011	9,298.8	–	30.3	3,351.0	12,680.1
February 11, 2011	9,418.9	341.8	30.9	3,326.3	12,776.0
February 18, 2011	9,458.0	–	31.7	3,449.3	12,939.1
February 25, 2011	9,413.7	360.2	35.8	3,345.7	12,795.2
October 2011	9,976.5	438.5	11.4	3,906.8	13,894.8
November 2011	10,218.5	433.5	11.6	3,786.6	14,016.7
December 2011	10,204.7	424.8	22.9	3,714.0	13,941.7
January 2012	10,382.9	416.4	26.8	3,892.5	14,302.2
February 3, 2012	10,416.4	–	10.7	3,653.5	14,080.6
February 10, 2012	10,552.7	387.5	21.7	3,453.1	14,027.6
February 17, 2012	10,601.1	–	21.6	3,754.3	14,377.0
February 24, 2012	10,570.9	411.0	10.6	3,311.8	13,893.2

See 'Notes on Table'.

Note: Data are provisional.

No. 13: Sources of Reserve Money

(` Billion)

Outstanding as on March 31/each Friday/ last reporting Friday of the month	Reserve Bank's claims on				Net foreign exchange assets of RBI (3)	Government's currency liabilities to the public	Net non-monetary liabilities of RBI (3)	Reserve Money (1+2+3+4 +5+6-7)
	Government (net)(1)	Commercial & co-operative banks	National Bank for Agriculture and Rural Development	Commercial sector (2)				
	1	2	3	4	5	6	7	8
2008-2009	615.8	103.6	–	138.2	12,801.1	100.5	3,879.6	9,879.6
2009-2010	2,115.9	11.7	–	13.3	12,319.4	112.7	3,016.4	11,556.5
2010-2011	3,965.5	51.6	–	21.6	13,285.7	127.2	3,683.5	13,768.2
February 4, 2011	2,878.2	42.9	–	13.3	13,344.8	124.8	3,723.8	12,680.1
February 11, 2011	2,994.3	31.1	–	15.7	13,344.9	124.8	3,734.8	12,776.0
February 18, 2011	3,164.3	34.3	–	15.7	13,276.5	124.8	3,676.4	12,939.1
February 25, 2011	3,002.1	34.3	–	15.7	13,332.7	125.9	3,715.4	12,795.2
October 2011	3,947.4	11.0	–	18.8	15,567.1	136.1	5,785.6	13,894.8
November 2011	4,169.0	32.6	–	19.1	15,433.3	137.2	5,774.5	14,016.7
December 2011	4,500.6	59.1	–	32.7	15,444.6	137.2	6,232.4	13,941.7
January 2012	5,184.0	92.9	–	32.6	14,351.7	137.2	5,496.1	14,302.2
February 3, 2012	4,995.6	83.3	–	33.8	14,066.9	137.2	5,236.1	14,080.6
February 10, 2012	4,992.6	42.2	–	33.8	14,225.4	137.2	5,403.6	14,027.6
February 17, 2012	5,345.5	81.8	–	34.0	14,118.0	137.2	5,339.4	14,377.0
February 24, 2012	4,883.7	55.2	–	34.3	14,158.5	137.2	5,375.7	13,893.2

See ' Notes on Tables'.

Note: 1. Net Foreign Exchange Assets of the RBI includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.
2. Data are provisional.

No. 14: Daily Call Money Rates

(In per cent per annum)

As on	Range of Rates		Weighted Average Rates	
	Borrowings	Lendings	Borrowings	Lendings
	1	2	3	4
February 1, 2012	6.50 – 9.25	6.50 – 9.25	9.02	9.02
February 2, 2012	6.75 – 9.05	6.75 – 9.05	8.89	8.89
February 3, 2012	7.00 – 9.00	7.00 – 9.00	8.83	8.83
February 4, 2012	7.25 – 8.90	7.25 – 8.90	8.63	8.63
February 6, 2012	6.50 – 8.80	6.50 – 8.80	8.74	8.74
February 7, 2012	6.50 – 8.75	6.50 – 8.75	8.69	8.69
February 8, 2012	6.50 – 8.85	6.50 – 8.85	8.64	8.64
February 9, 2012	7.30 – 8.75	7.30 – 8.75	8.68	8.68
February 10, 2012	7.35 – 9.00	7.35 – 9.00	8.73	8.73
February 11, 2012	7.60 – 8.85	7.60 – 8.85	8.49	8.49
February 13, 2012	7.50 – 8.90	7.50 – 8.90	8.74	8.74
February 14, 2012	7.50 – 9.10	7.50 – 9.10	8.81	8.81
February 15, 2012	7.50 – 9.10	7.50 – 9.10	8.85	8.85
February 16, 2012	7.50 – 9.10	7.50 – 9.10	8.85	8.85
February 17, 2012	7.55 – 9.00	7.55 – 9.00	8.87	8.87
February 18, 2012	7.00 – 8.90	7.00 – 8.90	8.73	8.73
February 20, 2012	7.00 – 8.90	7.00 – 8.90	8.73	8.73
February 21, 2012	7.50 – 8.90	7.50 – 8.90	8.78	8.78
February 22, 2012	7.00 – 8.85	7.00 – 8.85	8.76	8.76
February 23, 2012	7.00 – 8.85	7.00 – 8.85	8.76	8.76
February 24, 2012	7.50 – 8.90	7.50 – 8.90	8.63	8.63
February 25, 2012	7.55 – 8.96	7.55 – 8.96	8.71	8.71
February 27, 2012	7.50 – 9.05	7.50 – 9.05	8.93	8.93
February 28, 2012	7.50 – 9.15	7.50 – 9.15	8.97	8.97
February 29, 2012	6.75 – 9.05	6.75 – 9.05	8.97	8.97
March 1, 2012	7.50 – 9.10	7.50 – 9.10	8.97	8.97
March 2, 2012	7.00 – 9.15	7.00 – 9.15	9.03	9.03
March 3, 2012	7.25 – 8.90	7.25 – 8.90	8.34	8.34
March 5, 2012	7.30 – 9.00	7.30 – 9.00	8.84	8.84
March 6, 2012	7.50 – 9.05	7.50 – 9.05	8.85	8.85
March 7, 2012	7.50 – 9.50	7.50 – 9.50	8.85	8.85
March 8, 2012	7.50 – 9.50	7.50 – 9.50	8.85	8.85
March 9, 2012	7.50 – 9.00	7.50 – 9.00	8.82	8.82
March 10, 2012	7.50 – 9.00	7.50 – 9.00	8.52	8.52
March 12, 2012	7.50 – 8.85	7.50 – 8.85	8.78	8.78
March 13, 2012	7.50 – 10.30	7.50 – 10.30	8.87	8.87
March 14, 2012	7.50 – 8.95	7.50 – 8.95	8.86	8.86
March 15, 2012	7.50 – 9.05	7.50 – 9.05	8.88	8.88

No. 15: Average Daily Turnover in Call Money Market

(` Billion)

Fortnight ended			Average Daily Call Money Turnover				Total
			Banks		Primary Dealers		
			Borrowings	Lendings	Borrowings	Lendings	
			1	2	3	4	5
February	25,	2011	113.0	118.1	5.1	–	**236.3**
March	11,	2011	101.0	103.9	2.9	–	**207.8**
March	25,	2011	111.9	114.2	2.4	0.1	**228.6**
April	8,	2011	112.1	115.6	3.5	–	**231.3**
April	22,	2011	153.5	162.4	9.0	–	**324.9**
May	6,	2011	103.5	109.9	6.4	–	**219.8**
May	20,	2011	107.1	114.6	7.5	–	**229.1**
June	3,	2011	92.0	100.3	8.2	–	**200.6**
June	17,	2011	97.9	107.2	9.3	–	**214.3**
July	1,	2011	116.4	122.4	6.0	–	**244.8**
July	15,	2011	114.7	125.9	11.3	–	**251.9**
July	29,	2011	108.5	118.9	10.4	–	**237.9**
August	12,	2011	79.8	92.8	13.0	0.1	**185.7**
August	26,	2011	86.1	95.0	8.8	–	**189.9**
September	9,	2011	97.2	108.1	10.9	–	**216.2**
September	23,	2011	119.9	129.6	9.7	–	**259.1**
October	7,	2011	99.4	106.1	6.7	–	**212.1**
October	21,	2011	109.4	115.6	6.2	–	**231.1**
November	4,	2011	112.9	117.3	4.5	–	**234.6**
November	18,	2011	85.8	92.9	7.1	–	**185.9**
December	2,	2011	82.5	92.3	9.9	–	**184.6**
December	16,	2011	90.7	101.3	10.5	–	**202.5**
December	30,	2011	155.8	166.9	11.3	0.3	**334.2**
January	13,	2012	130.2	141.6	11.4	–	**283.2**
January	27,	2012	172.9	182.8	10.2	0.3	**366.1**
February	10,	2012	111.3	123.3	12.1	0.1	**246.7**
February	24,	2012	134.8	147.7	12.9	–	**295.4**
March	9,	2012	163.8	177.2	13.4	–	**354.5**

Notes: 1. Data are provisional.
2. Since August 6, 2005 eligible participants are Banks and Primary Dealers.

No. 16: Issue of Certificates of Deposit by Scheduled Commercial Banks

(Amount in ` Billion)

Fortnight ended	Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended	Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended	Total Amount Outstanding	Range of Discount Rate (per cent) @
	1	2		1	2		1	2
2009-10			**2010-11**			**2011-12**		
April 10	1,984.9	5.90 – 11.50	April 9	3,418.3	4.35 – 8.95	April 8	4,445.3	8.00 – 11.70
24	2,109.5	3.90 – 11.50	23	3,368.1	4.15 – 6.90	22	4,473.5	7.30 – 9.93
May 8	2,113.7	3.75 – 6.20	May 7	3,407.6	4.22 – 7.01	May 6	4,313.7	7.85 – 10.05
22	2,184.4	3.65 – 7.60	21	3,403.4	4.24 – 6.30	20	4,332.9	8.10 – 10.05
June 5	2,180.8	3.90 – 6.60	June 4	3,370.1	4.73 – 7.50	June 3	4,321.4	8.65 – 10.25
19	2,214.9	3.60 – 8.00	18	3,215.9	5.75 – 7.50	17	4,237.7	9.02 – 10.50
July 3	2,286.4	3.34 – 8.25	July 2	3,423.6	5.92 – 7.05	July 1	4,210.7	8.19 – 10.21
17	2,357.2	3.34 – 8.00	16	3,277.2	6.05 – 7.19	15	4,059.7	8.20 – 10.10
31	2,404.0	3.55 – 8.00	30	3,248.1	6.25 – 7.50	29	4,121.9	8.10 – 10.01
August 14	2,302.0	3.75 – 8.00	August 13	3,275.8	6.25 – 7.90	August 12	4,047.4	8.70 – 9.92
28	2,325.2	3.60 – 8.00	27	3,416.2	6.41 – 8.00	26	4,056.9	8.79 – 9.82
September 11	2,267.6	3.70 – 6.21	September 10	3,482.0	6.41 – 8.06	September 9	3,864.7	8.70 – 10.25
25	2,166.9	3.75 – 6.51	24	3,373.2	6.41 – 8.25	23	3,834.7	8.75 – 10.05
October 9	2,257.8	3.70 – 6.05	October 8	3,441.6	6.36 – 8.26	October 7	3,873.1	8.80 – 9.85
23	2,272.3	3.74 – 6.41	22	3,433.5	6.41 – 8.30	21	3,859.4	9.00 – 9.90
November 6	2,358.6	3.55 – 7.00	November 5	3,321.3	6.41 – 8.80	November 4	3,822.0	9.20 – 9.99
20	2,451.0	3.15 – 7.00	19	3,329.8	6.41 – 8.75	18	3,784.3	9.30 – 9.81
December 4	2,435.8	3.50 – 6.50	December 3	3,331.1	7.80 – 9.08	December 2	3,825.9	9.19 – 9.87
18	2,484.4	3.60 – 6.75	17	3,285.7	8.25 – 9.75	16	3,731.8	9.14 – 10.05
			31	3,614.1	8.57 – 9.80	30	4,030.0	9.16 – 10.50
January 1	2,642.5	3.75 – 6.75				January 13	3,748.9	9.25 – 10.10
15	2,647.0	3.38 – 6.61	January 14	3,718.8	7.18 – 9.82	27	3,909.4	9.50 – 10.07
29	2,822.8	3.09 – 6.51	28	3,776.4	7.35 – 9.90			
February 12	2,783.9	3.35 – 6.76	February 11	4,078.6	8.15 – 10.15			
26	3,093.9	3.24 – 8.25	25	4,185.2	9.72 – 10.60			
March 12	3,392.8	4.00 – 7.36	March 11	4,309.7	7.65 – 10.72			
26	3,410.5	4.52 – 7.12	25	4,247.4	9.00 – 10.60			

@ Effective discount rate range per annum.

No. 17: Issue of Commercial Paper* By Companies

(Amount in ` Billion)

Fortnight ended	Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended	Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended	Total Amount Outstanding	Rate of Interest (per cent) @
	1	2		1	2		1	2
2009-10			**2010-11**			**2011-12**		
April 15	465.5	6.00 – 12.50	April 15	831.7	3.85 – 8.40	April 15	1,055.2	7.15 – 12.30
30	528.8	3.30 – 10.25	30	987.7	3.97 – 9.40	30	1,249.9	6.39 – 12.50
May 15	578.5	2.83 – 9.90	May 15	1,003.6	3.85 – 8.45	May 15	1,268.4	7.01 – 13.50
31	607.4	3.32 – 9.00	31	1,090.4	4.50 – 9.45	31	1,212.2	7.60 – 12.75
June 15	672.4	3.50 – 9.15	June 15	1,065.8	4.75 – 8.65	June 15	1,234.0	8.25 – 13.00
30	687.2	3.20 – 12.00	30	997.9	6.00 – 8.50	30	1,046.9	8.35 – 13.50
July 15	775.6	3.04 – 8.85	July 15	1,077.6	6.02 – 8.75	July 15	1,283.5	8.10 – 13.25
31	795.8	3.25 – 8.90	31	1,127.0	6.10 – 9.00	31	1,336.9	7.06 – 14.50
August 15	773.5	3.43 – 9.20	August 15	1,272.7	4.65 – 9.10	August 15	1,424.5	8.50 – 13.85
31	830.3	3.05 – 9.35	31	1,265.5	4.40 – 9.60	31	1,488.1	7.67 – 14.50
September 15	881.6	3.20 – 9.05	September 15	1,232.3	5.40 – 9.25	September 15	1,597.0	8.47 – 14.00
30	792.3	3.90 – 8.35	30	1,120.0	6.65 – 9.90	30	1,446.2	7.83 – 14.50
October 15	919.3	2.98 – 9.00	October 15	1,320.9	6.50 – 10.00	October 15	1,664.6	8.75 – 13.50
31	988.4	3.07 – 7.90	31	1,496.2	7.00 – 18.00	31	1,687.7	7.75 – 14.50
November 15	1,033.2	3.00 – 8.85	November 15	1,231.1	6.30 – 13.00	November 15	1,760.7	8.78 – 13.55
30	1,039.2	2.85 – 8.40	30	1,177.9	6.32 – 18.00	30	1,734.8	8.00 – 14.50
December 15	1,066.8	3.00 – 9.25	December 15	1,021.6	8.00 – 16.00	December 15	1,775.2	9.10 – 14.50
31	903.1	3.72 – 10.00	31	825.4	8.00 – 12.10	31	1,341.5	8.38 – 14.00
January 15	923.6	3.15 – 7.55	January 15	989.1	6.60 – 11.95	January 15	1,528.3	9.00 – 14.50
31	915.6	3.35 – 7.50	31	1,017.5	6.94 – 12.50	30	1,498.8	8.66 – 13.25
February 15	961.5	3.30 – 8.00	February 15	1,037.3	6.30 – 12.30			
28	970.0	3.20 – 8.50	28	1,012.9	6.32 – 13.05			
March 15	910.3	4.00 – 8.90	March 15	964.9	7.20 – 13.50			
31	755.1	5.30 – 9.00	31	803.1	7.93 – 15.00			

* Issued at face value by companies.
@ Typical effective discount rate range per annum on issues during the fortnight.

Government Accounts

No. 18: Union Government Accounts at a Glance

(Amount in ` Billion)

Item		Financial Year	April-February			
		2011-12 (Revised Estimates)	2010-11 (Actuals)	2011-12 (Actuals)	Percentage to Revised Estimates	
					2010-11	2011-12
		1	2	3	4	5
1.	**Revenue Receipts**	**7,670**	**6,704**	**5,929**	**85.5**	**77.3**
2.	Tax Revenue (Net)	6,423	4,606	4,936	81.7	76.9
3.	Non-Tax Revenue	1,247	2,097	993	95.3	79.6
4.	**Capital Receipts**	**5,517**	**3,083**	**5,140**	**71.3**	**93.2**
5.	Recovery of Loans	143	105	177	116.7	124.3
6.	Other Receipts	155	227	27	100.0	17.7
7.	Borrowings and Other Liabilities	5,220	2,751	4,936	68.6	94.6
8.	**Total Receipts (1+4)**	**13,187**	**9,787**	**11,070**	**80.4**	**83.9**
9.	**Non-Plan Expenditure**	**8,921**	**6,681**	**7,787**	**81.3**	**87.3**
10.	On Revenue Account	8,157	6,078	6,969	83.6	85.4
	of which :					
	(i) Interest Payments	2,756	2,012	2,360	83.6	85.6
11.	On Capital Account	764	603	817	63.6	107.0
12.	**Plan Expenditure**	**4,266**	**3,106**	**3,283**	**78.6**	**77.0**
13.	On Revenue Account	3,462	2,633	2,775	80.5	80.1
14.	On Capital Account	804	473	508	69.5	63.2
15.	**Total Expenditure (9+12)**	**13,187**	**9,787**	**11,070**	**80.4**	**83.9**
16.	Revenue Expenditure (10+13)	11,619	8711	9744	82.7	83.9
17.	Capital Expenditure (11+14)	1,568	1,076	1,326	66.1	84.6
18.	**Revenue Deficit (16-1)**	**3,950**	**2,007**	**3,815**	**74.4**	**96.6**
19.	**Fiscal Deficit {15-(1+5+6)}**	**5,220**	**2,751**	**4,936**	**68.6**	**94.6**
20.	**Gross Primary Deficit [19-10(i)]**	**2,464**	**739**	**2,576**	**46.1**	**104.5**

Notes: 1. Financial year runs from April to March.
2. Actuals are unaudited figures.

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

Government Securities Market

No. 19: Government of India: 91-Day Treasury Bills (Outstanding at Face Value)

(` Billion)

March 31/Last Friday / Friday	Reserve Bank of India			Banks		State Governments		Others		Foreign Central Banks	
	Tap*		Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction
	Re-discounted	Ad hocs									
	1	2	3	4	5	6	7	8	9	10	11
Mar. 31, 2000	–	–	2.9	–	5.6	–	–	–	4.6	–	2.2
Mar. 31, 2001	–	–	0.7	–	8.7	–	–	–	1.5	–	6.3
Mar. 31, 2002	–	–	1.5	–	22.9	–	4.5	–	3.6	–	13.0
Mar. 31, 2003	–	–	–	–	64.3	–	8.0	–	7.8	–	7.0
Mar. 31, 2004	–	–	–	–	39.5	–	6.0	–	14.5	–	0.4
Mar. 31, 2005	–	–	–	–	211.8	–	17.6	–	48.3	–	0.3
Mar. 31, 2006	–	–	–	–	59.4	–	97.6	–	5.8	–	0.4
Mar. 31, 2007	–	–	–	–	126.8	–	242.5	–	67.4	–	0.1
Mar. 31, 2008	–	–	–	–	60.6	–	238.3	–	100.8	–	–
Mar. 31, 2009	–	–	–	–	499.1	–	5.4	–	250.9	–	–
Mar. 31, 2010	–	–	–	–	308.8	–	–	–	406.3	–	–
Mar. 31, 2011	–	–	–	–	235.6	–	115.9	–	344.5	–	–
Jan. 2009	–	–	–	–	407.4	–	104.5	–	252.6	–	–
Feb. 2009	–	–	–	–	439.1	–	70.2	–	250.9	–	–
Mar. 2009	–	–	–	–	499.1	–	5.4	–	250.9	–	–
Apr. 2009	–	–	–	–	441.9	–	55.4	–	308.1	–	–
May 2009	–	–	–	–	396.5	–	50.0	–	353.5	–	–
Jun. 2009	–	–	–	–	389.8	–	50.0	–	360.2	–	–
Jul. 2009	–	–	–	–	258.4	–	–	–	503.1	–	3.5
Aug. 2009	–	–	–	–	268.4	–	–	–	491.9	–	4.8
Sep. 2009	–	–	–	–	371.3	–	–	–	388.9	–	4.8
Oct. 2009	–	–	–	–	252.5	–	–	–	469.3	–	3.3
Nov. 2009	–	–	–	–	216.4	–	–	–	498.3	–	0.4
Dec. 2009	–	–	–	–	271.5	–	–	–	443.1	–	0.4
Jan. 2010	–	–	–	–	254.3	–	–	–	460.7	–	–
Feb. 2010	–	–	–	–	252.9	–	–	–	462.1	–	–
Mar. 2010	–	–	–	–	308.8	–	–	–	406.3	–	–
Apr. 2010	–	–	–	–	250.9	–	–	–	464.1	–	–
May 2010	–	–	–	–	312.2	–	–	–	462.3	–	0.5
Jun. 2010	–	–	–	–	285.6	–	10.0	–	373.9	–	0.5
Jul. 2010	–	–	–	–	209.2	–	38.5	–	250.8	–	–
Aug. 2010	–	–	–	–	153.5	–	92.8	–	306.5	–	–
Sep. 2010	–	–	–	–	176.3	–	102.8	–	283.7	–	–
Oct. 2010	–	–	–	–	221.2	–	113.3	–	318.8	–	–
Nov. 2010	–	–	–	–	174.4	–	123.6	–	245.6	–	–
Dec. 2010	–	–	–	–	156.3	–	168.6	–	303.7	–	–
Jan. 2011	–	–	–	–	153.3	–	178.1	–	306.8	–	–
Feb. 2011	–	–	–	–	172.1	–	145.9	–	327.9	–	–
Mar. 2011	–	–	–	–	235.6	–	115.9	–	344.5	–	–
Apr. 2011				–	269.3	–	87.6	–	380.7	–	–
May 2011	–	–	–	–	316.2	–	180.1	–	453.9	–	–
Jun. 2011	–	–	–	–	385.5	–	246.1	–	504.5	–	–
Jul. 2011	–	–	–	–	417.5	–	300.7	–	562.5	–	–
Aug. 2011	–	–	–	–	404.5	–	248.7	–	535.5	–	–
Sep. 2011	–	–	–	–	824.5	–	5.6	–	334.6	–	–
Oct. 2011	–	–	–	–	366.2	–	262.3	–	423.8	–	–
Nov. 2011	–	–	–	–	292.0	–	276.0	–	378.0	–	–
Dec. 2011	–	–	–	–	190.1	–	320.6	–	329.9	–	30.6
Jan. 2012	–	–	–	–	233.9	–	353.5	–	366.1	–	35.8
WeekEnded											
Feb. 3, 2012	–	–	–	–	271.2	–	346.9	–	378.9	–	35.8
Feb. 10, 2012	–	–	–	–	286.5	–	371.9	–	413.7	–	35.8
Feb. 17, 2012	–	–	–	–	307.8	–	395.9	–	442.3	–	35.8
Feb. 24, 2012	–	–	–	–	335.7	–	386.9	–	464.5	–	36.2

* The rate of discount is 4.60 per cent per annum.

No. 20: Auctions of 91-day Government of India Treasury Bills

(Amount in ` Billion)

Date of Auction	Date of Issue	Notified Amount	Bids Received: Number	Bids Received: Total Face Value: Competitive	Bids Received: Total Face Value: Non-Competitive	Bids Accepted: Number	Bids Accepted: Total Face Value: Competitive	Bids Accepted: Total Face Value: Non-Competitive	Devolvement on PDs/SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
	1	2	3	4	5	6	7	8	9	10	11	12	13
2011 - 12													
Aug. 3	Aug. 5	70.00	76	211.00	25.75	45	70.00	25.75	–	95.75	97.95	8.3946	1,267.69
Aug. 10	Aug. 12	70.00	83	165.00	31.00	56	70.00	31.00	–	101.00	97.97	8.3110	1,277.69
Aug. 17	Aug. 18	70.00	77	191.00	1.00	52	70.00	1.00	–	71.00	97.96	8.3528	1,256.19
Aug. 24	Aug. 26	70.00	72	171.00	15.00	53	70.00	15.00	–	85.00	97.96	8.3528	1,188.69
Aug. 30	Sep. 2	70.00	79	160.00	65.00	61	70.00	65.00	–	135.00	97.95	8.3946	1,228.69
Sep. 7	Sep. 9	70.00	90	189.00	27.50	62	70.00	27.50	–	97.50	97.95	8.3946	1,226.19
Sep. 14	Sep. 16	70.00	87	200.00	7.00	49	70.00	7.00	–	77.00	97.95	8.3946	1,191.19
Sep. 21	Sep. 23	70.00	94	175.00	25.00	56	70.00	25.00	–	95.00	97.94	8.4364	1,187.19
Sep. 28	Sep. 29	70.00	85	191.00	15.00	53	70.00	15.00	–	85.00	97.94	8.4364	1,164.69
Oct. 5	Oct. 7	40.00	69	148.00	15.00	41	40.00	15.00	–	55.00	97.94	8.4364	1,147.19
Oct. 12	Oct. 14	40.00	69	114.00	17.00	40	40.00	17.00	–	57.00	97.93	8.4782	1,119.19
Oct. 19	Oct. 21	40.00	81	115.00	13.01	40	40.00	13.01	–	53.01	97.89	8.6456	1,097.20
Oct. 25	Oct. 28	40.00	71	133.00	5.04	25	40.00	5.04	–	45.04	97.89	8.6456	1,052.30
Nov. 2	Nov. 4	40.00	70	139.00	28.64	34	40.00	28.64	–	68.64	97.89	8.6456	1,025.19
Nov. 9	Nov. 11	40.00	54	72.05	18.00	36	40.00	18.00	–	58.00	97.84	8.8550	982.19
Nov. 16	Nov. 18	40.00	72	98.95	0.01	51	40.00	0.01	–	40.01	97.83	8.8969	951.19
Nov. 23	Nov. 25	40.00	74	129.00	40.00	28	40.00	40.00	–	80.00	97.84	8.8550	946.19
Nov. 30	Dec. 2	40.00	71	111.76	8.54	34	40.00	8.54	–	48.54	97.85	8.8131	859.73
Dec. 7	Dec. 9	40.00	95	176.50	66.00	24	40.00	66.00	–	106.00	97.90	8.6038	868.23
Dec. 14	Dec. 16	40.00	98	152.67	17.01	47	40.00	17.01	–	57.01	97.93	8.4782	848.24
Dec. 21	Dec. 23	40.00	108	167.30	22.91	12	40.00	22.91	–	62.91	97.95	8.3946	816.15
Dec. 28	Dec. 30	40.00	81	105.29	100.00	52	40.00	100.00	–	140.00	97.93	8.4782	871.15
Jan. 4	Jan. 06	60.00	95	143.73	17.10	65	60.00	17.10	–	77.10	97.92	8.5201	893.25
Jan. 11	Jan. 13	60.00	117	168.35	5.13	84	60.00	5.13	–	65.13	97.91	8.5619	901.38
Jan. 18	Jan. 20	60.00	87	120.36	10.04	64	60.00	10.04	–	70.04	97.89	8.6456	918.41
Jan. 25	Jan. 27	60.00	83	107.73	56.03	64	60.00	56.03	–	116.03	97.87	8.7293	989.40
Feb. 1	Feb. 3	90.00	103	177.10	22.02	72	90.00	22.02	–	112.02	97.85	8.8131	1,032.78
Feb. 8	Feb. 10	90.00	97	164.58	43.01	81	90.00	43.01	–	133.01	97.83	8.8969	1,107.79
Feb. 15	Feb. 17	90.00	99	196.14	24.02	75	90.00	24.02	–	114.02	97.82	8.9388	1,181.80
Feb. 22	Feb. 24	90.00	93	169.82	31.42	77	90.00	31.42	–	121.42	97.80	9.0227	1,223.22

* Effective from auction dated May 14, 1999, devolvement amount would be on RBI only.
Note: Outstanding amount is net of redemption during the week.

No. 20A: Auctions of Government of India Cash Management Bills

(Amount in ` Billion)

Date of Auction	Date of Issue	Date of Maturity	Notified Amount	Bids Received			Bids Accepted			Total Issue (8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
				Number	Total Face Value		Number	Total Face Value					
					Competitive	Non-Competitive		Competitive	Non-Competitive				
	1	2	3	4	5	6	7	8	9	10	11	12	13
2011-12													
Apr. 29	May 2	Jul. 18	60.00	74	109.45	–	50	60.00	–	60.00	98.41	7.6588	260.00
May 5	May 6	Jul. 22	60.00	92	152.26	–	31	60.00	–	60.00	98.34	8.0017	320.00
Jun. 28	Jun. 29	Aug. 3	60.00	65	176.06	–	34	60.00	–	60.00	99.23	8.0923	180.00
Jul. 4	Jul. 5	Aug. 16	80.00	64	272.16	–	42	80.00	–	80.00	99.07	8.1580	260.00
Jul. 18	Jul. 19	Sep. 13	80.00	77	294.71	–	34	80.00	–	80.00	98.78	8.0500	280.00
Jul. 21	Jul. 22	Sep. 16	40.00	52	174.00	–	30	40.00	–	40.00	98.78	8.0500	260.00
Aug. 2	Aug. 3	Sep. 21	80.00	70	235.20	–	45	80.00	–	80.00	98.89	8.3612	280.00
Aug. 8	Aug. 9	Sep. 27	60.00	50	103.80	–	35	60.00	–	60.00	98.90	8.2850	340.00
Oct. 17	Oct. 18	Dec. 5	100.00	71	219.15	–	53	100.00	–	100.00	98.87	8.6909	100.00
Nov. 8	Nov. 9	Dec. 21	60.00	57	180.14	–	28	60.00	–	60.00	99.01	8.6896	160.00
Nov. 9	Nov. 9	Dec. 21	90.00	76	232.25	–	28	50.00	–	50.00	98.99	8.8669	210.00

No. 21: Auctions of 182-day Government of India Treasury Bills

(` Billion)

Date of Auction		Date of Issue		Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
					Number	Total Face Value		Number	Total Face Value						
						Competitive	Non-Competitive		Competitive	Non-Competitive					
			1	2	3	4	5	6	7	8	9	10	11	12	13
2011-12															
Apr.	13	Apr.	15	20.00	74	77.44	15.00	25	20.00	15.00	–	35.00	96.42	7.4460	245.01
Apr.	27	Apr.	29	30.00	65	69.85	12.50	41	30.00	12.50	–	42.50	96.28	7.7490	267.51
May	11	May	13	30.00	73	81.76	–	35	30.00	–	–	30.00	96.07	8.2040	272.51
May	25	May	27	30.00	73	73.23	5.00	34	30.00	5.00	–	35.00	96.04	8.2690	287.51
Jun.	8	Jun.	10	30.00	66	113.55	–	34	30.00	–	–	30.00	96.06	8.2260	307.51
Jun.	22	Jun.	24	30.00	67	105.17	–	3	30.00	–	–	30.00	96.09	8.1610	327.51
Jul.	6	Jul.	8	30.00	75	71.78	–	44	30.00	–	–	30.00	96.04	8.2690	342.51
Jul.	20	Jul.	22	30.00	79	123.00	–	44	30.00	–	–	30.00	96.08	8.1823	357.50
Aug.	3	Aug.	5	30.00	58	59.35	–	34	29.50	–	–	29.50	95.95	8.4651	372.00
Aug.	17	Aug.	18	30.00	67	78.25	–	48	30.00	–	–	30.00	95.98	8.3998	382.00
Aug.	30	Sep.	2	30.00	59	64.30	–	28	30.00	–	–	30.00	95.98	8.3998	392.00
Sep.	14	Sep.	16	30.00	68	88.08	4.00	35	30.00	4.00	–	34.00	95.98	8.3998	406.00
Sep.	28	Sep.	29	30.00	59	73.19	–	32	30.00	–	–	30.00	95.95	8.4651	416.00
Oct.	12	Oct.	14	40.00	56	72.93	–	41	40.00	–	–	40.00	95.88	8.6177	421.00
Oct.	25	Oct.	28	40.00	57	93.25	–	32	40.00	–	–	40.00	95.84	8.7050	418.50
Nov.	9	Nov.	11	40.00	58	67.65	–	47	40.00	–	–	40.00	95.73	8.9454	428.50
Nov.	23	Nov.	25	40.00	86	123.67	0.01	26	40.00	0.01	–	40.01	95.78	8.8361	433.51
Dec.	7	Dec.	9	40.00	82	106.65	–	29	40.00	–	–	40.00	95.93	8.5087	443.51
Dec.	21	Dec.	23	40.00	80	113.95	–	3	40.00	–	–	40.00	96.04	8.2692	453.51
Jan.	4	Jan.	6	40.00	99	111.88	–	50	40.00	–	–	40.00	95.97	8.4215	463.51
Jan.	18	Jan.	20	40.00	82	111.92	–	51	40.00	–	–	40.00	95.91	8.5523	473.51
Feb.	1	Feb.	3	40.0	80	93.87	–	42	40.0	–	–	40.00	95.86	8.6613	484.0
Feb.	15	Feb.	17	40.0	83	127.62	–	29	40.0	–	–	40.00	95.86	8.6613	494.0

Notes : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual /364-day count convention to actual / 365-day count convention from auction dated April 6, 2005.

3. The auctions of 182-day Treasury Bills (TBs) which were discontinued effective May 14, 2001 have been reintroduced from April 6, 2005 onwards.

No. 22: Auctions of 364-day Government of India Treasury Bills

(Amount in ` Billion)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2011 - 12													
Apr. 6	Apr. 8	20.00	80	83.50	–	31	20.00	–	–	20.00	93.00	7.5480	424.56
Apr. 20	Apr. 21	30.00	72	78.81	–	38	30.00	–	–	30.00	92.82	7.7570	434.56
May 4	May 6	30.00	74	67.51	–	42	30.00	–	–	30.00	92.44	8.2010	444.56
May 18	May 20	30.00	89	97.10	–	27	30.00	–	–	30.00	92.36	8.2950	454.56
Jun. 1	Jun. 3	30.00	101	91.15	–	43	30.00	–	–	30.00	92.34	8.3180	474.56
Jun. 15	Jun. 17	30.00	91	75.79	2.03	56	30.00	2.03	–	32.03	92.32	8.3420	495.02
Jun. 29	Jun. 30	30.00	83	79.46	–	45	30.00	–	–	30.00	92.36	8.2950	513.08
Jul. 13	Jul. 15	30.00	107	131.41	–	20	30.00	–	–	30.00	92.41	8.2360	533.08
Jul. 27	Jul. 29	30.00	108	91.33	–	40	30.00	–	–	30.00	92.19	8.4950	553.08
Aug. 10	Aug. 12	30.00	109	184.25	–	9	30.00	–	–	30.00	92.47	8.1660	572.91
Aug. 24	Aug. 26	30.00	130	140.00	–	27	30.00	–	–	30.00	92.35	8.3065	592.45
Sep. 7	Sep. 9	30.00	105	121.00	2.16	26	27.42	2.16	–	29.58	92.32	8.3417	612.03
Sep. 21	Sep. 23	30.00	73	79.15	–	29	30.00	–	–	30.00	92.22	8.4595	632.03
Oct. 5	Oct. 7	40.00	93	106.00	–	43	40.00	–	–	40.00	92.17	8.5185	651.61
Oct. 19	Oct. 21	40.00	85	107.00	0.05	31	40.00	0.05	–	40.05	92.03	8.6840	671.66
Nov. 2	Nov. 4	40.00	85	119.00	–	47	40.00	–	–	40.00	91.98	8.7432	691.66
Nov. 16	Nov. 18	40.00	134	195.00	2.03	24	40.00	2.03	–	42.03	91.89	8.8500	713.69
Nov. 30	Dec. 2	40.00	132	236.82	–	2	40.00	–	–	40.00	92.23	8.4477	743.69
Dec. 14	Dec. 16	40.00	82	129.25	–	18	40.00	–	–	40.00	92.39	8.2595	773.69
Dec. 28	Dec. 30	40.00	85	98.12	0.02	45	40.00	0.02	–	40.02	92.31	8.3535	803.71
Jan. 11	Jan. 13	40.00	94	97.88	–	50	40.00	–	–	40.00	92.44	8.2007	833.72
Jan. 25	Jan. 27	40.00	80	114.45	–	26	40.00	–	–	40.00	92.21	8.4713	863.72
Feb. 08	Feb. 10	40.00	105	157.80	–	28	40.00	–	–	40.00	92.18	8.5067	873.72
Feb. 22	Feb. 24	40.00	107	196.20	–	21	40.00	–	–	40.00	92.18	8.5067	883.72

* Effective from auction dated May 19, 1999 devolvement amount would be on RBI only.

Notes : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated October 27, 2004.

3. Effective from auction dated June 2, 1999 the non-competitive bidders were allowed to participate.

No. 23: Turnover in Government Securities Market (Face Value) at Mumbai @

(` Billions)

Week / Month+	Govt. of India Dated Securities	State Govt. Securities	Treasury Bills				RBI*
			Cash Management Bills	91 Day	182 Day	364 Day	
	1	2	3	4	5	6	7
2010-11							
April	4,681.6	188.4	–	938.9	134.5	172.2	29.1
May	6,972.7	85.6	61.8	382.0	80.3	93.4	20.0
June	5,924.6	93.7	52.9	298.1	89.8	121.0	2.5
July	5,112.2	74.6	–	339.2	152.4	123.3	38.7
August	4,650.3	48.2	–	289.4	56.4	55.5	12.8
September	4,548.2	80.2	–	312.0	36.9	74.2	8.0
October	5,259.7	56.5	–	284.6	33.9	88.8	12.4
November	2,787.5	56.8	–	190.6	54.0	65.1	87.3
December	3,370.4	48.3	–	175.3	49.9	70.5	421.3
January	2,630.2	75.8	–	321.1	44.7	59.0	190.9
February	2,847.7	72.8	–	259.3	34.9	43.8	85.6
March	3,068.2	85.7	–	250.6	68.4	98.3	6.7
2011-12							
April	2,772.3	82.2	107.2	351.7	62.4	86.9	8.9
May	2,560.2	50.1	144.1	257.1	45.7	92.5	5.2
June	5,087.6	62.3	55.4	377.5	61.3	83.6	6.9
July	5,009.2	88.7	232.1	719.2	91.0	139.9	41.4
August	5,823.9	53.6	136.2	220.8	51.3	68.9	7.9
September	5,399.6	56.5	25.1	445.0	67.7	101.2	12.4
October	3,516.1	65.6	59.7	199.2	67.2	94.6	14.3
November	3,812.3	61.4	58.6	122.6	84.7	96.2	113.6
December	9,310.9	178.9	18.2	310.7	274.6	392.1	342.2
January	9,225.2	120.9	–	225.9	136.1	289.1	365.6
WEEK ENDED							
February 3, 2012	2,093.5	21.2	–	57.2	16.2	30.0	8.0
February 10, 2012	1,800.1	34.5	–	68.1	6.0	57.5	96.8
February 17, 2012	1,451.4	11.9	–	32.0	11.2	48.9	8.9
February 24, 2012	999.2	23.9	–	65.4	3.4	35.3	101.5

@ Based on SGL outright transactions in government securities in secondary market at Mumbai. It excludes repo transactions.

\+ Turnover upto the last Friday of the month over the last Friday of preceding month.

* RBI's sales and purchases include tranasctions in other offices and transactions on behalf of the State Governments and others. It excludes transactions relating to the Government of India and the Welfare Commissioner, Bhopal.

No. 24: Repo/Reverse Repo Auctions under Liquidity Adjustment Facility

(Amount in ` Billion)

Date	Repo/ Reverse Repo Period (Day(s))	REPO (INJECTION)					REVERSE REPO (ABSORPTION)					Net Injection (+)/ Absorption(-) of liquidity [(5) – (10)]	MSF	Outstanding Amount
		Bids Received		Bids Accepted		Cut-off Rate(%)	Bids Received		Bids Accepted		Cut-off Rate(%)			
		Number	Amount	Number	Amount		Number	Amount	Number	Amount				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Feb. 1, 2012	1	51	1,271.40	51	1,271.40	8.50	1	0.30	1	0.30	7.50	1,271.10	–	-1,271.10
Feb. 2, 2012	1	52	1,203.00	52	1,203.00	8.50	1	0.10	1	0.10	7.50	1,202.90	–	-1,202.90
Feb. 3, 2012	3	40	1,128.30	40	1,128.30	8.50	1	20.00	1	20.00	7.50	1,108.30	–	-1,108.30
Feb. 6, 2012	1	39	987.60	39	987.60	8.50	–	–	–	–	–	987.60	–	-987.60
Feb. 7, 2012	1	39	911.30	39	911.30	8.50	1	0.05	1	0.05	7.50	911.25	–	-911.25
Feb. 8, 2012	1	43	1,049.25	43	1,049.25	8.50	–	–	–	–	–	1,049.25	–	-1,049.25
Feb. 9, 2012	1	46	1,314.00	46	1,314.00	8.50	1	1.00	1	1.00	7.50	1,313.00	–	-1,313.00
Feb. 10, 2012	3	45	867.05	45	867.05	8.50	3	2.40	3	2.40	7.50	864.65	–	
Feb. 10, 2012$	3	25	441.45	25	441.45	8.50	–	–	–	–	–	441.45	–	-1,306.10
Feb. 13, 2012	1	63	1,660.80	63	1,660.80	8.50	–	–	–	–	–	1,660.80	–	-1,660.80
Feb. 14, 2012	1	66	1,701.55	66	1,701.55	8.50	–	–	–	–	–	1,701.55	–	-1,701.55
Feb. 15, 2012	2	68	1,684.35	68	1,684.35	8.50	–	–	–	–	–	1,684.35	–	-1,684.35
Feb. 17, 2012	4	67	1,655.10	67	1,655.10	8.50	2	15.75	2	15.75	7.50	1,639.35	–	-1,639.35
Feb. 21, 2012	1	53	1,304.05	53	1,304.05	8.50	1	1.00	1	1.00	7.50	1,303.05	–	-1,303.05
Feb. 22, 2012	1	57	1,409.50	57	1,409.50	8.50	5	46.55	5	46.55	7.50	1,362.95	–	-1,362.95
Feb. 23, 2012	1	54	1,471.35	54	1,471.35	8.50	6	91.50	6	91.50	7.50	1,379.85	–	-1,379.85
Feb. 24, 2012	3	45	962.80	45	962.80	8.50	4	7.00	4	7.00	7.50	955.80	–	
Feb. 24, 2012$	3	30	388.90	30	388.90	8.50	–	–	–	–	–	388.90	–	-1,344.70
Feb. 27, 2012	1	66	1,794.00	66	1,794.00	8.50	–	–	–	–	–	1,794.00	–	-1,794.00
Feb. 28, 2012	1	70	1,806.45	70	1,806.45	8.50	–	–	–	–	–	1,806.45	7.50	-1,813.95
Feb. 29, 2012	1	66	1,797.20	66	1,797.20	8.50	1	0.10	1	0.10	7.50	1,797.10	0.75	-1,797.85

MSF: Marginal Standing Facility. '–' No bid was received in the auction. $: Addition Repo under LAF on Reporting Fridays.

No. 25: Open Market Operations of Reserve Bank of India

(` Billion)

Year/Month	Government of India Dated Securities – Face Value					Treasury bills				
	Purchase		Sale		Net purchase (+)/net sale (–)	Purchase		Sale		Net purchase (+)/net sale (–)
	Market	State Government and others	Market	State Government and others		Market	State Government and others	Market	State Government and others	
	1	2	3	4	5	6	7	8	9	10
2008-09										
April	7.46	–	–	8.61	–1.16	–	–	–	–	–
May	1.28	–	–	2.17	–0.89	–	–	–	–	–
June	152.39	–	–	3.10	149.29	–	–	–	–	–
July	52.19	–	–	7.01	45.17	–	–	–	–	–
August	43.38	–	–	44.47	–1.09	–	–	–	–	–
September	9.22	–	–	9.31	–0.09	–	–	–	–	–
October	6.28	–	–	5.30	0.97	–	–	–	–	–
November	7.57	–	–	1.28	6.30	–	–	–	–	–
December	119.01	–	–	2.96	116.06	–	–	–	–	–
January	25.68	–	–	5.04	20.64	–	–	–	–	–
February	60.28	–	–	2.37	57.91	–	–	–	–	–
March	560.08	–	–	7.71	552.37	–	–	–	–	–
2009-10										
April	211.30	–	–	7.47	203.83	–	–	–	–	–
May	153.74	–	–	2.08	151.66	–	–	–	–	–
June	67.66	–	–	3.15	64.50	–	–	–	–	–
July	77.24	–	–	24.80	52.45	–	–	–	–	–
August	134.62	–	–	9.83	124.79	–	–	–	–	–
September	141.12	–	–	2.44	138.68	–	–	–	–	–
October	24.98	–	–	14.16	10.82	–	–	–	–	–
November	7.78	–	–	6.02	1.76	–	–	–	–	–
December	9.20	–	–	2.85	6.35	–	–	–	–	–
January	11.94	–	–	12.01	–0.07	–	–	–	–	–
February	3.06	–	–	3.11	–0.04	–	–	–	–	–
March	11.36	–	–	11.41	–0.06	–	–	–	–	–
2010-11										
April	6.15	–	–	6.05	0.10	–	–	–	–	–
May	10.22	–	–	10.11	0.11	–	–	–	–	–
June	2.53	–	–	2.66	–0.13	–	–	–	–	–
July	17.77	–	–	17.94	–0.16	–	–	–	–	–
August	6.98	–	–	7.06	–0.08	–	–	–	–	–
September	4.83	–	–	4.78	0.06	–	–	–	–	–
October	4.72	–	–	4.81	–0.10	–	–	–	–	–
November	85.41	–	–	1.86	83.55	–	–	–	–	–
December	417.56	–	–	3.64	413.92	–	–	–	–	–
January	183.01	–	–	7.91	175.10	–	–	–	–	–
February	43.54	–	–	43.49	0.05	–	–	–	–	–
March	5.26	–	–	5.42	–0.16	–	–	–	–	–
2011-12										
April	4.52	–	–	4.45	0.07	–	–	–	–	–
May	2.93	–	–	2.87	0.06	–	–	–	–	–
June	14.53	–	–	4.68	9.85	–	–	–	–	–
July	9.26	–	–	19.14	–9.88	–	–	–	–	–
August	4.73	–	–	4.76	–0.03	–	–	–	–	–
September	5.41	–	–	5.39	0.02	–	–	–	–	–
October	7.21	–	–	7.18	0.02	–	–	–	–	–
November	104.00	–	–	10.02	93.98	–	–	–	–	–
December	339.00	–	–	2.17	336.83	–	–	–	–	–
January	360.94	–	–	8.92	352.02	–	–	–	–	–
February	327.84+	–	–	3.70	324.15	–	–	–	–	–

Notes: 1. RBI's sales-purchases include transactions in other offices and transactions on behalf of the State Governments and Others.
2. Excluding transactions of RBI with the Government of India and the Welfare Commissioner Bhopal.

\+ Includes purchase of Oil Marketing Companies Government of India Special Bonds (Oil Bonds) of ` NIL (face value) under Special Market Operations (SMOs).

No. 26A: Secondary Market Outright Transactions in Government Dated Securities (Face Value)

(Amount in ` billion, YTM in per cent per annum)

Week ended	Government of India Dated Securities - Maturing in the year										State Govt. Securities
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Beyond 2021	
	1	2	3	4	5	6	7	8	9	10	11
I. February 3, 2012											
a. Amount	5.88	–	0.01	1.75	4.43	3.05	61.72	48.51	6.05	915.36	10.58
b. YTM *											
Min.	8.5584	–	–	8.0975	8.1868	8.1732	8.1309	8.1196	9.4151	8.0933	8.5653
Max.	8.7782	–	–	8.1454	8.3187	8.2780	8.4236	8.3899	9.7831	8.6595	8.7332
II. February 10, 2012											
a. Amount	0.61	–	0.46	1.30	2.06	0.55	51.15	20.70	6.35	814.83	17.25
b. YTM *											
Min.	8.7209	8.1200	8.0400	8.0824	8.1879	8.1743	8.1684	8.1383	9.5784	8.0899	8.5394
Max.	8.8795	8.1200	8.0400	8.1519	8.3062	8.2290	8.3193	8.2931	9.7925	8.5998	8.6959
III. February 17, 2012											
a. Amount	1.72	–	0.03	1.48	6.80	1.50	45.69	38.80	0.70	628.51	5.95
b. YTM *											
Min.	8.8300	8.0700	–	8.1411	8.2197	8.2435	8.2175	8.2089	9.7765	8.1529	8.6200
Max.	8.8820	8.0700	–	8.2008	8.2870	8.2902	8.4000	8.2859	9.7765	8.6187	8.6890
IV. February 24, 2012											
a. Amount	1.22	–	–	0.39	2.13	1.00	20.74	14.33	2.77	457.02	11.94
b. YTM *											
Min.	8.8572	–	–	8.1638	8.2180	8.1050	8.1845	8.2314	9.6132	8.1553	8.6199
Max.	8.9549	–	–	8.1930	8.2591	8.3265	8.3310	8.2751	9.6522	8.6262	8.7983

* Minimum and Maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ` 0.05 billion).

No. 26 B: Secondary Market Outright Transactions in Treasury Bills

(Amount in ` billion, YTM in per cent per annum)

Week ended	Treasury Bills Residual Maturity in Days			
	Upto 14 Days	15 - 91 Days	92 - 182 Days	183 - 364 Days
	1	2	3	4
I February 3, 2012				
a. Amount	7.86	22.74	8.02	13.08
b. YTM *				
Min.	8.5000	8.2998	8.4500	8.3600
Max.	8.8516	8.8131	8.7500	8.5700
II February 10, 2012				
a. Amount	8.07	34.00	6.35	17.41
b. YTM *				
Min.	8.5490	8.3000	8.7899	8.3596
Max.	9.0017	8.9000	8.8699	8.6500
III February 17, 2012				
a. Amount	3.81	15.06	3.20	24.00
b. YTM *				
Min.	8.6039	8.5000	8.5959	8.4241
Max.	9.0953	8.9388	8.6998	8.5067
IV February 24, 2012				
a. Amount	7.23	30.58	0.65	13.59
b. YTM *				
Min.	8.8516	8.4500	8.6001	8.3679
Max.	9.2659	9.0227	8.8001	8.5500

* Minimum and Maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ` 0.05 billion).
\# Includes transactions of Cash Management Bills.

No. 26 C: Month-end Yield to Maturity of SGL Transactions in Central Government Dated Securities for Various Residual Maturities

(Per cent)

Term to Maturity (in years)	2011										2012	
	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8	9	10	11	12
1	7.4927	6.3112	8.3124	8.1875	8.3619	8.2283	8.2081	8.7114	8.7397	8.3720	8.6259	8.5654
2	7.5488	6.9231	8.3554	8.2298	8.3799	8.2650	8.2437	8.7469	8.7059	8.3161	8.5434	8.0814
3	7.6787	7.5350	8.3985	8.2722	8.3979	8.2696	8.2793	8.7823	8.6722	8.2603	8.4610	8.1851
4	7.8747	8.1469	8.4415	8.3146	8.4148	8.2873	8.3129	8.8178	8.6781	8.3743	8.3785	8.2888
5	7.9287	8.2318	8.4771	8.3496	8.4342	8.3329	8.3622	8.8603	8.7123	8.4656	8.2961	8.3051
6	7.9465	8.2385	8.4780	8.3580	8.4678	8.3445	8.4109	8.8810	8.7341	8.4918	8.3098	8.3096
7	7.9574	8.1690	8.4780	8.3625	8.5251	8.4124	8.3962	8.8635	8.7439	8.5120	8.3223	8.2896
8	7.9681	8.1525	8.4513	8.3532	8.6566	8.5700	8.4073	8.8650	8.7485	8.5300	8.3151	8.2641
9	7.9787	8.1359	8.4246	8.3440	8.5576	8.4262	8.3942	8.8666	8.7531	8.5479	8.2945	8.2214
10	8.0223	8.1267	8.4123	8.3518	8.4792	8.3543	8.3975	8.8849	8.7594	8.5459	8.2878	8.2000
11	8.0692	8.2552	8.4895	8.4205	8.5397	8.4259	8.4295	8.9145	8.7929	8.5142	8.3283	8.2268
12	8.1168	8.3151	8.5213	8.4566	8.5672	8.4559	8.4716	8.9260	8.8298	8.6100	8.3688	8.2536
13	8.1649	8.3510	8.5439	8.4897	8.5891	8.4839	8.5138	8.9375	8.8677	8.7018	8.4133	8.2957
14	8.2130	8.3870	8.5665	8.5227	8.6109	8.5118	8.5559	8.9490	8.9279	8.7660	8.4729	8.3752
15	8.2610	8.4230	8.5890	8.5557	8.6328	8.5398	8.5980	8.9605	8.9882	8.8302	8.5326	8.4548
16	8.3091	8.4590	8.6116	8.5887	8.6547	8.5708	8.6389	8.9708	9.0386	8.8678	8.5771	8.5092
17	8.3266	8.4950	8.6182	8.5943	8.6625	8.6379	8.6252	8.9707	9.0478	8.8353	8.5947	8.5316
18	8.3285	–	8.6215	8.5972	8.6678	–	8.6114	8.9707	9.0570	8.8028	8.6122	8.5541
19	8.3305	–	8.6248	8.6002	8.6731	–	8.5976	8.9707	9.0663	8.7727	8.6241	8.5717
20	8.3324	–	8.6282	8.6031	8.6784	–	8.5838	8.9707	9.0755	8.7749	8.6044	8.5736
21	8.3343	–	8.6315	8.6060	8.6837	–	8.5726	8.9707	9.0847	8.7770	8.5975	8.5755
22	8.3363	–	8.6348	–	8.6890	–	8.5749	8.9706	9.0939	8.7791	8.5911	8.5774
23	8.3382	–	8.6382	–	8.6944	–	8.5771	8.9706	9.1031	8.7813	8.5848	8.5793
24	8.3402	–	8.6415	–	8.6997	–	8.5794	8.9706	9.1123	8.7834	8.5784	8.5812
25	8.3421	–	8.6448	–	8.7050	–	8.5816	8.9706	9.1216	8.7856	8.5721	8.5831
26	8.3456	–	8.6481	–	8.7103	–	8.5839	8.9706	9.1308	8.7877	8.5658	8.5850
27	8.3493	–	8.6515	–	8.7156	–	8.5861	8.9705	9.1400	8.7898	8.5594	8.5869
28	8.3531	–	8.6548	–	8.7209	–	8.5884	8.9705	9.1492	8.7920	8.5531	8.5888
29	8.3568	–	8.6581	–	8.7262	–	8.5907	8.9705	9.1584	8.8036	8.5467	8.5907
30	8.3606	–	8.6614	–	–	–	–	–	–	8.8249	8.5404	8.5926

No. 26 D: Secondary Market Repo Transactions # (Other than with RBI)

(Amount in ` Billion)

Week Ended	Govt. of India Dated Securities	State Govt. Securities	Cash Management Bills	91-day Treasury Bills	182-day Treasury Bills	364-day Treasury Bills
	1	2	3	4	5	6
I. February 3, 2012						
Amount	386.95	4.40	–	76.48	82.74	10.64
Repo Rate Min.	7.00	8.60	–	8.50	8.50	8.55
Repo rate Max.	9.80	8.70	–	8.70	8.70	8.70
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	15	3	–	3	3	3
II. February 10, 2012						
Amount	554.52	3.63	–	89.61	131.95	24.27
Repo Rate Min.	7.00	8.25	–	8.40	7.50	8.35
Repo rate Max.	9.80	8.60	–	8.71	8.75	8.75
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	15	3	–	3	3	3
III. February 17, 2012						
Amount	314.15	0.97	–	80.18	82.35	4.03
Repo Rate Min.	7.50	8.50	–	8.50	8.48	8.60
Repo rate Max.	9.80	8.70	–	8.70	8.70	8.70
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	17	1	–	4	4	4
IV February 24, 2012						
Amount	435.95	8.38	–	137.58	118.72	27.10
Repo Rate Min.	7.25	7.50	–	6.50	7.50	7.50
Repo rate Max.	9.80	8.65	–	8.70	8.70	8.80
Repo Period Min.	1	1	–	1	1	1
Repo Period Max.	16	3	–	3	3	3

Represent the First Leg of Transactions.
Note: Repo rate in per cent per annum and repo period in days.

No. 27: Month-end Secondary Market Yield on Government of India Securities

(Per cent)

Coupon	Date of Maturity			Yield (Semi–annual) as on					
				Mar. 31, 2010 (Year–end)	Mar. 31, 2011 (Year–end)	Nov 30, 2011	Dec 31, 2011	Jan 31, 2012	Feb 29, 2012
			1	2	3	4	5	6	7
6.72 *	Jul.	18,	2012	4.36	7.31	8.70	8.57	8.62	8.88
6.85	Apr.	5,	2012	6.19	7.50	8.70	8.53	8.63	9.01
7.40	May	3,	2012	6.17	7.44	8.71	8.49	8.56	8.94
10.25	Jun.	1,	2012	6.34	7.49	8.72	8.54	8.64	8.93
11.03	Jul.	18,	2012	6.30	7.51	8.70	8.57	8.62	8.88
9.40	Sep.	11,	2012	6.49	7.53	8.67	8.56	8.57	8.81
FRB	Nov.	10,	2012	4.79	7.26	8.92	8.51	8.50	8.65
9.00	May	24,	2013	6.51	7.54	8.56	8.30	8.16	8.23
9.81	May	30,	2013	6.71	7.54	8.56	8.29	8.16	8.22
12.40	Aug.	20,	2013	6.79	7.56	8.54	8.21	8.11	8.14
7.27	Sep.	3,	2013	6.74	7.57	8.53	8.18	8.09	8.11
FRB	Sep.	10,	2013	4.54	6.74	8.91	8.54	8.53	8.68
5.32	Feb.	16,	2014	7.04	7.74	8.57	8.14	8.05	8.04
6.72	Feb.	24,	2014	7.23	7.74	8.58	8.14	8.05	8.04
7.37	Apr.	16,	2014	7.14	7.77	8.58	8.13	8.05	8.04
6.07	May	15,	2014	7.22	7.79	8.59	8.12	8.05	8.04
FRB	May	20,	2014	4.01	5.12	8.96	8.63	8.62	8.77
10.00	May	30,	2014	7.33	7.79	8.59	8.13	8.06	8.05
7.32	Oct.	20,	2014	7.25	7.87	8.62	8.14	8.09	8.09
10.50	Oct.	29,	2014	7.39	7.87	8.62	8.15	8.09	8.10
7.56	Nov.	3,	2014	7.17	7.88	8.62	8.15	8.09	8.09
11.83	Nov.	12,	2014	7.50	7.87	8.62	8.16	8.10	8.10
10.47	Feb.	12,	2015	7.82	7.84	8.59	8.13	8.12	8.15
10.79	May	19,	2015	7.67	7.89	8.61	8.21	8.17	8.19
11.50	May	21,	2015	7.67	7.88	8.61	8.21	8.17	8.19
6.49	Jun.	8,	2015	7.51	7.91	8.62	8.22	8.18	8.21
7.17	Jun.	14,	2015		7.90	8.62	8.22	8.18	8.19
FRB	Jul.	2,	2015	4.08	5.71	8.97	8.60	8.59	8.74
11.43	Aug.	7,	2015	7.60	7.91	8.63	8.28	8.20	8.23
FRB	Aug.	10,	2015	3.98	6.26	8.97	8.61	8.60	8.75
7.38	Sep.	3,	2015	7.49	7.94	8.64	8.31	8.22	8.24
9.85	Oct.	16,	2015	7.65	7.94	8.64	8.35	8.24	8.26
7.59	Apr.	12,	2016	7.43	7.99	8.68	8.52	8.31	8.30
10.71	Apr.	19,	2016	7.63	7.98	8.68	8.51	8.31	8.31
FRB	May	7,	2016	3.97	5.15	9.09	8.68	8.67	8.82
5.59	Jun.	4,	2016	7.72	8.01	8.70	8.56	8.33	8.33
12.30	Jul.	2,	2016	7.73	7.98	8.69	8.53	8.32	8.32
7.02	Aug.	17,	2016	7.60	8.00	8.71	8.57	8.33	8.33
8.07	Jan.	15,	2017	7.57	7.97	8.71	8.58	8.32	8.33
7.49	Apr.	16,	2017	7.43	7.96	8.73	8.56	8.32	8.33
FRB	Jul.	2,	2017	4.65	7.42	8.90	8.84	8.72	8.67
7.99	Jul.	9,	2017	7.72	7.95	8.70	8.54	8.30	8.33
7.46	Aug.	28,	2017	7.49	7.97	8.73	8.55	8.33	8.33
6.25	Jan.	2,	2018	7.82	7.95	8.72	8.55	8.33	8.33
7.83	Apr.	11,	2018			8.71	8.54	8.33	8.32
8.24	Apr.	22,	2018	7.60	7.94	8.71	8.54	8.33	8.33

No. 27: Month-end Secondary Market Yield on Government of India Securities *(Concld.)*

(Per cent)

Coupon	Date of Maturity			Yield (Semi–annual) as on					
				Mar. 31, 2010 (Year–end)	Mar. 31, 2011 (Year–end)	Nov 30, 2011	Dec 31, 2011	Jan 31, 2012	Feb 29, 2012
			1	2	3	4	5	6	7
10.45	Apr.	30,	2018	7.75	7.94	8.71	8.54	8.33	8.32
5.69	Sep.	25,	2018	7.83	7.95	8.71	8.56	8.34	8.33
12.60	Nov.	23,	2018	7.78	7.93	8.71	8.55	8.33	8.32
5.64	Jan.	2,	2019	7.88	8.02	8.71	8.57	8.39	8.34
6.05	Feb.	2,	2019	7.29	8.02	8.71	8.58	8.39	8.33
6.05	Jun.	12,	2019	7.90	8.02	8.71	8.60	8.38	8.32
6.90	Jul.	13,	2019	7.82	8.02	8.71	8.60	8.38	8.32
10.03	Aug.	9,	2019	7.90	8.02	8.71	8.59	8.38	8.31
6.35	Jan.	2,	2020	7.85	7.99	8.76	8.66	8.37	8.28
8.19	Jan.	16,	2020					8.31	8.28
10.70	Apr.	22,	2020	7.92	7.98	8.76	8.66	8.37	8.28
7.80	May	3,	2020		7.98	8.76	8.67	8.36	8.26
FRB	Dec.	21,	2020	4.62	8.04	10.02	9.64	9.76	9.61
11.60	Dec.	27,	2020	7.94	8.01	8.77	8.66	8.36	8.25
7.80	Apr.	11,	2021			8.72	8.56	8.38	8.27
7.94	May	24,	2021	7.94	8.06	8.78	8.62	8.33	8.20
10.25	May	30,	2021	8.17	8.05	8.78	8.61	8.32	8.20
8.79	Nov.	8,	2021			8.74	8.56	8.27	8.20
8.20	Feb.	15,	2022	8.10	8.10	8.77	8.54	8.28	8.22
8.35	May	14,	2022	8.18	8.09	8.77	8.51	8.27	8.27
8.08	Aug.	2,	2022	8.19	8.08	8.75	8.48	8.24	8.35
5.87	Aug.	28,	2022	8.14	8.12	8.79	8.48	8.25	8.35
8.13	Sep.	21,	2022	8.05	8.09	8.78	8.46	8.25	8.35
6.30	Apr.	9,	2023	8.16	8.16	8.82	8.49	8.25	8.36
6.17	Jun.	12,	2023	8.17	8.17	8.83	8.51	8.27	8.40
7.35	Jun.	22,	2024	8.03	8.21	8.87	8.65	8.27	8.39
9.15	Nov.	14,	2024			8.84	8.70	8.39	8.29
5.97	Sep.	25,	2025	8.34	8.29	8.95	8.82	8.40	8.32
10.18	Sep.	11,	2026	8.37	8.28	8.95	8.80	8.49	8.34
8.24	Feb.	15,	2027	8.25	8.33	8.98	8.84	8.52	8.41
8.26	Aug.	2,	2027	8.27	8.33	8.99	8.83	8.56	8.45
8.28	Sep.	21,	2027	8.40	8.35	9.00	8.83	8.56	8.51
6.01	Mar.	25,	2028	8.47	8.40	9.03	8.86	8.57	8.51
6.13	Jun.	4,	2028	8.46	8.40	9.03	8.86	8.62	8.57
8.97	Dec.	5,	2030				8.77	8.62	8.58
8.28	Feb.	15,	2032	8.30	8.39	8.99	8.75	8.62	8.52
8.32	Aug.	2,	2032	8.41	8.40	9.01	8.75	8.65	8.53
7.95	Aug.	28,	2032	8.32	8.41	9.02	8.75	8.66	8.52
8.33	Sep.	21,	2032	8.41	8.40	9.02	8.75	8.66	8.52
7.50	Aug.	10,	2034	8.27	8.41	9.04	8.74	8.66	8.52
7.40	Sep.	9,	2035	8.24	8.41	9.06	8.75	8.67	8.51
8.33	Jun.	7,	2036	8.30	8.39	9.06	8.75	8.67	8.51
6.83	Jan.	19,	2039	8.28	8.38	9.11	8.79	8.65	8.52
8.30	Jul.	2,	2040		8.36	9.12	8.78	8.60	8.58
8.83	Dec.	12,	2041				8.82	8.54	8.59

FRB: Floting Rate Bond.
* 6.72% GS 2012 with call/ put option on coupon dates.
Source: Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Production

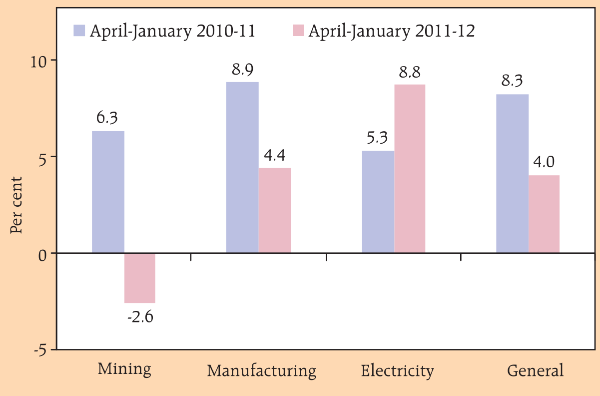
No. 28: Group-Wise Index Number of Industrial Production

(Base: 2004-05=100)

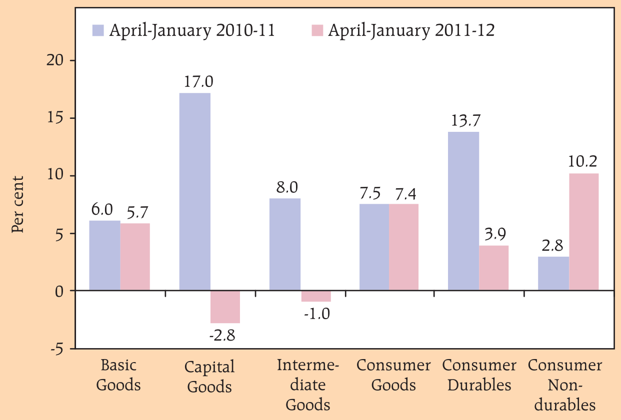
Sr. No.	Industry	Weight	Annual			Cumulative		Monthly	
			2008-09	2009-10	2010-11 P	April - January		January	
						2010-11	2011-12 P	2011	2012 P
		1	2	3	4	5	6	7	8
	General Index	**100.00**	**145.2**	**152.9**	**165.5**	**162.5**	**169.0**	**175.9**	**187.9**
I.	**Sectoral Classification**								
1.	Mining and Quarrying	**14.16**	115.4	124.5	131.0	128.9	125.5	141.0	137.2
2.	Manufacturing	**75.53**	153.8	161.3	175.7	172.3	179.9	186.5	202.4
3.	Electricity	**10.32**	123.3	130.8	138.0	136.8	148.8	146.4	151.1
II.	**Use-Based Classification**								
1.	Basic Goods	**45.68**	128.1	134.1	142.2	140.2	148.2	153.9	156.4
2.	Capital Goods	**8.83**	240.6	243.0	278.9	271.7	264.2	263.8	259.8
3.	Intermediate Goods	**15.69**	127.6	135.3	145.3	144.4	142.9	150.2	145.4
4.	Consumer Goods	**29.81**	152.6	164.3	178.3	173.7	186.5	197.3	237.2
4(a).	Consumer Durables	**8.46**	215.4	252.0	287.7	281.2	292.2	310.8	289.6
4(b).	Consumer Non-Durables	**21.35**	127.7	129.5	135.0	131.2	144.6	152.3	216.4

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

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification



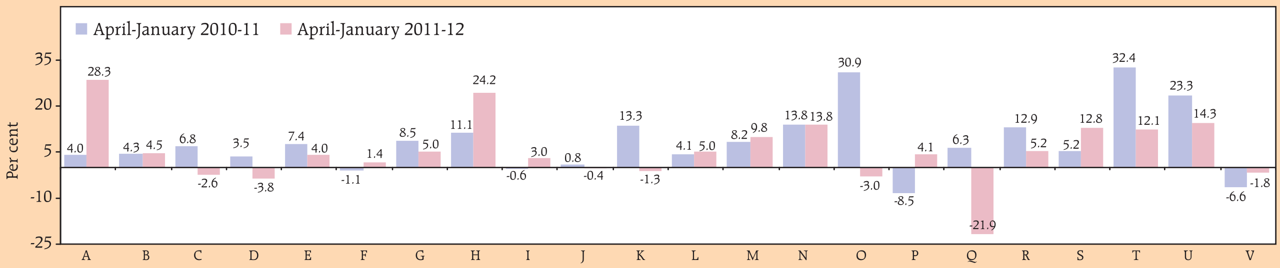
No. 29: IIP - 22 Major Industry Groups of Manufacturing Sector

(Base: 2004-05=100)

Industry Group	Industry	Weight	Annual			Cumulative		Monthly	
			2008-09	2009-10	2010-11 P	April - January		January	
						2010-11	2011-12 P	2011	2012 P
		1	2	3	4	5	6	7	8
	Manufacturing Index	**75.53**	**153.8**	**161.3**	**175.7**	**172.3**	**179.9**	**186.5**	**202.4**
15	Food products and beverages	7.28	135.4	133.5	142.9	132.2	169.6	191.4	368.7
16	Tobacco products	1.57	102.7	102.0	104.1	105.8	110.6	106.1	109.5
17	Textiles	6.16	120.1	127.4	135.9	136.5	133.0	142.2	138.4
18	Wearing apparel; dressing and dyeing of fur	2.78	134.6	137.1	142.2	138.2	132.9	145.5	151.3
19	Luggage, handbags, saddlery, harness & footwear; tanning and dressing of leather products	0.58	104.4	105.8	114.3	113.0	117.5	118.8	117.2
20	Wood and wood products of wood & cork except furniture; articles of straw & plating materials	1.05	155.3	160.1	156.5	154.8	157.0	153.6	166.5
21	Paper and paper products	1.00	118.0	121.1	131.4	130.5	137.0	134.7	140.7
22	Publishing, printing & reproduction of recorded media	1.08	142.4	133.8	148.8	148.0	183.8	154.2	240.7
23	Coke, refined petroleum products & nuclear fuel	6.71	123.4	121.8	121.5	121.1	124.7	137.1	128.4
24	Chemicals and chemical products	10.06	115.0	120.7	123.1	123.0	122.5	125.8	119.5
25	Rubber and plastic products	2.02	142.6	167.4	185.2	185.5	183.0	190.8	195.6
26	Other non-metallic mineral products	4.31	134.9	145.4	151.4	148.8	156.2	157.2	170.2
27	Basic metals	11.33	159.0	162.4	176.7	174.0	191.1	195.4	195.8
28	Fabricated metal products, except machinery and equipment	3.08	144.0	158.6	182.8	169.1	192.5	179.2	212.6
29	Machinery and equipment n.e.c	3.76	171.0	198.0	256.3	238.2	231.1	265.0	246.5
30	Office, accounting & computing machinery	0.30	148.8	154.4	146.3	139.1	144.8	148.2	127.3
31	Electrical machinery & apparatus n.e.c	1.98	530.8	459.2	472.1	487.0	380.4	383.4	266.6
32	Radio, TV and communication equipment & apparatus	0.99	726.7	809.1	911.5	918.6	966.8	1002.0	863.9
33	Medical, precision & optical instruments, watches and clocks	0.57	119.8	100.9	107.8	103.4	116.6	106.3	138.1
34	Motor vehicles, trailers & semi-trailers	4.06	138.0	179.1	233.3	224.1	251.2	251.9	293.1
35	Other transport equipment	1.82	134.0	171.1	210.7	203.6	232.7	217.0	228.5
36	Furniture, manufacturing n.e.c	2.99	142.5	152.7	141.2	141.5	139.0	141.2	137.2

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

Performance of Manufacturing Industries



A Food products and beverages
B Tobacco products
C Textiles
D Wearing apparel; dressing and dyeing of fur
E Luggage, handbags, saddlery, harness & footwear; tanning and dressing of leather products
F Wood and wood products of wood & cork except furniture; articles of straw & plating materials
G Paper and paper products
H Publishing, printing & reproduction of recorded media
I Coke, refined petroleum products & nuclear fuel
J Chemicals and chemical products
K Rubber and plastic products
L Other non-metallic mineral products
M Basic metals
N Fabricated metal products, except machinery and equipment
O Machinery and equipment n.e.c
P Office, accounting & computing machinery
Q Electrical machinery & apparatus n.e.c
R Radio, TV and communication equipment & apparatus
S Medical, precision & optical instruments, watches and clocks
T Motor vehicles, trailers & semi-trailers
U Other transport equipment
V Furniture, manufacturing n.e.c

Capital Market

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

(Amount in ` Billion)

Security & Type of Issue	2009-10 (April-March)		2010-11 (April-March)		2010-11 (April-December)		2011-12 (April-December)	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8
1) Equity Shares (a+b)	67	253.0	70	248.3	54	186.2	39	70.7
	(64)	(207.6)	(67)	(202.2)	(52)	(142.8)	(38)	(55.6)
a) Prospectus	39	171.6	51	196.8	43	156.4	29	49.8
	(38)	(132.0)	(50)	(154.4)	(42)	(115.2)	(29)	(36.6)
b) Rights	28	81.4	19	51.5	11	29.8	10	20.9
	(26)	(75.6)	(17)	(47.8)	(10)	(27.6)	(9)	(19.0)
2) Preference Shares (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
3) Debentures (a+b)	1	1.8	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	1.8	–	–	–	–	–	–
of which:								
I) Convertible (a+b)	1	1.8	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	1.8	–	–	–	–	–	–
II) Non-Convertible (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
4) Bonds (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) TOTAL (1+2+3+4)	**68**	**254.8**	**70**	**248.3**	**54**	**186.2**	**39**	**70.7**
a) Prospectus	39	171.6	51	196.8	43	156.4	29	49.8
b) Rights	29	83.2	19	51.5	11	29.8	10	20.9

Note: Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Source: Data are compiled from prospectus/circulars/advertisements issued by companies, replies given by the companies to the Reserve Bank's questionnaire, information received from SEBI, stock exchanges, press reports, *etc.*

Also see 'Notes on Tables'.

No. 31: Index Numbers of Ordinary Share Prices

Year/Month	BSE Sensitive Index (Base: 1978-79=100)			BSE - 100 (Base: 1983-84=100)			S&P CNX Nifty (Base: Nov. 3,1995=1000)		
	Average	High	Low	Average	High	Low	Average	High	Low
	1	2	3	4	5	6	7	8	9
2005-06	8280.08	11307.04	6134.86	4393.54	5904.17	3310.14	2513.44	3418.95	1902.50
2006-07	12277.33	14652.09	8929.44	6242.73	7413.22	4535.00	3572.44	4224.25	2632.80
2007-08	16568.89	20873.33	12455.37	8691.47	11509.96	6287.69	4896.60	6287.85	3633.60
2008-09	12365.55	17600.12	8160.40	6433.13	9348.64	4160.43	3731.03	5228.20	2524.20
2009-10	15585.21	17711.35	9901.99	8187.25	9419.46	5028.39	4657.77	5302.85	3060.35
2010-11	18605.18	21004.96	16022.48	9840.17	11141.18	8539.58	5583.54	6312.45	4806.75
February 2011	18036.62	18506.82	17463.04	9382.24	9633.57	9068.47	5400.92	5546.45	5225.80
March 2011	18456.85	19445.22	17839.05	9606.17	10095.74	9326.74	5538.42	5833.75	5364.75
April 2011	19450.14	19701.73	19091.17	10147.50	10261.50	9979.23	5839.09	5911.50	5729.10
May 2011	18325.45	18998.02	17847.24	9576.10	9915.60	9342.14	5492.20	5701.30	5348.95
June 2011	18228.94	18845.87	17506.63	9554.25	9803.89	9196.70	5472.64	5647.40	5257.90
July 2011	18616.41	19078.30	18197.20	9754.82	9973.73	9537.41	5596.59	5728.95	5482.00
August 2011	16887.53	18314.33	15848.83	8870.03	9583.98	8310.93	5076.74	5516.80	4747.80
September 2011	16694.77	17165.54	16051.10	8758.90	8995.37	8458.21	5015.58	5153.25	4835.40
October 2011	16822.84	17804.80	15792.41	8771.78	9234.93	8282.99	5060.02	5360.70	4751.30
November 2011	16664.48	17569.53	15695.43	8648.21	9156.91	8124.21	5004.28	5289.35	4706.45
December 2011	15959.97	16877.06	15175.08	8218.90	8712.59	7805.22	4782.36	5062.60	4544.20
January 2012	16357.57	17233.98	15517.92	8462.81	8982.13	7942.77	4920.02	5204.70	4636.75
February 2012	17836.33	18428.61	17300.58	9348.25	9709.03	9039.19	5409.09	5607.15	5235.70

Sources: 1. Bombay Stock Exchange Ltd.
2. National Stock Exchange of India Ltd.

No. 32: Volume in Corporate Debt Traded at NSE*

(` Billion)

Week/Month/Year (April-March)			Volume
			(1)
2005-06			**106.2**
2006-07			**66.4**
2007-08			**85.8**
2008-09			**119.3**
2009-10			**544.8**
2010-11			**450.6**
2010-2011			
April		2010	63.4
May		2010	60.2
June		2010	40.7
July		2010	22.7
August		2010	43.1
September		2010	32.6
October		2010	41.2
November		2010	23.8
December		2010	23.8
January		2011	25.8
February		2011	25.1
March		2011	48.3
2011-2012			
April		2011	42.0
May		2011	28.9
June		2011	53.0
July		2011	59.3
August		2011	37.9
September		2011	25.4
October		2011	27.4
November		2011	32.3
December		2011	46.0
January		2012	38.9
February		2012	59.4
Week ended			
January	6,	2012	9.9
January	13,	2012	10.7
January	20,	2012	11.4
January	27,	2012	5.0
February	3,	2012	10.9
February	10,	2012	12.8
February	17,	2012	8.3
February	24,	2012	11.3

* Relates to the WDM segment (Excluding trade in commercial papers)
Source: National Stock Exchange of India Ltd.

No. 33: Assistance Sanctioned and Disbursed by All - India Financial Institutions

(` Billion)

	April-September		April-March	
	2003-04	2004-05	2002-03	2003-04
	1	2	3	4
Sanctions				
All-India Development Banks	**98.3**	**128.6**	**223.2**	**234.4**
1. IDBI	28.6	63.1	59.0	56.3
2. IFCI	1.3	–	20.1	14.5
3. SIDBI	26.1	29.9	109.0	82.2
4. IIBI	13.9	0.0	12.1	24.1
5. IDFC	28.4	35.5	23.0	57.3
Investment Institutions	**130.3**	**78.1**	**56.7**	**294.8**
6. LIC	122.9	71.4	43.4	277.5
7. GIC	3.2	0.9	3.7	6.7
8. National Ins. Co. Ltd.	1.2	0.9	2.0	3.7
9. New India Ass. Co Ltd.	0.8	1.8	1.4	2.0
10. Oriental Ins. Co. Ltd.	0.9	0.3	1.2	1.3
11. United India Ins. Co. Ltd.	1.2	2.8	4.9	3.5
Total	**228.6**	**206.7**	**279.8**	**529.2**
Disbursements				
All India Development Banks	57.5	50.3	172.3	140.6
1. IDBI	6.4	20.9	66.1	44.1
2. IFCI	1.8	0.4	17.8	2.8
3. SIDBI	17.4	13.6	67.9	44.1
4. IIBI	12.2	0.1	10.9	22.5
5. IDFC	9.8	15.3	9.5	27.0
Investment Institutions	46.2	54.2	74.9	174.0
6. LIC	38.3	48.7	62.1	157.8
7. GIC	3.3	1.1	3.3	6.6
8. National Ins. Co. Ltd.	1.2	0.2	1.8	2.2
9. New India Ass. Co Ltd.	0.9	1.2	0.8	2.0
10. Oriental Ins. Co. Ltd.	1.4	0.3	2.4	1.9
11. United India Ins. Co. Ltd.	1.2	2.8	4.6	3.5
Total	**103.7**	**104.5**	**247.1**	**314.6**

Note: Data are provisional. Monthly data are not adjusted for inter-institutional flows.
Source: Industrial Development Bank of India.

Prices

No. 34: Monthly Average Price of Gold and Silver in Mumbai

Month / Year		Standard Gold (` per 10 grams)	Silver (` per kilogram)
		1	2
2000-01		4,474	7,868
2001-02		4,579	7,447
2002-03		5,332	7,991
2003-04		5,719	8,722
2004-05		6,145	10,681
2005-06		6,901	11,829
2006-07		9,240	19,057
2007-08		9,996	19,427
2008-09		12,905	21,272
2009-10		15,755	25,417
2010-11		19,238	37,315
March	2010	16,603	27,048
April	2010	16,679	28,027
May	2010	17,997	29,330
June	2010	18,741	29,821
July	2010	18,300	29,387
August	2010	18,490	29,677
September	2010	19,087	32,592
October	2010	19,493	36,020
November	2010	20,174	41,293
December	2010	20,496	45,346
January	2011	20,212	44,852
February	2011	20,345	47,110
March	2011	20,842	54,330
April	2011	21,374	62,741
May	2011	22,123	57,111
June	2011	22,344	54,484
July	2011	22,662	55,305
August	2011	26,117	61,763
September	2011	27,520	61,623
October	2011	26,680	53,951
November	2011	28,545	56,658
December	2011	28,069	54,014
January	2012	27,573	53,406
February	2012	28,069	56,697
March	2012	27,918	57,343

Source: Bombay Bullion Association Ltd.

No. 35: Consumer Price Index Numbers for Industrial Workers – All-India and Selected Centres

(Base : 2001 = 100)

Centre	New Linking Factor(1)	1990-91 @	2009-10	2010-11	2011					2012	
					Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8	9	10	11
All India (2)	**4.63**	**193**	**163**	**180**	**194**	**197**	**198**	**199**	**197**	**198**	**199**
Ahmedabad	4.62	196	157	175	191	193	195	192	190	192	196
Alwaye (Ernakulam)	4.52	176	156	171	187	191	189	189	188	190	191
Asansol	4.37	189	178	199	216	216	220	218	217	217	219
Bangalore	4.51	183	171	185	194	197	198	200	199	200	204
Bhavnagar	4.76	198	154	178	192	195	196	196	195	197	198
Bhopal	4.83	196	168	190	209	211	214	213	211	211	212
Chandigarh	5.26	189	161	180	202	204	206	205	204	203	202
Chennai	4.95	189	153	163	172	175	178	180	184	187	186
Coimbatore	4.49	178	156	168	174	175	179	183	182	183	184
Delhi	5.60	201	152	166	178	182	184	182	182	181	182
Faridabad	4.79	187	167	186	197	199	202	198	195	196	197
Guwahati	4.80	195	147	158	174	175	173	172	172	174	174
Howrah	5.42	212	159	173	188	190	190	187	186	185	185
Hyderabad	4.79	182	156	167	175	176	182	183	181	182	183
Jaipur	4.25	190	165	183	194	196	199	198	198	200	201
Jamshedpur	4.23	187	165	189	219	221	224	222	214	221	222
Kolkata	5.12	203	161	176	192	193	191	189	185	184	186
Ludhiana	4.12	193	165	177	191	193	198	197	196	195	195
Madurai	4.51	192	152	165	176	178	179	184	184	182	181
Monghyr-Jamalpur	4.30	189	169	185	205	204	207	208	206	206	207
Mumbai	5.18	201	163	178	195	199	201	201	199	199	200
Mundakayam	4.37	184	162	179	191	193	192	194	196	197	196
Nagpur	4.68	201	183	207	224	225	227	228	225	229	229
Puducherry	4.88	204	167	174	185	186	188	193	191	195	200
Rourkela	4.03	179	172	192	204	209	213	215	211	211	210
Kanpur	4.50	195	166	187	204	205	206	204	201	202	203
Solapur	4.73	197	166	182	201	204	207	207	200	212	211
Srinagar	5.62	184	149	162	174	174	178	179	177	183	183

@ Base 1982=100.

Note: New series of Consumer Price Index for Industrial Workers with base 2001 = 100 was released in January 2006 by Labour Bureau, Shimla. Linking Factors between old and new series as published by the Labour Bureau are reproduced in column 1.

For (1) and (2) See 'Notes on Tables'.

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

No. 36: Consumer Price Index Numbers for Urban Non-manual Employees – All-India and Selected Centres

(Base: 1984 – 85 = 100)

Centre	1990-91	2006-07	2007-08	2007				2008			
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11
All India (1)	**161**	**486**	**515**	**498**	**516**	**520**	**519**	**518**	**520**	**523**	**528**
Mumbai	154	478	504	490	502	506	508	510	509	510	513
Delhi	156	499	521	508	522	528	523	523	525	529	532
Kolkata	164	439	476	449	481	486	480	479	479	482	484
Chennai	168	569	605	585	606	607	609	607	610	611	618
Hyderabad	164	526	560	541	558	561	565	564	564	568	574
Bangalore	161	513	546	527	545	544	547	551	559	563	566
Lucknow	158	465	484	471	488	487	482	480	480	486	492
Ahmedabad	153	426	449	435	450	454	453	454	452	453	459
Jaipur	165	477	515	491	517	519	521	519	527	532	545
Patna	167	451	484	466	490	494	495	492	496	496	501
Srinagar	150	475	513	496	511	517	515	513	524	528	538
Thiruvananthapuram	152	507	535	512	528	530	535	542	548	552	555
Cuttack	154	479	507	492	507	511	512	510	510	509	510
Bhopal	166	458	482	461	481	488	490	488	490	493	502
Chandigarh	176	637	665	649	672	672	669	666	668	671	678
Shillong	179	499	565	528	566	571	572	571	580	582	584
Shimla	163	490	511	506	517	519	511	508	507	508	513
Jammu	161	480	511	492	512	514	512	507	515	523	533
Amritsar	152	402	423	412	431	433	425	422	423	427	431
Kozhikode (Calicut)	150	447	465	452	462	464	469	469	473	475	483
Kanpur	165	450	481	462	490	489	483	479	478	483	489
Indore	170	485	507	490	513	515	510	507	510	516	526
Pune	162	509	547	517	546	549	555	555	554	560	563
Jabalpur	164	437	467	452	473	476	473	471	467	471	478
Jodhpur	168	465	487	476	490	492	489	490	489	492	501

Linked All-India Consumer Price Index Number for Urban Non-Manual Employees (UNME)

(Base: 1984 – 85 = 100)

	2009	2010			
	Dec.	Sep.	Oct.	Nov.	Dec.
	1	2	3	4	5
General Index	657	701	705	710	719

Note: 1. The Centre-wise CPI (UNME) for base 1984-85 = 100 has been discontinued due to outdated base year with effect from April 2008 onwards. Linked all-India CPI (UNME) number are available for meeting the requirement of users.
2. As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, this Table will not be updated henceforth.

See 'Notes on Tables'.

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

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

A: Consumer Price Index Numbers for Agricultural Labourers

(Base: July 1986 - June 1987 = 100)

State	1990-91(1)	Linking Factor (2)	2009-10	2010-11	2011					2012	
					Feb.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8	9	10	11
All India	**830**	**5.89**	**530**	**577**	**584**	**615**	**619**	**621**	**618**	**618**	**621**
Andhra Pradesh	657	4.84	552	603	608	661	662	667	665	668	670
Assam	854	(3)	520	580	581	614	618	615	611	613	617
Bihar	858	6.22	500	532	540	548	549	546	541	544	549
Gujarat	742	5.34	538	583	586	619	624	625	621	624	629
Haryana		(5)	588	642	648	685	690	684	682	683	687
Himachal Pradesh		(5)	455	484	480	503	514	515	509	514	512
Jammu & Kashmir	843	5.98	524	568	582	594	601	608	606	609	608
Karnataka	807	5.81	535	595	614	648	658	665	664	667	669
Kerala	939	6.56	496	562	577	593	602	603	602	600	601
Madhya Pradesh	862	6.04	525	569	578	608	615	612	610	611	615
Maharashtra	801	5.85	562	619	627	680	687	692	689	690	691
Manipur		(5)	455	527	535	579	587	592	595	597	600
Meghalaya		(5)	540	576	577	625	626	627	626	627	631
Orissa	830	6.05	495	538	541	558	563	566	553	551	557
Punjab	930	(4)	586	624	625	673	677	678	676	677	682
Rajasthan	885	6.15	573	608	614	657	663	665	664	664	670
Tamil Nadu	784	5.67	514	565	578	584	592	599	607	609	613
Tripura		(5)	466	514	525	547	553	550	541	536	542
Uttar Pradesh	960	6.60	535	566	572	592	593	591	588	585	592
West Bengal	842	5.73	504	561	560	595	600	595	587	575	580

See 'Notes on Tables'.

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

B: Consumer Price Index Numbers for Rural Labourers

(Base: July 1986 - June 1987 = 100)

State	1995-96 (7)	2009-10	2010-11	2011						2012	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8	9	10	11
All India	**240**	**529**	**577**	**584**	**610**	**614**	**620**	**621**	**619**	**619**	**623**
Andhra Pradesh	244	550	599	604	652	658	659	664	662	666	668
Assam	243	524	583	584	612	616	622	619	614	615	620
Bihar	223	500	532	540	551	550	552	549	544	547	551
Gujarat	241	538	583	586	607	617	623	624	620	624	629
Haryana	237	583	638	642	670	679	683	679	676	677	683
Himachal Pradesh	221	474	503	496	520	526	535	536	531	536	531
Jammu & Kashmir	225	521	564	577	587	590	597	603	599	601	601
Karnataka	250	534	594	613	637	648	658	664	664	667	669
Kerala	260	502	566	579	598	595	604	605	605	604	604
Madhya Pradesh	239	532	576	585	610	614	621	620	618	619	623
Maharashtra	247	557	613	621	665	672	678	683	681	683	683
Manipur	245	456	529	537	575	582	590	596	597	599	601
Meghalaya	250	535	572	574	613	620	621	623	622	624	627
Orissa	236	496	538	541	555	559	564	567	554	552	558
Punjab	247	585	622	623	662	668	673	674	673	674	680
Rajasthan	239	567	600	606	638	650	655	659	659	657	664
Tamil Nadu	244	509	559	572	574	581	590	597	606	608	611
Tripura	219	462	512	524	538	546	552	550	541	534	539
Uttar Pradesh	231	532	571	569	589	592	595	594	590	588	594
West Bengal	232	506	564	563	598	599	604	600	591	580	586

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

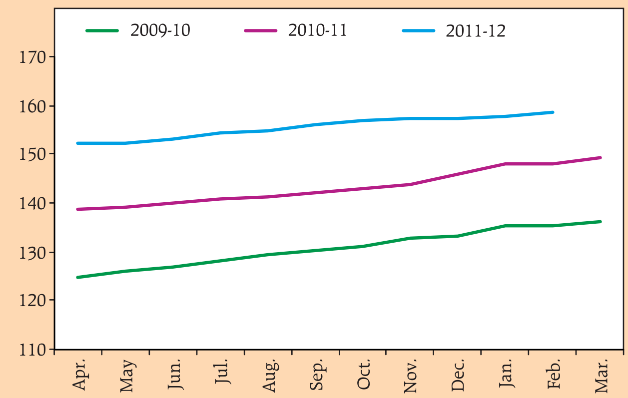
No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups

(Base: 2004-05=100)

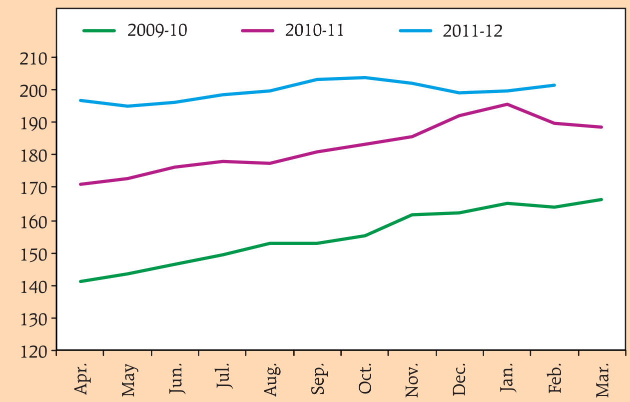
Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2011					2012	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
ALL COMMODITIES	**100.000**	**104.5**	**130.8**	**143.3**	**148.1**	**156.2**	**157.0**	**157.4**	**157.3**	**157.7**	**158.4**
I. PRIMARY ARTICLES	**20.118**	**104.3**	**154.9**	**182.4**	**189.6**	**202.9**	**203.5**	**201.8**	**198.9**	**199.7**	**201.5**
(A) Food articles	**14.337**	**105.4**	**155.4**	**179.6**	**181.3**	**197.2**	**199.3**	**196.5**	**190.9**	**191.4**	**192.3**
a. Food Grains (Cereals+Pulses)	4.090	107.3	166.4	174.4	178.2	180.8	182.9	182.4	182.1	183.6	183.4
a1. Cereals	3.373	106.0	161.2	169.7	175.0	176.3	176.3	175.4	175.6	177.7	178.0
a2. Pulses	0.717	113.3	190.8	196.9	193.4	202.2	214.0	215.2	212.9	211.5	208.7
b. Fruits & Vegetables	3.843	108.0	147.8	172.1	165.1	194.8	198.7	189.8	166.2	161.5	165.6
b1. Vegetables	1.736	113.7	161.8	182.8	158.3	216.8	224.3	209.4	157.4	148.5	160.7
b2. Fruits	2.107	103.3	136.2	163.2	170.7	176.6	177.7	173.6	173.5	172.2	169.8
c. Milk	3.238	101.0	146.4	175.9	180.4	195.3	196.9	197.3	198.4	201.1	201.5
d. Eggs, Meat & Fish	2.414	106.3	151.5	190.1	192.0	219.4	216.1	214.9	221.9	229.2	230.4
e. Condiments & Spices	0.569	94.5	182.7	244.0	267.8	241.6	255.5	252.2	237.6	226.0	214.1
f. Other Food Articles	0.183	107.8	196.2	181.9	192.6	217.8	224.2	220.2	218.2	218.3	218.9
(B) Non-Food Articles	**4.258**	**96.7**	**136.2**	**166.6**	**191.6**	**184.0**	**178.4**	**176.6**	**179.2**	**182.8**	**186.7**
a. Fibres	0.877	96.4	140.0	198.4	281.0	227.6	215.2	208.6	203.8	200.2	197.0
b. Oil Seeds	1.781	90.4	135.0	141.3	150.2	160.3	154.5	154.6	156.9	163.2	164.3
c. Other Non-Food Articles	1.386	103.9	128.7	176.7	192.9	192.5	192.5	190.4	195.4	196.7	201.8
d. Flowers	0.213	103.8	179.2	181.9	161.4	146.5	135.2	139.5	159.0	183.8	232.3
(C) Minerals	**1.524**	**115.2**	**202.9**	**253.3**	**263.1**	**309.3**	**312.8**	**322.5**	**328.7**	**324.5**	**329.6**
a. Metallic Minerals	0.489	127.9	258.3	373.8	385.9	385.3	391.8	403.2	417.6	404.9	420.3
b. Other Minerals	0.135	104.8	146.0	153.4	160.3	165.7	166.1	166.9	168.1	166.9	168.4
c. Crude Petroleum	0.900	109.8	181.4	202.8	211.8	289.5	291.8	302.0	304.5	304.5	304.5
II. FUEL & POWER	**14.910**	**113.6**	**132.1**	**148.3**	**153.5**	**168.3**	**170.0**	**171.6**	**172.7**	**172.8**	**173.2**
a. Coal	2.094	117.6	156.5	165.3	169.3	184.6	184.6	184.6	184.6	184.8	185.3
b. Mineral Oils	9.364	116.7	135.8	157.5	165.1	184.1	186.3	188.9	190.6	190.7	191.2
c. Electricity	3.452	102.6	107.4	113.2	112.5	115.9	117.0	117.0	117.0	117.0	117.0

See 'Notes on Tables'.

Monthly Movement of the Index of WPI-All Commodities



Monthly Movement in the Index of WPI-Primary Articles

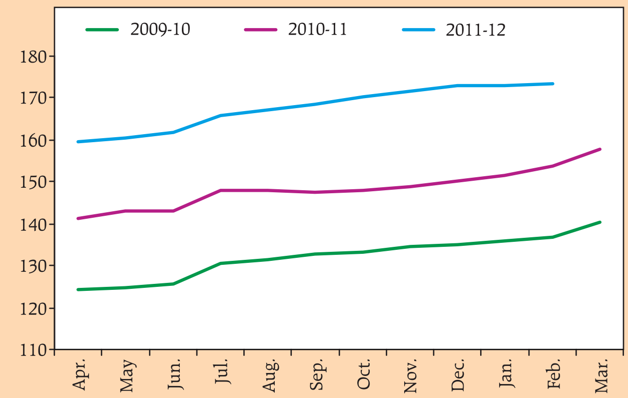


No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Contd.)*

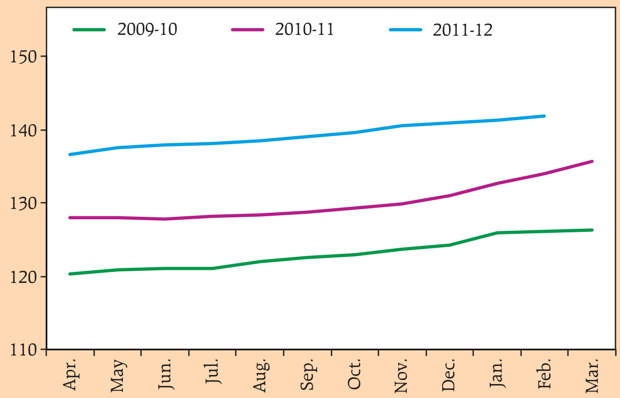
(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2009-10	2010-11	2011					2012	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
III. MANUFACTURED PRODUCTS	**64.972**	**102.4**	**123.1**	**130.1**	**134.0**	**139.0**	**139.6**	**140.4**	**140.9**	**141.2**	**141.7**
(A) Food Products	**9.974**	**101.2**	**136.1**	**141.2**	**145.1**	**151.7**	**151.8**	**152.5**	**153.3**	**153.4**	**153.4**
a. Dairy Products	0.568	99.5	138.8	152.1	154.4	174.1	177.0	178.0	178.1	178.5	178.8
b. Canning, Preserving & Processing of Food	0.358	101.7	121.1	127.2	128.1	138.3	140.6	142.0	144.0	144.7	145.8
c. Grain Mill Products	1.340	104.8	138.0	145.8	149.6	146.1	146.2	145.9	145.5	145.9	146.2
d. Bakery Products	0.444	101.3	116.3	126.3	126.8	128.2	128.2	127.9	128.2	128.3	128.3
e. Sugar, Khandsari & Gur	2.089	108.8	161.9	160.5	163.0	166.9	168.2	170.8	173.8	170.7	169.8
f. Edible Oils	3.043	94.1	114.4	120.6	129.4	136.3	135.4	135.3	137.0	139.4	139.2
g. Oil Cakes	0.494	97.7	167.3	168.6	171.1	179.4	180.6	182.3	175.9	178.3	178.3
h. Tea & Coffee Proccessing	0.711	99.4	144.8	149.8	140.8	154.6	153.6	153.5	152.6	151.5	151.9
i. Manufacture Of Salt	0.048	104.4	170.2	174.8	172.3	172.3	176.5	179.1	180.6	180.6	181.8
j. Other Food Products	0.879	106.5	134.8	141.2	147.4	161.6	159.4	159.4	159.6	158.8	159.3
(B) Beverages, Tobacco & Tobacco Products	**1.762**	**104.7**	**136.2**	**146.2**	**151.5**	**164.0**	**162.8**	**163.6**	**165.3**	**164.7**	**166.8**
a. Wine Industries	0.385	105.8	116.3	118.3	120.6	123.1	123.7	123.6	123.7	123.7	123.7
b. Malt Liquor	0.153	108.8	150.5	164.3	165.0	170.0	170.2	170.0	170.0	170.0	170.2
c. Soft Drinks & Carbonated Water	0.241	111.5	135.1	144.1	144.7	147.3	147.9	147.8	148.3	147.6	151.5
d. Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	101.9	142.0	154.8	163.1	183.2	180.6	182.3	185.1	184.1	187.0
(C) Textiles	**7.326**	**98.9**	**106.7**	**119.6**	**128.0**	**126.1**	**126.1**	**126.4**	**126.3**	**126.6**	**127.1**
a. Cotton Textiles	2.605	97.1	108.8	129.2	145.5	138.0	138.1	139.3	139.2	139.2	139.8
a1. Cotton Yarn	1.377	95.2	110.6	141.8	165.0	144.3	144.8	146.9	146.8	146.6	147.4
a2. Cotton Fabric	1.228	99.2	106.8	115.1	123.7	130.8	130.7	130.7	130.8	130.8	131.2
b. Man-Made Textiles	2.206	98.4	102.9	113.6	120.3	119.1	119.5	119.3	119.0	119.8	119.4
b1. Man-Made Fibre	1.672	97.7	101.9	114.4	122.4	118.7	119.2	119.0	118.7	119.0	119.2
b2. Man-Made Fabric	0.533	100.5	105.8	111.0	113.9	120.5	120.4	120.2	119.9	122.4	120.3
c. Woollen Textiles	0.294	102.2	109.4	118.3	124.9	132.7	133.6	134.6	134.6	134.4	135.0
d. Jute, Hemp & Mesta Textiles	0.261	111.6	145.8	164.9	182.3	174.8	172.8	172.0	171.5	170.9	171.0
e. Other Misc. Textiles	1.960	99.9	102.6	107.8	106.3	110.6	110.2	109.8	110.1	110.6	111.8

Monthly Movement of the Index of WPI-Fuel & Power



Monthly Movement in the Index of WPI-Manufactured Products



No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Contd.)*

(Base: 2004-05=100)

Commodities/Major Groups/Groups/Sub-Groups	Weight	2005-06	2009-10	2010-11	2011					2012	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
(D) Wood & Wood Products	**0.587**	**105.7**	**143.3**	**149.0**	**151.1**	**161.6**	**161.8**	**162.2**	**162.3**	**163.2**	**163.5**
a. Timber/Wooden Planks	0.181	103.0	127.2	132.0	132.3	135.8	136.2	136.4	136.6	137.1	137.4
b. Processed Wood	0.128	105.3	141.0	153.1	164.8	170.8	171.1	171.1	171.5	173.0	174.2
c. Plywood & Fibre Board	0.241	108.4	160.2	164.2	163.0	180.8	181.2	182.1	181.1	182.0	181.8
d. Others	0.038	103.2	120.2	119.1	119.3	132.8	129.0	128.8	134.5	135.8	135.5
(E) Paper & Paper Products	**2.034**	**103.6**	**118.9**	**125.2**	**128.2**	**132.3**	**132.4**	**132.4**	**132.3**	**132.4**	**132.3**
a. Paper & Pulp	1.019	103.2	117.2	125.1	129.2	133.5	133.6	133.4	133.1	133.2	132.3
b. Manufacture of boards	0.550	101.6	117.7	122.7	124.4	123.0	123.2	123.8	123.9	124.1	124.5
c. Printing & Publishing	0.465	107.0	123.8	128.2	130.4	140.5	140.5	140.5	140.5	140.5	141.5
(F) Leather & Leather Products	**0.835**	**104.3**	**128.4**	**127.1**	**123.8**	**129.6**	**130.8**	**131.8**	**131.6**	**131.2**	**130.6**
a. Leathers	0.223	99.8	123.0	120.0	111.8	109.0	110.2	111.4	111.0	110.7	110.1
b. Leather Footwear	0.409	107.8	134.7	135.5	133.7	143.9	145.9	145.9	145.2	144.6	144.1
c. Other Leather Products	0.203	102.1	121.4	118.0	117.1	123.1	123.3	125.8	126.8	127.0	125.9
(G) Rubber & Plastic Products	**2.987**	**101.9**	**118.2**	**126.1**	**131.3**	**133.3**	**133.5**	**133.4**	**133.9**	**134.3**	**134.1**
a. Tyres & Tubes	0.541	103.2	130.1	146.5	154.6	161.7	161.7	161.6	161.8	162.1	162.1
a1. Tyres	0.488	103.1	129.2	146.0	154.5	161.5	161.5	161.4	161.5	161.8	161.8
a2. Tubes	0.053	104.3	138.2	151.6	155.5	163.1	163.2	163.9	164.3	165.2	164.4
b. Plastic Products	1.861	101.1	113.4	119.1	123.0	121.8	121.6	121.5	122.3	122.7	122.4
c. Rubber Products	0.584	103.2	122.4	129.5	135.9	143.6	145.0	144.8	145.2	145.4	145.3
(H) Chemicals & Chemical Products	**12.018**	**103.8**	**117.8**	**124.0**	**127.7**	**133.8**	**135.2**	**135.6**	**136.5**	**137.4**	**137.9**
a. Basic Inorganic Chemicals	1.187	106.4	125.0	126.3	128.3	137.2	137.9	139.2	139.5	140.0	140.8
b. Basic Organic Chemicals	1.952	103.6	115.7	124.4	129.3	135.3	134.4	132.0	132.6	135.5	136.9
c. Fertilisers & Pesticides	3.145	102.2	108.5	116.3	119.2	127.9	131.8	134.0	135.1	135.5	136.2
c1. Fertilisers	2.661	102.2	108.2	116.8	120.3	130.4	134.9	137.6	138.7	139.1	139.8
c2. Pesticides	0.483	102.2	110.6	113.6	113.1	114.8	114.6	114.6	115.3	115.9	116.0
d. Paints, Varnishes & Lacquers	0.529	104.3	117.5	122.6	120.9	126.6	127.5	130.9	132.2	134.3	134.6
e. Dyestuffs & Indigo	0.563	102.3	111.9	116.3	117.8	121.6	122.8	123.8	124.0	123.8	123.8
f. Drugs & Medicines	0.456	101.3	112.7	115.4	117.0	119.3	119.7	120.8	121.1	121.3	121.2
g. Perfumes, Cosmetics, Toiletries etc.	1.130	104.5	134.8	138.5	142.6	145.4	145.5	145.5	146.1	146.7	146.7
h. Turpentine, Plastic Chemicals	0.586	109.6	117.4	123.4	126.0	134.9	136.7	138.1	140.0	140.6	138.2
i. Polymers Including Synthetic Rubber	0.970	103.0	116.3	123.4	128.3	129.6	130.9	129.3	130.7	130.8	131.5
j. Petrochemical Intermediates	0.869	105.1	127.7	137.4	149.8	154.2	156.1	154.4	156.5	156.9	159.3
k. Matches, Explosives & other Chemicals	0.629	102.7	123.8	128.7	130.3	135.7	136.4	136.4	136.4	137.1	136.9

No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Concld.)*

(Base: 2004-05=100)

Commodities/Major Groups/Groups/Sub-Groups	Weight	2005-06	2009-10	2010-11	2011					2012	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
	1	2	3	4	5	6	7	8	9	10	11
(I) Non-Metallic Mineral Products	**2.556**	**103.4**	**140.9**	**144.6**	**146.1**	**150.5**	**153.8**	**155.7**	**156.0**	**156.2**	**155.9**
a. Structural Clay Products	0.658	105.0	136.7	142.2	144.2	155.9	157.4	158.2	157.9	159.8	159.1
b. Glass, Earthenware, Chinaware & their Products	0.256	104.2	118.1	120.8	123.1	127.3	127.5	127.5	127.6	128.3	128.2
c. Cement & Lime	1.386	102.3	149.0	150.8	151.2	152.5	157.5	160.6	161.3	160.4	160.2
d. Cement, Slate & Graphite Products	0.256	104.3	129.9	141.0	146.8	149.5	150.6	150.8	150.9	151.5	151.9
(J) Basic Metals, Alloys & Metal Products	**10.748**	**102.2**	**129.5**	**140.7**	**146.6**	**155.6**	**156.7**	**159.4**	**160.3**	**160.7**	**161.9**
a. Ferrous Metals	8.064	100.1	123.1	133.8	139.5	146.3	147.3	149.8	151.1	151.8	152.9
a1. Iron & Semis	1.563	97.9	119.0	127.9	139.1	151.7	153.0	155.0	156.9	158.5	161.1
a2. Steel: Long	1.630	100.9	128.4	139.5	148.0	156.1	157.1	159.8	161.2	162.5	163.8
a3. Steel: Flat	2.611	99.0	118.3	135.1	140.1	144.6	145.3	149.6	150.2	150.3	150.8
a4. Steel: Pipes & Tubes	0.314	97.8	115.0	118.3	121.3	125.3	125.2	125.4	124.9	124.9	125.2
a5. Stainless Steel & alloys	0.938	106.2	137.9	142.8	141.3	143.3	144.8	145.9	149.8	150.3	150.4
a6. Castings & Forgings	0.871	103.8	121.7	123.4	125.5	134.2	135.4	135.8	136.3	136.7	138.2
a7. Ferro alloys	0.137	79.9	126.8	148.1	150.7	144.7	146.6	145.7	145.3	144.7	145.2
b. Non-Ferrous Metals	1.004	111.9	145.8	153.5	155.3	157.2	156.7	156.7	157.5	157.3	157.7
b1. Aluminium	0.489	108.3	121.4	126.3	126.4	127.4	127.3	127.3	128.0	128.1	128.9
b2. Other Non-Ferrous Metals	0.515	115.2	169.0	179.3	182.9	185.6	184.6	184.6	185.4	185.0	185.0
c. Metal Products	1.680	106.6	150.5	166.5	175.5	199.6	201.8	207.4	206.5	205.4	207.3
(K) Machinery & Machine Tools	**8.931**	**103.6**	**118.0**	**121.3**	**122.5**	**125.2**	**125.3**	**125.5**	**125.7**	**125.5**	**125.9**
a. Agricultural Machinery & Implements	0.139	106.4	123.2	133.7	132.6	133.7	133.9	134.1	134.6	135.0	135.2
b. Industrial Machinery	1.838	108.2	130.9	139.0	140.3	142.1	142.2	142.3	142.4	142.1	142.4
c. Construction Machinery	0.045	106.4	130.5	131.7	130.4	131.8	131.8	131.8	131.8	131.8	131.8
d. Machine Tools	0.367	105.8	120.4	135.9	142.6	144.2	145.3	145.4	145.4	145.7	145.8
e. Air Conditioner & Refrigerators	0.429	96.8	111.2	110.9	109.1	110.2	109.6	109.4	109.8	110.2	110.1
f. Non-Electrical Machinery	1.026	104.6	115.1	118.4	119.6	121.0	121.2	122.0	122.0	122.0	123.6
g. Electrical Machinery, Equipment & Batteries	2.343	103.1	122.1	123.9	125.1	130.9	130.6	130.8	131.0	130.6	130.9
h. Electrical Accessories, Wires, Cables etc.	1.063	108.4	132.6	133.5	135.5	137.3	138.3	138.5	138.7	138.2	139.4
i. Electrical Apparatus & Appliances	0.337	103.0	108.1	111.2	114.3	115.1	116.5	116.5	116.5	116.5	116.8
j. Electronics Items	0.961	94.9	86.2	84.5	84.0	85.2	85.2	85.3	85.2	85.3	85.3
k. IT Hardware	0.267	93.7	86.6	87.0	87.2	89.1	89.1	89.1	89.1	89.1	89.1
l. Communication Equipments	0.118	96.3	95.7	92.0	92.0	94.2	94.2	94.2	94.2	94.2	94.2
(L) Transport, Equipment & Parts	**5.213**	**102.7**	**116.8**	**120.3**	**121.6**	**124.8**	**124.9**	**125.3**	**125.3**	**125.3**	**125.5**
a. Automotives	4.231	102.2	115.9	120.0	120.8	124.1	124.1	124.5	124.5	124.4	124.7
b. Auto Parts	0.804	103.8	118.6	120.1	122.8	125.1	125.6	125.9	126.0	126.1	126.2
c. Other Transport Equipments	0.178	109.1	130.4	129.5	134.9	140.4	140.4	140.9	141.8	141.6	141.6

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

Trade and Balance of Payments

No. 39(A): Foreign Trade (Annual and Monthly)

(` Billion)

Year/Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
	1	2	3	4	5	6	7	8	9
2003-04	2,933.7	164.0	2,769.7	3,591.1	945.2	2,645.9	-657.4	-781.2	123.8
2004-05	3,753.4	314.0	3,439.4	5,010.6	1,340.9	3,669.7	-1,257.3	-1,026.9	-230.4
2005-06	4,564.2	515.3	4,048.9	6,604.1	1,946.4	4,657.7	-2,039.9	-1,431.1	-608.8
2006-07	5,717.8	845.2	4,872.6	8,405.1	2,585.7	5,819.3	-2,687.3	-1,740.5	-946.8
2007-08	6,558.6	1,141.9	5,416.7	10,123.1	3,206.5	6,916.6	-3,564.5	-2,064.6	-1,499.9
2008-09	8,407.6	1,234.0	7,173.6	13,744.4	4,199.7	9,544.7	-5,336.8	-2,965.7	-2,371.1
2009-10	8,455.3	1,329.0	7,126.3	13,637.4	4,116.5	9,520.9	-5,182.0	-2,787.5	-2,394.5
2010-11	11,426.5	1,884.4	9,542.1	16,834.7	4,822.8	12,011.9	-5,408.2	-2,938.4	-2,469.8
2009-10									
April	624.6	75.9	548.6	968.2	237.3	730.9	-343.7	-161.4	-182.3
May	597.8	72.8	524.9	972.4	257.6	714.9	-374.7	-184.8	-189.9
June	650.0	67.7	582.3	1,101.4	315.4	786.0	-451.4	-247.7	-203.7
July	695.2	87.7	607.6	1,053.1	356.0	697.1	-357.9	-268.4	-89.5
August	656.7	102.0	554.7	1,085.1	335.2	749.8	-428.4	-233.3	-195.1
September	708.4	116.5	591.8	1,042.8	317.1	725.7	-334.4	-200.5	-133.8
October	691.8	128.0	563.8	1,211.7	391.9	819.8	-520.0	-264.0	-256.0
November	695.4	137.1	558.3	1,164.0	351.6	812.4	-468.6	-214.5	-254.1
December	769.1	143.7	625.3	1,317.3	384.5	932.8	-548.3	-240.8	-307.5
January	715.0	114.1	600.9	1,161.3	391.3	770.0	-446.3	-277.2	-169.1
February	730.0	113.7	616.3	1,212.1	381.7	830.4	-482.1	-268.1	-214.0
March	921.5	169.7	751.8	1,347.9	396.8	951.1	-426.4	-227.1	-199.3
2010-11R									
April	784.8	122.3	662.5	1,409.5	420.7	988.8	-624.8	-298.4	-326.3
May	763.1	118.4	644.7	1,362.8	392.7	970.1	-599.7	-274.3	-325.4
June	923.8	155.7	768.1	1,334.1	364.6	969.4	-410.3	-208.9	-201.4
July	754.1	137.1	617.0	1,389.7	391.4	998.2	-635.6	-254.3	-381.2
August	782.7	141.2	641.5	1,262.3	334.9	927.4	-479.7	-193.8	-285.9
September	838.5	139.1	699.4	1,359.4	388.0	971.3	-520.9	-248.9	-272.0
October	796.3	154.6	641.6	1,441.6	370.7	1,071.0	-645.4	-216.0	-429.3
November	967.4	145.3	822.1	1,298.4	350.8	947.6	-331.0	-205.5	-125.6
December	1,058.6	178.8	879.8	1,422.9	381.6	1,041.4	-364.4	-202.8	-161.6
January	1,045.0	219.0	826.1	1,514.0	440.1	1,074.0	-469.0	-221.1	-247.9
February	1,166.4	177.6	988.8	1,403.7	411.4	992.3	-237.3	-233.8	-3.5
March	1,368.6	219.6	1,149.0	1,541.7	537.8	1,003.9	-173.1	-318.2	145.0
2011-12P									
April	978.1	222.6	755.6	1,629.6	577.0	1,052.7	-651.5	-354.4	-297.1
May	1,156.0	242.1	913.9	2,029.7	590.2	1,439.5	-873.8	-348.2	-525.6
June	1,118.0	216.0	902.1	1,750.9	595.5	1,155.4	-632.9	-379.5	-253.3
July	1,140.4	243.6	896.8	1,820.0	574.9	1,245.1	-679.6	-331.3	-348.3
August	1,112.7	201.6	911.1	1,786.6	565.6	1,221.1	-673.9	-363.9	-310.0
September	1,129.1	241.2	887.9	1,669.2	422.9	1,246.3	-540.1	-181.7	-358.4
October	1,106.3	217.5	888.9	2,028.4	555.0	1,473.4	-922.0	-337.5	-584.5
November	1,143.1	201.2	942.0	1,978.2	625.2	1,353.1	-835.1	-424.0	-411.1
December	1,317.8	..	..	1,988.7	541.5	1,447.3	-671.0	..	..
January	1,301.3	..	..	2,059.1	632.8	1,426.3	-757.8	..	..

P: Provisional. R: Revised. .. : Not Available. **Source:** DGCI & S and Ministry of Commerce & Industry.

Notes: 1. Data conversion has been done using period average exchange rates.
2. Monthly data may not add up to the annual data on account of revision in monthly figures.
Also see 'Notes on Tables'.

No. 39(B): Foreign Trade (Annual and Monthly)

(US $ Million)

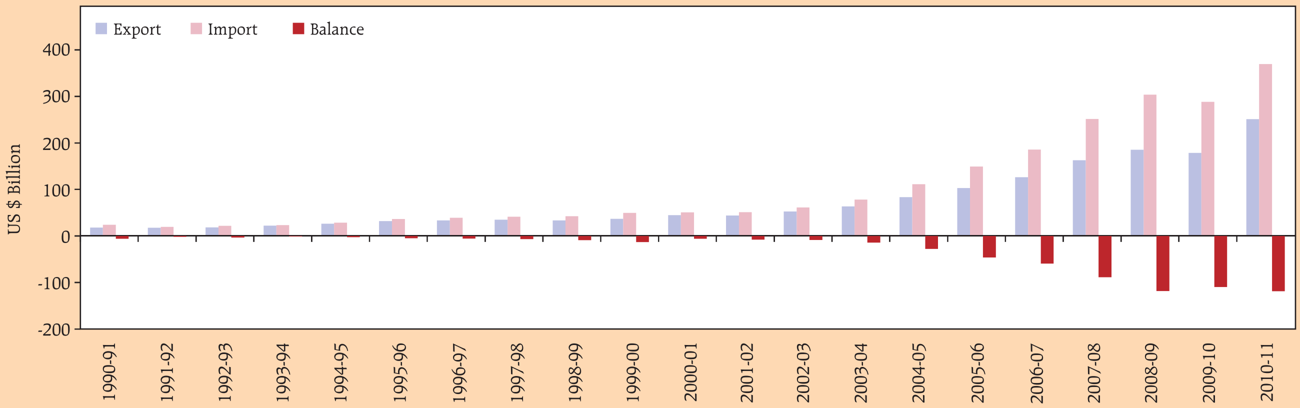
Year/Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
	1	2	3	4	5	6	7	8	9
2003-04	63,843	3,568	60,274	78,149	20,569	57,580	-14,307	-17,001	2,694
2004-05	83,536	6,989	76,547	1,11,517	29,844	81,673	-27,981	-22,855	-5,127
2005-06	1,03,091	11,640	91,451	1,49,166	43,963	1,05,203	-46,075	-32,323	-13,752
2006-07	1,26,414	18,635	1,07,779	1,85,735	56,945	1,28,790	-59,321	-38,311	-21,011
2007-08	1,62,904	28,363	1,34,541	2,51,439	79,645	1,71,795	-88,535	-51,281	-37,254
2008-09	1,85,295	27,547	1,57,748	3,03,696	93,672	2,10,025	-1,18,401	-66,125	-52,277
2009-10	1,78,751	28,192	1,50,559	2,88,373	87,136	2,01,237	-1,09,621	-58,944	-50,678
2010-11	2,51,105	41,404	2,09,702	3,69,769	1,03,952	2,65,817	-1,18,664	-62,548	-56,116
2009-10									
April	12,476	1,517	10,959	19,341	4,740	14,601	-6,865	-3,223	-3,642
May	12,316	1,500	10,816	20,036	5,307	14,729	-7,720	-3,807	-3,913
June	13,606	1,418	12,189	23,055	6,602	16,453	-9,449	-5,184	-4,264
July	14,341	1,809	12,533	21,723	7,344	14,379	-7,382	-5,536	-1,847
August	13,586	2,110	11,476	22,449	6,936	15,513	-8,862	-4,826	-4,037
September	14,624	2,406	12,218	21,527	6,546	14,981	-6,903	-4,140	-2,763
October	14,806	2,739	12,067	25,936	8,389	17,547	-11,130	-5,650	-5,480
November	14,933	2,944	11,989	24,996	7,550	17,446	-10,064	-4,606	-5,458
December	16,493	3,082	13,411	28,251	8,247	20,005	-11,758	-5,164	-6,594
January	15,557	2,483	13,075	25,267	8,513	16,754	-9,710	-6,031	-3,679
February	15,758	2,454	13,304	26,164	8,240	17,924	-10,406	-5,786	-4,620
March	20,254	3,730	16,524	29,627	8,722	20,905	-9,373	-4,991	-4,382
2010-11R									
April	17,635	2,748	14,888	31,675	9,454	22,221	-14,040	-6,706	-7,333
May	16,657	2,583	14,074	29,747	8,571	21,176	-13,090	-5,988	-7,102
June	19,837	3,343	16,494	28,649	7,830	20,818	-8,812	-4,487	-4,325
July	16,100	2,927	13,174	29,670	8,357	21,313	-13,570	-5,430	-8,139
August	16,807	3,031	13,776	27,108	7,192	19,915	-10,300	-4,161	-6,139
September	18,204	3,021	15,183	29,512	8,425	21,087	-11,308	-5,404	-5,904
October	17,930	3,482	14,448	32,462	8,346	24,115	-14,532	-4,864	-9,668
November	21,489	3,228	18,261	28,842	7,792	21,050	-7,353	-4,564	-2,789
December	23,442	3,959	19,483	31,511	9,244	22,267	-8,069	-5,285	-2,784
January	23,022	4,824	18,198	33,354	9,722	23,632	-10,332	-4,898	-5,434
February	25,671	3,910	21,762	32,401	9,055	23,346	-6,730	-5,145	-1,584
March	30,419	4,881	25,538	34,267	11,953	22,314	-3,848	-7,072	3,224
2011-12P									
April	22,044	5,016	17,029	36,728	13,004	23,724	-14,684	-7,988	-6,696
May	25,742	5,391	20,352	45,201	13,144	32,057	-19,459	-7,754	-11,705
June	24,926	4,815	20,111	39,036	13,277	25,759	-14,109	-8,462	-5,648
July	25,674	5,483	20,190	40,974	12,943	28,032	-15,301	-7,459	-7,841
August	24,574	4,453	20,121	39,458	12,491	26,968	-14,884	-8,038	-6,847
September	23,703	5,063	18,640	35,042	8,877	26,164	-11,338	-3,814	-7,524
October	22,460	4,415	18,046	41,178	11,267	29,912	-18,718	-6,852	-11,866
November	22,478	3,956	18,522	38,899	12,293	26,605	-16,421	-8,338	-8,083
December	25,016	..	..	37,753	10,279	27,474	-12,737	..	..
January	25,347	..	..	40,108	12,325	27,783	-14,761	..	..

P: Provisional. R: Revised. .. : Not Available.

Source: DGCI & S and Ministry of Commerce & Industry. Also see 'Notes on Tables'.

Notes: 1. Data conversion has been done using period average exchange rates.
2. Monthly data may not add up to the annual data on account of revision in monthly figures.

Foreign Trade



No. 40: India's Overall Balance of Payments

(` Billion)

Item	2007-08 (R)			2008-09 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
A. CURRENT ACCOUNT						
I. MERCHANDISE	**6,680**	**10,357**	**-3,677**	**8,580**	**14,054**	**-5,474**
II. INVISIBLES (a+b+c)	**5,981**	**2,939**	**3,042**	**7,704**	**3,506**	**4,198**
a) Services	3,630	2,068	1,562	4,880	2,396	2,484
i) Travel	455	372	83	502	433	69
ii) Transportation	402	463	-61	521	585	-65
iii) Insurance	66	42	24	65	52	13
iv) G.n.i.e.	13	15	-2	18	38	-20
v) Miscellaneous	2,694	1,176	1,518	3,774	1,287	2,487
of which						
Software Services	1,620	135	1,485	2,122	116	2,006
Business Services	674	665	10	855	709	146
Financial Services	129	126	4	204	136	69
Communication Services	97	35	62	105	50	55
b) Transfers	1,777	93	1,685	2,169	126	2,043
i) Official	30	21	10	30	19	11
ii) Private	1,747	72	1,675	2,139	107	2,032
c) Income	573	778	-205	655	984	-329
i) Investment Income	555	734	-180	617	924	-307
ii) Compensation of Employees	18	44	-26	38	60	-22
Total Current Account (I+II)	**12,661**	**13,296**	**-635**	**16,284**	**17,560**	**-1,276**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**10,865**	**9,121**	**1,744**	**7,755**	**7,405**	**351**
a) Foreign Direct Investment (i+ii)	1,499	861	638	1,965	964	1,001
i) In India	1,399	5	1,394	1,914	8	1,906
Equity	1,077	4	1,073	1,462	8	1,454
Reinvested Earnings	309	–	309	415	–	415
Other Capital	12	–	12	37	–	37
ii) Abroad	100	857	-756	51	956	-905
Equity	100	680	-579	51	620	-569
Reinvested Earnings	–	44	-44	–	50	-50
Other Capital	–	133	-133	–	287	-287
b) Portfolio Investment	9,366	8,260	1,106	5,790	6,441	-650
i) In India	9,357	8,257	1,100	5,783	6,425	-642
of which						
FIIs	9,079	8,257	822	5,735	6,425	-691
ADR/GDRs	266	–	266	49	–	49
ii) Abroad	9	3	7	7	15	-8
2. Loans (a+b+c)	**3,303**	**1,668**	**1,635**	**2,854**	**2,506**	**348**
a) External Assistance	170	86	85	244	129	115
i) By India	1	1	–	3	19	-16
ii) To India	169	84	85	241	110	131
b) Commercial Borrowings	1,219	309	911	708	343	365
i) By India	64	65	-1	92	36	56
ii) To India	1,155	243	912	616	307	309
c) Short Term to India	1,914	1,274	639	1,901	2,034	-133
i) Suppliers' Credit > 180 days & Buyers' Credit	1,712	1,274	438	1,778	1,777	2
ii) Suppliers' Credit up to 180 days	202	–	202	123	257	-135
3. Banking Capital (a+b)	**2,240**	**1,768**	**472**	**2,954**	**3,146**	**-192**
a) Commercial Banks	2,237	1,751	486	2,948	3,119	-170
i) Assets	784	507	276	1,148	1,306	-158
ii) Liabilities	1,453	1,244	209	1,801	1,813	-12
of which: Non-Resident Deposits	1,181	1,174	7	1,710	1,506	204
b) Others	3	17	-14	6	27	-22
4. Rupee Debt Service	**–**	**5**	**-5**	**–**	**5**	**-5**
5. Other Capital	**1,171**	**737**	**434**	**761**	**973**	**-212**
Total Capital Account (1 to 5)	**17,579**	**13,300**	**4,279**	**14,324**	**14,034**	**290**
C. Errors & Omissions	**52**	**–**	**52**	**15**	**–**	**15**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**30,293**	**26,596**	**3,697**	**30,673**	**31,644**	**-971**
E. Monetary Movements (i+ii)	**–**	**3,697**	**-3,697**	**971**	**–**	**971**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,697	-3,697	971	–	971
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	2009-10 (R)			2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
A. CURRENT ACCOUNT						
I. MERCHANDISE	**8,633**	**14,232**	**-5,600**	**11,395**	**17,351**	**-5,956**
II. INVISIBLES (a+b+c)	**7,746**	**3,944**	**3,803**	**9,025**	**5,170**	**3,855**
a) Services	4,546	2,834	1,712	6,047	3,825	2,223
i) Travel	560	442	118	695	506	189
ii) Transportation	529	564	-35	650	632	18
iii) Insurance	76	61	15	89	64	25
iv) G.n.i.e.	21	25	-4	24	37	-13
v) Miscellaneous	3,347	1,742	1,605	4,590	2,586	2,004
of which						
Software Services	2,352	70	2,282	2,524	100	2,424
Business Services	538	853	-316	1,095	1,264	-169
Financial Services	177	219	-42	297	341	-44
Communication Services	59	64	-6	71	52	19
b) Transfers	2,593	110	2,483	2,563	142	2,421
i) Official	34	22	12	29	29	1
ii) Private	2,546	87	2,459	2,533	113	2,420
c) Income	620	1,000	-380	415	1,203	-789
i) Investment Income	577	920	-343	364	1,111	-747
ii) Compensation of Employees	43	81	-37	51	92	-41
Total Current Account (I+II)	**16,379**	**18,176**	**-1,797**	**20,420**	**22,521**	**-2,101**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**9,434**	**7,034**	**2,400**	**13,159**	**11,336**	**1,823**
a) Foreign Direct Investment (i+ii)	1,831	971	860	1,616	1,187	429
i) In India	1,796	218	1,578	1,500	319	1,181
Equity	1,293	**200**	1,093	926	**296**	630
Reinvested Earnings	411	–	411	544	–	544
Other Capital	92	18	74	30	23	7
ii) Abroad	35	753	-718	116	868	-752
Equity	35	503	-469	116	480	-363
Reinvested Earnings	–	51	-51	–	49	-49
Other Capital	–	198	-198	–	339	-339
b) Portfolio Investment	7,603	6,063	1,540	11,543	10,149	1,394
i) In India	7,590	6,051	1,539	11,508	10,061	1,447
of which						
FIIs	7430	6051	1379	11414	10061	1353
ADR/GDRs	160	–	160	94	–	94
ii) Abroad	13	12	1	35	88	-53
2. Loans (a+b+c)	**3,499**	**2,920**	**580**	**4,907**	**3,611**	**1,296**
a) External Assistance	279	143	136	359	134	225
i) By India	2	20	-18	**3**	**5**	**-1**
ii) To India	276	123	154	355	129	226
b) Commercial Borrowings	706	611	95	1,098	528	570
i) By India	46	71	-25	84	69	14
ii) To India	660	540	120	1,014	459	555
c) Short Term to India	2,515	2,166	349	3,450	2,949	502
i) Suppliers' Credit > 180 days & Buyers' Credit	2,296	2,079	217	3,284	2,949	335
ii) Suppliers' Credit up to 180 days	219	87	132	167	–	167
3. Banking Capital (a+b)	**2,921**	**2,823**	**98**	**4,193**	**3,973**	**220**
a) Commercial Banks	2,893	2,801	92	4,116	3,919	197
i) Assets	815	726	89	1,599	1,755	-156
ii) Liabilities	2,078	2,075	3	2,516	2,164	353
of which: Non-Resident Deposits	1,964	1,822	142	2,243	2,095	148
b) Others	28	22	7	77	54	23
4. Rupee Debt Service	**–**	**5**	**-5**	–	3	-3
5. Other Capital	**546**	**1,178**	**-632**	**447**	**950**	**-503**
Total Capital Account (1 to 5)	**16,400**	**13,960**	**2,440**	**22,706**	**19,873**	**2,833**
C. Errors & Omissions	**–**	**1**	**-1**	**–**	**137**	**-137**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**32,779**	**32,137**	**642**	**43,126**	**42,531**	**595**
E. Monetary Movements (i+ii)	**–**	**642**	**-642**	**–**	**595**	**-595**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	642	-642	–	595	-595
of which: SDR allocation	–	250	-250	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Apr-Jun 2008 (R)			Jul-Sept 2008 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,393**	**3,443**	**-1,050**	**2,348**	**4,061**	**-1,713**
II. INVISIBLES (a+b+c)	**1,666**	**758**	**908**	**2,054**	**878**	**1,176**
a) Services	984	514	470	1,270	592	678
i) Travel	104	90	14	122	119	3
ii) Transportation	109	139	-30	133	164	-31
iii) Insurance	15	9	5	17	13	3
iv) G.n.i.e.	5	5	1	4	4	-1
v) Miscellaneous	750	271	479	994	292	703
of which						
Software Services	503	35	468	531	30	501
Business Services	170	134	36	237	171	65
Financial Services	26	26	–	73	42	31
Communication Services	21	9	12	32	13	19
b) Transfers	533	27	506	603	36	567
i) Official	6	4	2	2	4	-2
ii) Private	527	23	504	601	32	569
c) Income	149	216	-67	181	250	-68
i) Investment Income	142	202	-60	169	235	-67
ii) Compensation of Employees	6	14	-7	13	14	-2
Total Current Account (I+II)	**4,059**	**4,201**	**-142**	**4,402**	**4,939**	**-537**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,236**	**2,038**	**197**	**2,301**	**2,088**	**212**
a) Foreign Direct Investment (i+ii)	538	165	373	434	165	270
i) In India	528	1	527	420	2	418
Equity	427	1	426	320	2	318
Reinvested Earnings	94	–	94	99	–	99
Other Capital	7	–	7	2	–	2
ii) Abroad	10	164	-154	14	162	-149
Equity	10	105	-95	14	122	-108
Reinvested Earnings	–	11	-11	–	12	-12
Other Capital	–	48	-48	–	29	-29
b) Portfolio Investment	1,698	1,873	-175	1,866	1,924	-57
i) In India	1,697	1,871	-174	1,866	1,923	-57
of which						
FIIs	1,656	1,871	-216	1,860	1,923	-63
ADR/GDRs	42	–	42	6	–	6
ii) Abroad	1	2	-1	1	1	–
2. Loans (a+b+c)	**662**	**404**	**258**	**714**	**601**	**112**
a) External Assistance	39	27	12	49	29	20
i) By India	1	4	-4	1	5	-4
ii) To India	38	23	15	48	25	23
b) Commercial Borrowings	115	53	62	156	81	75
i) By India	17	8	9	23	6	17
ii) To India	98	45	53	133	75	58
c) Short Term to India	508	324	184	508	491	18
i) Suppliers' Credit > 180 days & Buyers' Credit	386	324	62	508	428	81
ii) Suppliers' Credit up to 180 days	123	–	123	–	63	-63
3. Banking Capital (a+b)	**916**	**804**	**112**	**716**	**617**	**100**
a) Commercial Banks	916	797	119	716	617	100
i) Assets	477	439	39	289	226	63
ii) Liabilities	439	359	80	427	391	37
of which: Non-Resident Deposits	379	345	34	402	390	11
b) Others	–	6	-6	–	–	–
4. Rupee Debt Service	**–**	**1**	**-1**	**–**	**–**	**–**
5. Other Capital	**193**	**542**	**-349**	**209**	**336**	**-127**
Total Capital Account (1 to 5)	**4,008**	**3,790**	**218**	**3,940**	**3,643**	**297**
C. Errors & Omissions	**17**	**–**	**17**	**33**	**–**	**33**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,083**	**7,990**	**93**	**8,375**	**8,582**	**-207**
E. Monetary Movements (i+ii)	**–**	**93**	**-93**	**207**	**–**	**207**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	93	-93	207	–	207
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Oct-Dec 2008 (R)			Jan-Mar 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1,923**	**3,629**	**-1,706**	**1,915**	**2,921**	**-1,006**
II. INVISIBLES (a+b+c)	**2,068**	**941**	**1,128**	**1,916**	**929**	**987**
a) Services	1,376	639	738	1,250	651	599
i) Travel	143	95	48	133	130	4
ii) Transportation	134	158	-25	145	124	21
iii) Insurance	17	13	4	17	16	1
iv) G.n.i.e.	5	11	-7	4	18	-14
v) Miscellaneous	1,079	361	717	950	363	588
of which						
Software Services	550	28	521	539	23	516
Business Services	237	174	63	212	230	-18
Financial Services	54	36	18	51	31	20
Communication Services	27	13	14	25	15	10
b) Transfers	536	41	495	497	21	476
i) Official	14	5	9	8	6	2
ii) Private	522	36	486	489	15	473
c) Income	156	261	-105	169	258	-88
i) Investment Income	146	244	-98	160	242	-82
ii) Compensation of Employees	9	16	-7	9	16	-6
Total Current Account (I+II)	**3,991**	**4,570**	**-579**	**3,832**	**3,850**	**-19**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,842**	**1,982**	**-140**	**1,377**	**1,295**	**81**
a) Foreign Direct Investment (i+ii)	545	402	143	448	233	215
i) In India	535	1	533	431	3	428
Equity	399	1	398	316	3	313
Reinvested Earnings	110	–	110	112	–	112
Other Capital	26	–	26	3	–	3
ii) Abroad	10	400	-390	17	230	-213
Equity	10	206	-195	17	188	-171
Reinvested Earnings	–	13	-13	–	13	-13
Other Capital	–	181	-181	–	28	-28
b) Portfolio Investment	1,297	1,581	-284	929	1,063	-134
i) In India	1,296	1,578	-282	925	1,054	-129
of which						
FIIs	1,295	1,578	-283	924	1,054	-130
ADR/GDRs	–	–	–	1	–	1
ii) Abroad	1	3	-2	4	9	-5
2. Loans (a+b+c)	**771**	**752**	**19**	**707**	**749**	**-41**
a) External Assistance	82	37	45	73	35	38
i) By India	1	5	-4	1	5	-4
ii) To India	82	32	50	73	30	43
b) Commercial Borrowings	263	84	179	174	125	49
i) By India	32	7	25	20	15	5
ii) To India	231	77	154	154	110	45
c) Short Term to India	425	631	-206	460	589	-129
i) Suppliers' Credit > 180 days & Buyers' Credit	425	505	-80	460	520	-61
ii) Suppliers' Credit up to 180 days	–	126	-126	–	69	-69
3. Banking Capital (a+b)	**723**	**965**	**-242**	**599**	**761**	**-162**
a) Commercial Banks	723	944	-221	593	761	-168
i) Assets	253	368	-115	128	274	-145
ii) Liabilities	470	576	-106	465	487	-22
of which: Non-Resident Deposits	465	415	51	464	356	108
b) Others	–	21	-21	6	–	6
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**3**	**-3**
5. Other Capital	**154**	**34**	**120**	**205**	**60**	**144**
Total Capital Account (1 to 5)	**3,489**	**3,733**	**-244**	**2,888**	**2,869**	**19**
C. Errors & Omissions	**–**	**50**	**-50**	**15**	**–**	**15**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,481**	**8,353**	**-872**	**6,734**	**6,719**	**15**
E. Monetary Movements (i+ii)	**872**	**–**	**872**	**–**	**15**	**-15**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	872	–	872	–	15	-15
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Apr-Jun 2009 (R)			Jul-Sept 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1911**	**3193**	**-1282**	**2101**	**3534**	**-1433**
II. INVISIBLES (a+b+c)	**1889**	**809**	**1080**	**1960**	**973**	**988**
a) Services	1094	534	559	1034	664	370
i) Travel	112	99	13	132	114	18
ii) Transportation	122	135	-13	124	108	17
iii) Insurance	19	15	4	19	16	2
iv) G.n.i.e.	5	5	–	5	6	-1
v) Miscellaneous	836	279	556	754	419	335
of which						
Software Services	537	19	518	543	21	521
Business Services	126	161	-35	121	223	-102
Financial Services	54	41	14	35	55	-19
Communication Services	20	14	7	15	15	–
b) Transfers	651	23	628	697	28	669
i) Official	2	5	-3	8	5	3
ii) Private	649	18	631	688	22	666
c) Income	144	252	-108	230	282	-52
i) Investment Income	133	235	-102	220	265	-45
ii) Compensation of Employees	11	17	-6	10	17	-7
Total Current Account (I+II)	**3799**	**4002**	**-203**	**4062**	**4507**	**-445**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,370**	**1,724**	**646**	**2,707**	**1,879**	**828**
a) Foreign Direct Investment (i+ii)	485	243	242	559	200	359
i) In India	479	45	434	555	31	524
Equity	356	44	312	414	29	385
Reinvested Earnings	106	–	106	105	–	105
Other Capital	18	1	17	36	2	34
ii) Abroad	6	198	-192	5	169	-165
Equity	6	138	-132	5	103	-99
Reinvested Earnings	–	13	-13	–	13	-13
Other Capital	–	46	-46	–	53	-53
b) Portfolio Investment	1,884	1,481	403	2,148	1,679	469
i) In India	1,883	1,480	403	2,148	1,678	470
of which						
FIIs	1,881	1,480	401	2,019	1,678	341
ADR/GDRs	2	–	2	129	–	129
ii) Abroad	1	**1**	–	–	**1**	-1
2. Loans (a+b+c)	**640**	**709**	**-69**	**808**	**655**	**153**
a) External Assistance	49	36	14	72	36	36
i) By India	1	5	-5	1	5	-4
ii) To India	49	30	18	71	31	40
b) Commercial Borrowings	96	118	-22	159	100	59
i) By India	12	16	-4	10	10	–
ii) To India	84	102	-17	149	90	59
c) Short Term to India	494	555	-61	578	519	58
i) Suppliers' Credit > 180 days & Buyers' Credit	494	468	26	532	519	13
ii) Suppliers' Credit up to 180 days	–	87	-87	45	–	45
3. Banking Capital (a+b)	**760**	**924**	**-164**	**801**	**587**	**214**
a) Commercial Banks	760	913	-153	801	580	221
i) Assets	213	339	-126	297	84	213
ii) Liabilities	547	574	-27	504	497	7
of which: Non-Resident Deposits	545	456	89	501	450	51
b) Others	–	12	-12	–	7	-7
4. Rupee Debt Service	**–**	**1**	**-1**	**–**	**–**	**–**
5. Other Capital	**27**	**252**	**-226**	**334**	**596**	**-262**
Total Capital Account (1 to 5)	**3,796**	**3,610**	**186**	**4,650**	**3,718**	**932**
C. Errors & Omissions	**22**	**–**	**22**	**–**	**31**	**-31**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,618**	**7,612**	**6**	**8,712**	**8,256**	**456**
E. Monetary Movements (i+ii)	–	6	-6	–	456	-456
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	6	-6	–	456	-456
of which: SDR allocation	–	–	–	–	250	-250

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Oct-Dec 2009 (R)			Jan-Mar 2010 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2200**	**3642**	**-1443**	**2421**	**3863**	**-1442**
II. INVISIBLES (a+b+c)	**1889**	**1014**	**874**	**2009**	**1148**	**861**
a) Services	1140	746	394	1278	890	388
i) Travel	160	108	53	156	121	35
ii) Transportation	140	157	-17	143	164	-21
iii) Insurance	19	14	5	19	15	4
iv) G.n.i.e.	6	6	–	5	7	-2
v) Miscellaneous	803	461	342	954	583	372
of which						
Software Services	616	16	600	657	14	643
Business Services	115	213	-98	175	256	-81
Financial Services	37	54	-17	51	70	-19
Communication Services	12	18	-6	11	18	-6
b) Transfers	638	30	608	607	29	578
i) Official	18	5	13	6	7	-1
ii) Private	608	24	583	601	23	578
c) Income	123	239	-116	123	228	-105
i) Investment Income	111	214	-103	113	205	-93
ii) Compensation of Employees	12	24	-13	11	23	-12
Total Current Account (I+II)	**4089**	**4657**	**-568**	**4429**	**5010**	**-581**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,085**	**1,690**	**395**	**2,272**	**1,742**	**530**
a) Foreign Direct Investment (i+ii)	416	286	130	370	243	128
i) In India	407	68	339	355	74	281
Equity	278	57	220	246	69	176
Reinvested Earnings	101	–	101	100	–	100
Other Capital	28	11	17	10	5	5
ii) Abroad	9	217	-208	15	169	-154
Equity	9	170	-161	15	92	-77
Reinvested Earnings	–	13	-13	–	12	-12
Other Capital	–	35	-35	–	64	-64
b) Portfolio Investment	1,669	1,404	265	1,902	1,499	403
i) In India	1,668	1,401	267	1,891	1,492	398
of which						
FIIs	1,646	1,401	245	1,884	1,492	392
ADR/GDRs	22	–	22	7	–	7
ii) Abroad	1	3	-2	11	7	4
2. Loans (a+b+c)	**936**	**670**	**265**	**1,116**	**886**	**230**
a) External Assistance	77	37	39	81	34	47
i) By India	1	5	-4	1	5	-4
ii) To India	76	33	44	80	29	51
b) Commercial Borrowings	210	131	79	241	262	-21
i) By India	11	27	-16	14	18	-4
ii) To India	200	105	95	227	244	-17
c) Short Term to India	649	502	147	795	590	205
i) Suppliers' Credit > 180 days & Buyers' Credit	562	502	61	707	590	117
ii) Suppliers' Credit up to 180 days	86	–	86	88	–	88
3. Banking Capital (a+b)	**708**	**617**	**90**	**652**	**694**	**-41**
a) Commercial Banks	680	614	66	652	694	-42
i) Assets	143	87	56	162	216	-54
ii) Liabilities	537	527	10	490	478	12
of which: Non-Resident Deposits	475	446	28	444	469	-25
b) Others	28	3	25	1	–	1
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**3**	**-3**
5. Other Capital	**75**	**156**	**-81**	**110**	**174**	**-64**
Total Capital Account (1 to 5)	**3,803**	**3,133**	**670**	**4,151**	**3,499**	**652**
C. Errors & Omissions	**–**	**20**	**-20**	**27**	**–**	**27**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,891**	**7,809**	**82**	**8,607**	**8,509**	**98**
E. Monetary Movements (i+ii)	**–**	**82**	**-82**	**–**	**98**	**-98**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	82	-82	–	98	-98
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Apr-June 2010 (PR) Credit	Apr-June 2010 (PR) Debit	Apr-June 2010 (PR) Net	July-Sept 2010 (PR) Credit	July-Sept 2010 (PR) Debit	July-Sept 2010 (PR) Net
	37	38	39	40	41	42
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,523**	**3,979**	**-1,456**	**2,419**	**4,138**	**-1,719**
II. INVISIBLES (a+b+c)	**1,974**	**1,097**	**876**	**2,187**	**1,254**	**933**
a) Services	1,216	776	440	1,461	909	552
i) Travel	135	105	29	157	128	29
ii) Transportation	143	143	–	152	164	-12
iii) Insurance	19	14	5	21	18	3
iv) G.n.i.e.	4	7	-2	6	10	-4
v) Miscellaneous	915	507	408	1,125	590	536
of which						
Software Services	562	26	536	579	27	552
Business Services	220	269	-49	276	324	-48
Financial Services	56	64	-8	85	89	-4
Communication Services	15	11	4	19	12	7
b) Transfers	628	33	594	635	31	603
i) Official	3	6	-4	7	6	–
ii) Private	625	27	598	628	25	603
c) Income	130	288	-158	92	314	-222
i) Investment Income	120	266	-146	80	294	-214
ii) Compensation of Employees	10	22	-12	11	20	-9
Total Current Account (I+II)	**4,497**	**5,076**	**-579**	**4,606**	**5,392**	**-786**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,437**	**2,068**	**369**	**3,181**	**2,123**	**1,058**
a) Foreign Direct Investment (i+ii)	426	268	159	426	260	166
i) In India	413	105	308	399	51	348
Equity	273	104	169	253	48	205
Reinvested Earnings	136	–	136	139	–	139
Other Capital	3	1	2	7	3	4
ii) Abroad	13	163	-149	27	209	-182
Equity	13	98	-84	27	119	-92
Reinvested Earnings	–	12	-12	–	13	-13
Other Capital	–	53	-53	–	78	-78
b) Portfolio Investment	2,011	1,800	210	2,755	1,863	892
i) In India	2,006	1,794	212	2,748	1,853	895
of which						
FIIs	1,955	1,794	161	2,725	1,853	872
ADR/GDRs	51	–	51	23	–	23
ii) Abroad	4	6	-2	7	10	-3
2. Loans (a+b+c)	**1,071**	**660**	**411**	**1,239**	**930**	**309**
a) External Assistance	146	35	112	59	32	27
i) By India	1	1	–	1	1	–
ii) To India	146	33	112	58	31	27
b) Commercial Borrowings	202	100	102	277	117	160
i) By India	8	11	-3	14	26	-12
ii) To India	194	89	104	263	91	172
c) Short Term to India	722	525	197	903	781	122
i) Suppliers' Credit > 180 days & Buyers' Credit	670	525	145	849	781	67
ii) Suppliers' Credit up to 180 days	52	–	52	54	–	54
3. Banking Capital (a+b)	**764**	**581**	**183**	**790**	**937**	**-147**
a) Commercial Banks	764	580	184	790	909	-119
i) Assets	149	117	32	195	373	-178
ii) Liabilities	615	464	151	595	536	59
of which: Non-Resident Deposits	513	462	51	543	494	49
b) Others	–	1	-1	–	28	-28
4. Rupee Debt Service	**–**	**1**	**-1**	**–**	**–**	**–**
5. Other Capital	**67**	**237**	**-170**	**16**	**231**	**-216**
Total Capital Account (1 to 5)	**4,339**	**3,547**	**791**	**5,225**	**4,221**	**1,004**
C. Errors & Omissions	**–**	**41**	**-41**	**–**	**66**	**-66**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,836**	**8,665**	**171**	**9,831**	**9,678**	**153**
E. Monetary Movements (i+ii)	**–**	**171**	**-171**	**–**	**153**	**-153**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	171	-171	–	153	-153
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Oct-Dec 2010 (PR)			Jan-Mar 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,956**	**4,370**	**-1,414**	**3,497**	**4864**	**-1367**
II. INVISIBLES (a+b+c)	**2,498**	**1,531**	**967**	**2,366**	**1288**	**1078**
a) Services	1,757	1,193	564	1,614	947	667
i) Travel	199	128	71	205	145	60
ii) Transportation	167	179	-12	188	147	41
iii) Insurance	23	18	5	27	14	13
iv) G.n.i.e.	7	9	-2	7	13	-5
v) Miscellaneous	1,362	859	503	1187	629	558
of which						
Software Services	661	32	630	721	15	707
Business Services	318	358	-40	281	313	-32
Financial Services	76	88	-12	80	100	-20
Communication Services	19	14	5	18	15	2
b) Transfers	647	38	609	654	40	614
i) Official	15	9	6	5	7	-2
ii) Private	632	29	603	649	33	616
c) Income	94	300	-206	99	301	-202
i) Investment Income	81	275	-194	82	276	-194
ii) Compensation of Employees	13	25	-13	16	25	-9
Total Current Account (I+II)	**5,454**	**5,902**	**-448**	**5863**	**6151**	**-288**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**4,989**	**4,653**	**336**	**2,552**	**2,492**	**60**
a) Foreign Direct Investment (i+ii)	423	369	54	341	290	51
i) In India	374	99	275	314	64	249
Equity	236	83	152	163	61	103
Reinvested Earnings	134	–	134	135	–	135
Other Capital	5	15	-11	15	4	12
ii) Abroad	49	271	-222	27	226	-198
Equity	49	150	-101	27	114	-86
Reinvested Earnings	–	12	-12	–	12	-12
Other Capital	–	109	-109	–	100	-100
b) Portfolio Investment	4,567	4,284	283	2,211	2,202	9
i) In India	4,560	4,229	332	2,193	2,185	8
of which						
FIIs	4,550	4,229	321	2,184	2,185	-2
ADR/GDRs	10	–	10	10	–	10
ii) Abroad	6	55	-49	18	17	1
2. Loans (a+b+c)	**1,194**	**908**	**286**	**1,403**	**1,113**	**290**
a) External Assistance	87	35	52	66	32	34
i) By India	1	1	–	1	1	–
ii) To India	86	34	52	65	31	34
b) Commercial Borrowings	285	111	174	334	200	134
i) By India	26	10	16	36	22	13
ii) To India	259	101	158	299	178	120
c) Short Term to India	823	762	60	1,003	880	123
i) Suppliers' Credit > 180 days & Buyers' Credit	809	762	47	956	880	76
ii) Suppliers' Credit up to 180 days	14	–	14	47	–	47
3. Banking Capital (a+b)	**1,485**	**1,265**	**220**	**1,154**	**1,189**	**-35**
a) Commercial Banks	1,481	1,265	216	1,081	1,164	-84
i) Assets	897	684	213	359	581	-223
ii) Liabilities	584	582	3	722	583	139
of which: Non-Resident Deposits	564	555	8	623	583	40
b) Others	4	–	4	73	25	48
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**2**	**-2**
5. Other Capital	**154**	**374**	**-221**	**210**	**107**	**103**
Total Capital Account (1 to 5)	**7,822**	**7,201**	**621**	**5,320**	**4,904**	**416**
C. Errors & Omissions	**5**	**–**	**5**	**–**	**36**	**-36**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**13,282**	**13,103**	**179**	**11,182**	**11,090**	**92**
E. Monetary Movements (i+ii)	**–**	**179**	**-179**	**–**	**92**	**-92**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	179	-179	–	92	-92
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Apr-Jun 2011 (PR)			Jul-Sept 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	49	50	51	52	53	54
A. CURRENT ACCOUNT						
I. MERCHANDISE	**3,319**	**5,170**	**-1,851**	**3,499**	**5,484**	**-1,986**
II. INVISIBLES (a+b+c)	**2,295**	**1,150**	**1,145**	**2,388**	**1,245**	**1,143**
a) Services	1,488	809	680	1,497	856	641
i) Travel	165	155	11	194	162	32
ii) Transportation	194	179	15	203	166	37
iii) Insurance	25	13	12	28	19	9
iv) G.n.i.e.	6	9	-3	7	8	-1
v) Miscellaneous	1,098	453	645	1,066	500	565
of which						
Software Services	668	14	655	638	14	624
Business Services	239	278	-39	249	291	-42
Financial Services	57	79	-22	72	97	-25
Communication Services	16	19	-2	18	14	4
b) Transfers	695	37	658	750	35	714
i) Official	2	7	-4	6	7	-1
ii) Private	693	31	662	743	28	715
c) Income	111	304	-193	141	354	-212
i) Investment Income	85	286	-201	109	332	-223
ii) Compensation of Employees	26	18	8	33	21	11
Total Current Account (I+II)	**5,614**	**6,320**	**-706**	**5,887**	**6,729**	**-843**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,996**	**2,535**	**461**	**2,412**	**2,285**	**127**
a) Foreign Direct Investment (i+ii)	818	471	347	433	251	182
i) In India	800	204	596	416	98	318
Equity	612	189	423	272	92	180
Reinvested Earnings	122	–	122	125	–	125
Other Capital	66	15	51	19	6	13
ii) Abroad	18	267	-249	17	153	-137
Equity	18	69	-51	17	73	-56
Reinvested Earnings	–	14	-14	–	14	-14
Other Capital	–	185	-185	–	66	-66
b) Portfolio Investment	2,177	2,064	114	1,979	2,034	-55
i) In India	2,173	2,050	123	1,958	2,021	-63
of which						
FIIs	2,161	2,050	111	1,948	2,021	-73
ADR/GDRs	12	–	12	9	–	9
ii) Abroad	4	14	-9	21	12	9
2. Loans (a+b+c)	**1,439**	**1,137**	**302**	**1,704**	**1,318**	**386**
a) External Assistance	55	38	17	49	35	15
i) By India	1	1	–	1	1	–
ii) To India	55	37	17	49	34	15
b) Commercial Borrowings	303	155	148	446	206	240
i) By India	15	14	1	51	21	30
ii) To India	288	141	147	394	184	210
c) Short Term to India	1,080	943	137	1,209	1,077	131
i) Suppliers' Credit > 180 days & Buyers' Credit	1,014	943	71	1,150	1,077	73
ii) Suppliers' Credit up to 180 days	66	–	66	58	–	58
3. Banking Capital (a+b)	**1,286**	**720**	**566**	**922**	**616**	**306**
a) Commercial Banks	1,285	719	566	922	615	307
i) Assets	485	205	280	102	46	56
ii) Liabilities	799	513	286	820	569	251
of which: Non-Resident Deposits	558	507	51	691	563	128
b) Others	1	1	–	–	1	-1
4. Rupee Debt Service	–	1	-1	–	–	–
5. Other Capital	**10**	**343**	**-333**	**153**	**183**	**-31**
Total Capital Account (1 to 5)	**5,731**	**4,736**	**995**	**5,190**	**4,402**	**788**
C. Errors & Omissions	**–**	**45**	**-45**	**67**	**–**	**67**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**11,345**	**11,101**	**243**	**11,144**	**11,131**	**13**
E. Monetary Movements (i+ii)	**–**	**243**	**-243**	**–**	**13**	**-13**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	243	-243	–	13	-13
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(` Billion)

Item	Oct-Dec 2011 (P)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	55	56	57	58	59	60
A. CURRENT ACCOUNT						
I. MERCHANDISE	**3,623**	**6,053**	**-2,430**	**2,956**	**4,370**	**-1,414**
II. INVISIBLES (a+b+c)	**2,937**	**1,496**	**1,441**	**2,498**	**1,531**	**967**
a) Services	1,886	1,118	768	1,757	1,193	564
i) Travel	258	180	78	199	128	71
ii) Transportation	233	226	7	167	179	-12
iii) Insurance	41	22	18	23	18	5
iv) G.n.i.e.	7	9	-2	7	9	-2
v) Miscellaneous	1,346	680	666	1,362	859	503
of which						
Software Services	821	16	805	661	32	630
Business Services	306	354	-46	318	358	-40
Financial Services	82	107	-25	76	88	-12
Communication Services	23	17	7	19	14	5
b) Transfers	935	31	904	647	38	609
i) Official	18	8	10	15	9	6
ii) Private	917	24	894	632	29	603
c) Income	116	346	-230	94	300	-206
i) Investment Income	86	318	-232	81	275	-194
ii) Compensation of Employees	30	28	2	13	25	-12
Total Current Account (I+II)	**6,560**	**7,549**	**-989**	**5,454**	**5,902**	**-448**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,511**	**2,186**	**325**	**4,989**	**4,653**	**336**
a) Foreign Direct Investment (i+ii)	507	278	228	423	369	54
i) In India	456	130	325	374	99	275
Equity	270	128	142	236	83	152
Reinvested Earnings	139	–	139	134	–	134
Other Capital	46	2	44	5	15	-11
ii) Abroad	51	148	-97	49	271	-222
Equity	51	70	-19	49	150	-101
Reinvested Earnings	–	15	-15	–	12	-12
Other Capital	–	62	-62	–	109	-109
b) Portfolio Investment	2,004	1,907	97	4,567	4,284	283
i) In India	1,994	1,895	99	4,560	4,229	332
of which						
FIIs	1,990	1,895	95	4,550	4,229	321
ADR/GDRs	4	–	4	10	–	10
ii) Abroad	10	13	-2	6	55	-49
2. Loans (a+b+c)	**1,882**	**1,745**	**137**	**1,194**	**908**	**286**
a) External Assistance	112	42	71	87	35	52
i) By India	1	1	–	1	1	–
ii) To India	112	41	71	86	34	52
b) Commercial Borrowings	489	415	73	285	111	174
i) By India	72	46	26	26	10	16
ii) To India	417	369	48	259	101	158
c) Short Term to India	1,281	1,287	-7	823	762	60
i) Suppliers' Credit > 180 days & Buyers' Credit	1,281	1,217	64	809	762	47
ii) Suppliers' Credit up to 180 days	–	70	-70	14	–	14
3. Banking Capital (a+b)	**822**	**1,102**	**-279**	**1,485**	**1,265**	**220**
a) Commercial Banks	822	1,095	-273	1,481	1,265	216
i) Assets	20	141	-121	897	684	213
ii) Liabilities	802	954	-152	584	581	3
of which: Non-Resident Deposits	800	630	169	564	555	8
b) Others	–	6	-6	4	–	4
4. Rupee Debt Service	–	–	–	–	–	–
5. Other Capital	**265**	**41**	**224**	**154**	**374**	**-221**
Total Capital Account (1 to 5)	**5,480**	**5,073**	**407**	**7,822**	**7,201**	**621**
C. Errors & Omissions	–	**70**	**-70**	**5**	–	**5**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**12,040**	**12,692**	**-653**	**13,282**	**13,103**	**179**
E. Monetary Movements (i+ii)	**653**	–	**653**	–	**179**	**-179**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	653	–	653	–	179	-179
of which: SDR allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Concld.)*

(` Billion)

Item	Apr-Dec 2011-12 (P)			Apr-Dec 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	61	62	63	64	65	66
A. CURRENT ACCOUNT						
I. MERCHANDISE	**10,440**	**16,708**	**-6,267**	**7,898**	**12,487**	**-4,589**
II. INVISIBLES (a+b+c)	**7,620**	**3,890**	**3,729**	**6,659**	**3,883**	**2,776**
a) Services	4,871	2,783	2,088	4,434	2,878	1,556
i) Travel	617	496	121	490	361	129
ii) Transportation	629	571	58	462	486	-24
iii) Insurance	94	55	39	62	50	12
iv) G.n.i.e.	20	27	-6	17	25	-8
v) Miscellaneous	3,510	1,633	1,877	3,402	1,956	1,446
of which						
Software Services	2,128	44	2,084	1,803	85	1,718
Business Services	806	923	-117	814	951	-137
Financial Services	211	283	-73	216	241	-24
Communication Services	57	49	8	53	37	16
b) Transfers	2,379	104	2,276	1,909	102	1,807
i) Official	26	21	5	24	22	3
ii) Private	2,353	83	2,270	1,885	81	1,804
c) Income	369	1,004	-635	316	902	-586
i) Investment Income	280	937	-656	281	835	-554
ii) Compensation of Employees	89	67	21	35	68	-33
Total Current Account (I+II)	**18,060**	**20,598**	**-2,538**	**14,557**	**16,370**	**-1,813**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**7,918**	**7,005**	**913**	**10,607**	**8,844**	**1,763**
a) Foreign Direct Investment (i+ii)	1,758	1,000	758	1,275	897	378
i) In India	1,672	432	1,240	1,186	255	931
Equity	1,155	409	746	762	235	527
Reinvested Earnings	386	–	386	409	–	409
Other Capital	131	23	108	15	19	-4
ii) Abroad	86	568	-482	89	643	-554
Equity	86	212	-126	89	366	-277
Reinvested Earnings	–	43	-43	–	37	-37
Other Capital	–	313	-313	–	240	-240
b) Portfolio Investment	6,160	6,005	156	9,332	7,947	1,385
i) In India	6,125	5,966	159	9,314	7,876	1,439
of which						
FIIs	6,099	5,966	133	9,230	7,876	1,355
ADR/GDRs	26	–	26	84	–	84
ii) Abroad	35	39	-3	18	72	-54
2. Loans (a+b+c)	**5,024**	**4,199**	**825**	**3,503**	**2,498**	**1,006**
a) External Assistance	217	115	102	292	102	191
i) By India	2	3	-1	3	3	-1
ii) To India	215	111	103	290	98	192
b) Commercial Borrowings	1,237	776	461	764	328	436
i) By India	138	82	56	48	47	1
ii) To India	1,099	695	405	716	281	435
c) Short Term to India	3,570	3,308	262	2,447	2,068	379
i) Suppliers' Credit > 180 days & Buyers' Credit	3,445	3,238	208	2,327	2,068	259
ii) Suppliers' Credit up to 180 days	125	70	54	120	–	120
3. Banking Capital (a+b)	**3,031**	**2,438**	**593**	**3,039**	**2,784**	**255**
a) Commercial Banks	3,029	2,429	600	3,035	2,754	281
i) Assets	607	393	215	1,241	1,174	67
ii) Liabilities	2,422	2,037	385	1,794	1,581	213
of which: Non-Resident Deposits	2,049	1,700	348	1,620	1,512	108
b) Others	2	9	-7	4	29	-25
4. Rupee Debt Service	**–**	**1**	**-1**	**–**	**1**	**-1**
5. Other Capital	**428**	**568**	**-140**	**237**	**843**	**-606**
Total Capital Account (1 to 5)	**16,401**	**14,212**	**2,190**	**17,386**	**14,969**	**2,417**
C. Errors & Omissions	**–**	**48**	**-48**	**–**	**102**	**-102**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**34,528**	**34,925**	**-397**	**31,949**	**31,446**	**503**
E. Monetary Movements (i+ii)	**397**	**–**	**397**	**–**	**503**	**-503**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	397	–	397	–	503	-503
of which: SDR allocation	–	–	–	–	–	–

Note: The comparable figures in new and old formats may not entirely agree due to rounding off. Total of subcomponents may not tally with aggregate due to rounding off.
P: Preliminary. PR: Partially Revised. R: Revised.

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

(` Billion)

Item	Apr-Mar 2009-10 (R)			Apr-Mar 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**16322**	**18130**	**-1809**	**20342**	**22443**	**-2102**
1.A Goods and Services (1.A.a+1.A.b)	**13155**	**17043**	**-3888**	**17394**	**21127**	**-3733**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**8624**	**14232**	**-5608**	**11402**	**17351**	**-5948**
1.A.a.1 General merchandise on a BOP basis	8633	12873	-4241	11395	15805	-4410
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-9	–	-9	7	–	7
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	1359	-1359	–	1546	-1546
1.A.b Services (1.A.b.1 to 1.A.b.13)	**4531**	**2811**	**1720**	**5991**	**3776**	**2216**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***529***	***569***	***-39***	***652***	***635***	***17***
1.A.b.3.1 Sea transport	276	343	-67	281	370	-89
1.A.b.3.2 Air transport	86	177	-91	112	218	-105
1.A.b.3.3 Other modes of transport	167	44	123	256	45	212
1.A.b.3.4 Postal and courier services	–	5	-4	2	3	-1
1.A.b.4 Travel	***560***	***442***	***118***	***695***	***506***	***189***
1.A.b.4.1 Business	–	164	-164	–	226	-226
1.A.b.4.2 Personal	–	278	-278	–	279	-279
1.A.b.4.2.1 Health-related	–	1	-1	–	3	-3
1.A.b.4.2.2 Education-related	–	101	-101	–	86	-86
1.A.b.4.2.3 Other	–	173	-173	–	190	-190
1.A.b.5 Construction	***27***	***47***	***-21***	***31***	***53***	***-22***
1.A.b.5.1 Construction abroad	27	25	1	31	29	2
1.A.b.5.2 Construction in the reporting economy	–	22	-22	–	24	-24
1.A.b.6 Insurance and pension services	***75***	***61***	***14***	***89***	***64***	***25***
1.A.b.6.1 Direct insurance	61	22	39	81	27	55
1.A.b.6.2 Reinsurance	13	32	-19	6	34	-28
1.A.b.6.3 Auxiliary insurance services	1	7	-6	1	3	-2
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***175***	***219***	***-44***	***297***	***341***	***-44***
1.A.b.7.1 Explicitly charged and other financial services	175	219	-44	297	341	-44
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***10***	***95***	***-86***	***9***	***110***	***-102***
1.A.b.9 Telecommunications, computer, and information services	***2455***	***154***	***2301***	***2621***	***171***	***2450***
1.A.b.9.1 Telecommunications services	87	54	33	69	49	20
1.A.b.9.2 Computer services	2352	70	2282	2524	100	2424
1.A.b.9.3 Information services	17	30	-13	27	21	6
1.A.b.10 Other business services	***534***	***847***	***-313***	***1039***	***1215***	***-177***
1.A.b.10.1 Research and development services	27	15	12	40	11	29
1.A.b.10.2 Professional and management consulting services	284	472	-188	484	546	-62
1.A.b.10.3 Technical, trade-related, and other business services	224	360	-137	515	658	-143
1.A.b.11 Personal, cultural, and recreational services	***25***	***14***	***11***	***10***	***25***	***-14***
1.A.b.11.1 Audiovisual and related services	21	8	12	5	7	-1
1.A.b.11.2 Other personal, cultural, and recreational services	4	6	-2	5	18	-13
1.A.b.12 Government goods and services n.i.e.	***21***	***25***	***-4***	***24***	***37***	***-13***
1.A.b.13 Others n.i.e.	***120***	***336***	***-217***	***526***	***619***	***-93***
1.B Primary Income (1.B.1 to 1.B.3)	**620**	**1000**	**-380**	**415**	**1203**	**-789**
1.B.1 Compensation of employees	43	81	-37	51	92	-41
1.B.2 Investment income	577	920	-343	364	1111	-747
1.B.2.1 Direct investment	294	907	-612	174	1094	-920
1.B.2.1.1 Income on equity and investment fund shares	94	603	-509	93	768	-674
1.B.2.1.2 Interest	201	304	-103	81	327	-246
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	12	-12	–	16	-16
1.B.2.4 Reserve assets	283	–	282	190	1	189
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**2546**	**87**	**2459**	**2533**	**113**	**2420**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	2546	90	2456	2533	113	2420
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	2454	72	2382	2440	95	2345
Of which:						
1.C.1.1.1 Workers' remittances	1349	89	1260	1248	95	1153
1.C.1.2 Other current transfers	92	18	74	94	19	75
2 Capital Account (2.1+2.2)	**37**	**24**	**13**	**31**	**29**	**2**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	2	1	1	2	1	1
2.2 Capital transfers	34	22	12	29	29	1
2.2.1 General government	34	22	12	29	29	1
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	34	22	12	29	29	1
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

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

(` Billion)

Item	Apr-Mar 2009-10 (R)			Apr-Mar 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
3 Financial Account (3.1 to 3.5)	**16398**	**14601**	**1797**	**22704**	**20467**	**2237**
3.1 Direct Investment (3.1A+3.1B)	**1831**	**971**	**860**	**1616**	**1187**	**429**
3.1.A Direct Investment in India	***1796***	***218***	***1578***	***1500***	***319***	***1181***
3.1.1 Equity and investment fund shares	*1704*	*200*	*1505*	*1470*	*296*	*1174*
3.1.1.1 Equity other than reinvestment of earnings	1293	200	1093	926	296	630
3.1.1.1.1 Direct investor in direct investment enterprises	1293	200	1093	926	296	630
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	411	–	411	544	–	544
3.1.2 Debt instruments	*92*	*18*	*74*	*30*	*23*	*7*
3.1.2.1 Direct investor in direct investment enterprises	92	18	74	30	23	7
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***35***	***753***	***-718***	***116***	***868***	***-752***
3.1.1 Equity and investment fund shares	35	555	-520	116	529	-413
3.1.1.1 Equity other than reinvestment of earnings	35	503	-469	116	480	-363
3.1.1.1.1 Direct investor in direct investment enterprises	35	503	-469	116	480	-363
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	51	-51	–	49	-49
3.1.2 Debt instruments	–	*198*	*-198*	–	*339*	*-339*
3.1.2.1 Direct investor in direct investment enterprises	–	198	-198	–	339	-339
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**7443**	**6063**	**1380**	**11449**	**10149**	**1300**
3.2A Portfolio Investment in India	***7430***	***6051***	***1379***	***11414***	***10061***	***1353***
3.2.1 Equity and investment fund shares	*6200*	*4450*	*1750*	*8525*	*7659*	*865*
3.2.2 Debt securities	*1230*	*1601*	*-371*	*2889*	*2401*	*488*
3.2.B Portfolio Investment by India	***13***	***12***	***1***	***35***	***88***	***-53***
3.3 Financial derivatives (other than reserves) and employee stock options	**–**	**–**	**–**	**–**	**–**	**–**
3.4 Other investment	**7124**	**6924**	**200**	**9639**	**8536**	**1103**
3.4.1 Other equity (ADRs/GDRs)	**160**	**–**	**160**	**94**	**–**	**94**
3.4.2 Currency and deposits	**1993**	**1844**	**149**	**2320**	**2148**	**171**
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	28	22	7	77	54	23
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	1964	1822	142	2243	2095	148
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	**1913**	**1733**	**180**	**3329**	**2486**	**843**
3.4.3A Loans to India	*1865*	*1642*	*223*	*3243*	*2413*	*830*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	929	979	-51	1873	1824	49
3.4.3.3 General government (External Assistance)	276	123	154	355	129	226
3.4.3.4 Other sectors (External Commercial Borrowings)	660	540	120	1014	459	555
3.4.3B Loans by India	*48*	*91*	*-43*	*87*	*74*	*13*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	2	20	-18	3	5	-1
3.4.3.4 Other sectors	46	71	-25	84	69	14
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***2515***	***2166***	***349***	***3450***	***2949***	***502***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	*2515*	*2166*	*349*	*3450*	*2949*	*502*
3.4.6 Other accounts receivable/payable – other	***543***	***1181***	***-638***	***446***	***952***	***-507***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	**–**	**642**	**-642**	**–**	**595**	**-595**
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)	–	642	-642	–	595	-595
3.5.4.1 Currency,deposits and securities	–	642	-642	–	595	-595
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**16398**	**14601**	**1797**	**22704**	**20467**	**2237**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	7952	5216	2735	10146	8573	1573
3.0.2 Debt instruments	7743	7561	182	12019	10347	1672
3.0.3 Other financial assets and liabilities	703	1824	-1120	539	1547	-1008
4 Net errors and omissions		**1**	**-1**		**138**	**-138**

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Apr-Jun 2009 (R)			Jul-Sept 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
1 Current Account (1.A+1.B+1.C)	**3791**	**3991**	**-200**	**4048**	**4496**	**-448**
1.A Goods and Services (1.A.a+1.A.b)	**2998**	**3721**	**-723**	**3129**	**4192**	**-1063**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**1906**	**3193**	**-1287**	**2099**	**3534**	**-1436**
1.A.a.1 General merchandise on a BOP basis	1911	2908	-998	2101	3272	-1170
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-5	–	-5	-3	–	-3
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	285	-285	–	263	-263
1.A.b Services (1.A.b.1 to 1.A.b.13)	**1092**	**528**	**564**	**1031**	**658**	**373**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***122***	***137***	***-15***	***125***	***109***	***16***
1.A.b.3.1 Sea transport	70	78	-8	71	62	9
1.A.b.3.2 Air transport	21	44	-23	16	37	-21
1.A.b.3.3 Other modes of transport	31	13	17	38	9	29
1.A.b.3.4 Postal and courier services	–	2	-2	–	1	-1
1.A.b.4 Travel	***112***	***99***	***13***	***132***	***114***	***18***
1.A.b.4.1 Business	–	40	-40	–	40	-40
1.A.b.4.2 Personal	–	59	-59	–	74	-74
1.A.b.4.2.1 Health-related	–	–	–	–	–	–
1.A.b.4.2.2 Education-related	–	18	-18	–	36	-36
1.A.b.4.2.3 Other	–	41	-41	–	36	-36
1.A.b.5 Construction	***7***	***13***	***-6***	***7***	***13***	***-5***
1.A.b.5.1 Construction abroad	7	9	-1	7	6	1
1.A.b.5.2 Construction in the reporting economy	–	5	-5	–	7	-7
1.A.b.6 Insurance and pension services	***19***	***15***	***4***	***19***	***16***	***2***
1.A.b.6.1 Direct insurance	15	3	12	12	10	2
1.A.b.6.2 Reinsurance	4	7	-4	6	6	–
1.A.b.6.3 Auxiliary insurance services	–	5	-5	–	1	–
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***54***	***41***	***14***	***35***	***55***	***-19***
1.A.b.7.1 Explicitly charged and other financial services	54	41	14	35	55	-19
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***3***	***20***	***-17***	***2***	***20***	***-18***
1.A.b.9 Telecommunications, computer, and information services	***562***	***35***	***526***	***576***	***38***	***538***
1.A.b.9.1 Telecommunications services	20	12	8	30	14	16
1.A.b.9.2 Computer services	537	19	518	543	21	521
1.A.b.9.3 Information services	4	4	–	4	3	1
1.A.b.10 Other business services	***125***	***155***	***-30***	***121***	***223***	***-102***
1.A.b.10.1 Research and development services	5	2	3	7	3	4
1.A.b.10.2 Professional and management consulting services	72	75	-2	65	128	-63
1.A.b.10.3 Technical, trade-related, and other business services	47	78	-30	49	93	-44
1.A.b.11 Personal, cultural, and recreational services	***5***	***5***	***–***	***7***	***4***	***2***
1.A.b.11.1 Audiovisual and related services	4	2	2	5	4	2
1.A.b.11.2 Other personal, cultural, and recreational services	1	3	-2	1	1	1
1.A.b.12 Government goods and services n.i.e.	***5***	***5***	***–***	***5***	***6***	***-1***
1.A.b.13 Others n.i.e.	***78***	***3***	***75***	***2***	***59***	***-57***
1.B Primary Income (1.B.1 to 1.B.3)	**144**	**252**	**-108**	**230**	**282**	**-52**
1.B.1 Compensation of employees	11	17	-6	10	17	-7
1.B.2 Investment income	133	235	-102	220	265	-45
1.B.2.1 Direct investment	39	233	-193	123	262	-140
1.B.2.1.1 Income on equity and investment fund shares	20	151	-131	20	175	-155
1.B.2.1.2 Interest	20	82	-62	103	87	15
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	2	-2	–	3	-3
1.B.2.4 Reserve assets	93	–	93	97	–	97
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**649**	**18**	**631**	**688**	**22**	**666**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	649	18	631	688	23	666
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	622	14	608	665	18	647
Of which:	–	–	–	–	–	–
1.C.1.1.1 Workers' remittances	351	14	336	363	21	341
1.C.1.2 Other current transfers	27	3	23	23	5	18
2 Capital Account (2.1+2.2)	**3**	**6**	**-3**	**9**	**5**	**3**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	1	–	–	–	–	–
2.2 Capital transfers	2	5	-3	8	5	3
2.2.1 General government	2	5	-3	8	5	3
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	2	5	-3	8	5	3
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Apr-Jun 2009 (R)			Jul-Sept 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
3 Financial Account (3.1 to 3.5)	**3795**	**3616**	**180**	**4650**	**4174**	**476**
3.1 Direct Investment (3.1A+3.1B)	**485**	**243**	**242**	**559**	**200**	**359**
3.1.A Direct Investment in India	***479***	***45***	***434***	***555***	***31***	***524***
3.1.1 Equity and investment fund shares	*461*	*44*	*418*	*519*	*29*	*490*
3.1.1.1 Equity other than reinvestment of earnings	356	44	312	414	29	385
3.1.1.1.1 Direct investor in direct investment enterprises	356	44	312	414	29	385
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	106	–	106	105	–	105
3.1.2 Debt instruments	*18*	*1*	*17*	*36*	*2*	*34*
3.1.2.1 Direct investor in direct investment enterprises	18	1	17	36	2	34
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***6***	***198***	***-192***	***5***	***169***	***-165***
3.1.1 Equity and investment fund shares	*6*	*152*	*-146*	*5*	*116*	*-112*
3.1.1.1 Equity other than reinvestment of earnings	6	138	-132	5	103	-99
3.1.1.1.1 Direct investor in direct investment enterprises	6	138	-132	5	103	-99
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	13	-13	–	13	-13
3.1.2 Debt instruments	–	*46*	*-46*	–	*53*	*-53*
3.1.2.1 Direct investor in direct investment enterprises	–	46	-46	–	53	-53
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**1882**	**1481**	**401**	**2019**	**1679**	**340**
3.2A Portfolio Investment in India	***1881***	***1480***	***401***	***2019***	***1678***	***341***
3.2.1 Equity and investment fund shares	*1652*	*1274*	*378*	*1748*	*1191*	*557*
3.2.2 Debt securities	*229*	*206*	*24*	*270*	*487*	*-216*
3.2.B Portfolio Investment by India	***1***	***1***	–	–	***1***	***-1***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**1428**	**1886**	**-458**	**2071**	**1839**	**233**
3.4.1 Other equity (ADRs/GDRs)	***2***	–	***2***	***129***	–	***129***
3.4.2 Currency and deposits	***545***	***468***	***77***	***501***	***457***	***44***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	–	12	-12	–	7	-7
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	545	456	89	501	450	51
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***361***	***610***	***-249***	***531***	***266***	***264***
3.4.3A Loans to India	*348*	*588*	*-240*	*520*	*251*	*269*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	215	456	-241	300	130	170
3.4.3.3 General government (External Assistance)	49	30	18	71	31	40
3.4.3.4 Other sectors (External Commercial Borrowings)	84	102	-17	149	90	59
3.4.3B Loans by India	*13*	*21*	*-9*	*11*	*16*	*-5*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	1	5	-5	1	5	-4
3.4.3.4 Other sectors	12	16	-4	10	10	–
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***494***	***555***	***-61***	***578***	***519***	***58***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	494	555	-61	578	519	58
3.4.6 Other accounts receivable/payable – other	***26***	***253***	***-227***	***334***	***596***	***-263***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**6**	**-6**	–	**456**	**-456**
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)	–	6	-6	–	456	-456
3.5.4.1 Currency,deposits and securities	–	6	-6	–	456	-456
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**3795**	**3616**	**180**	**4650**	**4174**	**476**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	2121	1471	650	2272	1338	934
3.0.2 Debt instruments	1647	1886	-239	1915	1784	132
3.0.3 Other financial assets and liabilities	28	259	-231	463	1052	-590
4 Net errors and omissions	**22**		**22**		**31**	**-31**

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Oct-Dec 2009 (R)			Jan-Mar 2010 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
1 Current Account (1.A+1.B+1.C)	**4066**	**4647**	**-581**	**4416**	**4997**	**-580**
1.A Goods and Services (1.A.a+1.A.b)	**3336**	**4384**	**-1048**	**3692**	**4746**	**-1054**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**2199**	**3642**	**-1443**	**2420**	**3863**	**-1443**
1.A.a.1 General merchandise on a BOP basis	2200	3289	-1089	2421	3404	-984
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-1	–	-1	-1	–	-1
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	353	-353	–	459	-459
1.A.b Services (1.A.b.1 to 1.A.b.13)	**1136**	**742**	**395**	**1272**	**883**	**389**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***140***	***158***	***-18***	***143***	***165***	***-22***
1.A.b.3.1 Sea transport	66	101	-35	70	103	-33
1.A.b.3.2 Air transport	24	44	-21	25	52	-27
1.A.b.3.3 Other modes of transport	50	12	38	49	10	39
1.A.b.3.4 Postal and courier services	–	1	-1	–	1	-1
1.A.b.4 Travel	***160***	***108***	***53***	***156***	***121***	***35***
1.A.b.4.1 Business	–	42	-42	–	41	-41
1.A.b.4.2 Personal	–	66	-66	–	80	-80
1.A.b.4.2.1 Health-related	–	–	–	–	–	–
1.A.b.4.2.2 Education-related	–	26	-26	–	23	-23
1.A.b.4.2.3 Other	–	40	-40	–	57	-57
1.A.b.5 Construction	***7***	***8***	***-1***	***5***	***13***	***-9***
1.A.b.5.1 Construction abroad	7	6	2	5	5	-1
1.A.b.5.2 Construction in the reporting economy	–	3	-3	–	8	-8
1.A.b.6 Insurance and pension services	***18***	***14***	***4***	***19***	***15***	***4***
1.A.b.6.1 Direct insurance	16	2	15	17	7	10
1.A.b.6.2 Reinsurance	2	12	-10	1	7	-6
1.A.b.6.3 Auxiliary insurance services	–	1	–	–	1	–
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***35***	***54***	***-19***	***51***	***70***	***-19***
1.A.b.7.1 Explicitly charged and other financial services	35	54	-19	51	70	-19
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***2***	***27***	***-25***	***2***	***28***	***-26***
1.A.b.9 Telecommunications, computer, and information services	***640***	***47***	***593***	***678***	***34***	***644***
1.A.b.9.1 Telecommunications services	20	14	6	17	15	2
1.A.b.9.2 Computer services	616	16	600	657	14	643
1.A.b.9.3 Information services	5	18	-13	4	5	-1
1.A.b.10 Other business services	***113***	***213***	***-101***	***175***	***256***	***-81***
1.A.b.10.1 Research and development services	4	4	–	10	6	4
1.A.b.10.2 Professional and management consulting services	59	120	-60	86	150	-63
1.A.b.10.3 Technical, trade-related, and other business services	49	89	-40	79	101	-22
1.A.b.11 Personal, cultural, and recreational services	***5***	***2***	***3***	***8***	***3***	***5***
1.A.b.11.1 Audiovisual and related services	4	1	3	7	2	5
1.A.b.11.2 Other personal, cultural, and recreational services	1	1	–	1	1	–
1.A.b.12 Government goods and services n.i.e.	***6***	***6***	***–***	***5***	***7***	***-2***
1.A.b.13 Others n.i.e.	***10***	***104***	***-94***	***29***	***171***	***-141***
1.B Primary Income (1.B.1 to 1.B.3)	**123**	**239**	**-116**	**123**	**228**	**-105**
1.B.1 Compensation of employees	12	24	-13	11	23	-12
1.B.2 Investment income	111	214	-103	113	205	-93
1.B.2.1 Direct investment	69	210	-141	63	202	-139
1.B.2.1.1 Income on equity and investment fund shares	21	142	-121	33	135	-102
1.B.2.1.2 Interest	48	67	-19	30	67	-37
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	5	-5	–	3	-3
1.B.2.4 Reserve assets	42	–	42	49	–	49
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**608**	**24**	**583**	**601**	**23**	**578**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	608	25	582	601	24	577
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	586	21	565	581	19	562
Of which:	–	–	–	–	–	–
1.C.1.1.1 Workers' remittances	318	25	293	318	28	290
1.C.1.2 Other current transfers	22	5	17	20	5	15
2 Capital Account (2.1+2.2)	**18**	**5**	**13**	**6**	**7**	**-1**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	1	–	–	1	1	–
2.2 Capital transfers	18	5	13	6	7	-1
2.2.1 General government	18	5	13	6	7	-1
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	18	5	13	6	7	-1
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Oct-Dec 2009 (R)			Jan-Mar 2010 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
3 Financial Account (3.1 to 3.5)	**3802**	**3215**	**587**	**4150**	**3597**	**554**
3.1 Direct Investment (3.1A+3.1B)	**416**	**286**	**130**	**370**	**243**	**128**
3.1.A Direct Investment in India	***407***	***68***	***339***	***355***	***74***	***281***
3.1.1 Equity and investment fund shares	*379*	*57*	*321*	*345*	*69*	*276*
3.1.1.1 Equity other than reinvestment of earnings	278	57	220	246	69	176
3.1.1.1.1 Direct investor in direct investment enterprises	278	57	220	246	69	176
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	101	–	101	100	–	100
3.1.2 Debt instruments	*28*	*11*	*17*	*10*	*5*	*5*
3.1.2.1 Direct investor in direct investment enterprises	28	11	17	10	5	5
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***9***	***217***	***-208***	***15***	***169***	***-154***
3.1.1 Equity and investment fund shares	*9*	*182*	*-173*	*15*	*104*	*-89*
3.1.1.1 Equity other than reinvestment of earnings	9	170	-161	15	92	-77
3.1.1.1.1 Direct investor in direct investment enterprises	9	170	-161	15	92	-77
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	13	-13	–	12	-12
3.1.2 Debt instruments	–	*35*	*-35*	–	*64*	*-64*
3.1.2.1 Direct investor in direct investment enterprises	–	35	-35	–	64	-64
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**1647**	**1404**	**243**	**1895**	**1499**	**396**
3.2A Portfolio Investment in India	***1646***	***1401***	***245***	***1884***	***1492***	***392***
3.2.1 Equity and investment fund shares	*1374*	*999*	*375*	*1426*	*985*	*441*
3.2.2 Debt securities	*272*	*402*	*-129*	*458*	*507*	*-49*
3.2.B Portfolio Investment by India	***1***	***3***	***-2***	***11***	***7***	***4***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**1740**	**1443**	**297**	**1885**	**1757**	**129**
3.4.1 Other equity (ADRs/GDRs)	***22***	–	***22***	***7***	–	***7***
3.4.2 Currency and deposits	***502***	***449***	***53***	***444***	***469***	***-25***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	28	3	25	1	–	1
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	475	446	28	444	469	-25
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***492***	***336***	***156***	***530***	***521***	***9***
3.4.3A Loans to India	*481*	*305*	*176*	*515*	*498*	*17*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	205	168	38	208	225	-17
3.4.3.3 General government (External Assistance)	76	33	44	80	29	51
3.4.3.4 Other sectors (External Commercial Borrowings)	200	105	95	227	244	-17
3.4.3B Loans by India	*11*	*32*	*-20*	*14*	*23*	*-8*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	1	5	-4	1	5	-4
3.4.3.4 Other sectors	11	27	-16	14	18	-4
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***649***	***502***	***147***	***795***	***590***	***205***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	*649*	*502*	*147*	*795*	*590*	*205*
3.4.6 Other accounts receivable/payable – other	***74***	***156***	***-81***	***110***	***177***	***-67***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**82**	**-82**	–	**98**	**-98**
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)	–	82	-82	–	98	-98
3.5.4.1 Currency,deposits and securities	–	82	-82	–	98	-98
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**3802**	**3215**	**587**	**4150**	**3597**	**554**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	1762	1242	521	1797	1166	631
3.0.2 Debt instruments	1944	1735	209	2237	2156	81
3.0.3 Other financial assets and liabilities	96	238	-142	117	275	-159
4 Net errors and omissions		**20**	**-20**	**27**		**27**

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
1 Current Account (1.A+1.B+1.C)	**4481**	**5057**	**-576**	**4584**	**5370**	**-786**
1.A Goods and Services (1.A.a+1.A.b)	**3726**	**4742**	**-1016**	**3864**	**5030**	**-1167**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**2519**	**3979**	**-1460**	**2419**	**4138**	**-1718**
1.A.a.1 General merchandise on a BOP basis	2523	3687	-1164	2419	3768	-1350
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-5	–	-5	1	–	1
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	292	-292	–	369	-369
1.A.b Services (1.A.b.1 to 1.A.b.13)	**1208**	**763**	**444**	**1444**	**893**	**552**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	**143**	**144**	**–**	**153**	**165**	**-12**
1.A.b.3.1 Sea transport	63	82	-19	76	96	-19
1.A.b.3.2 Air transport	27	52	-25	25	54	-29
1.A.b.3.3 Other modes of transport	54	9	44	51	14	37
1.A.b.3.4 Postal and courier services	–	1	–	1	1	–
1.A.b.4 Travel	**135**	**105**	**29**	**157**	**128**	**29**
1.A.b.4.1 Business	–	39	-39	–	47	-47
1.A.b.4.2 Personal	–	66	-66	–	81	-81
1.A.b.4.2.1 Health-related	–	2	-2	–	–	–
1.A.b.4.2.2 Education-related	–	15	-15	–	31	-31
1.A.b.4.2.3 Other	–	50	-50	–	50	-50
1.A.b.5 Construction	***6***	***16***	***-10***	***8***	***6***	***2***
1.A.b.5.1 Construction abroad	6	9	-4	8	4	4
1.A.b.5.2 Construction in the reporting economy	–	7	-7	–	3	-3
1.A.b.6 Insurance and pension services	***19***	***14***	***5***	***21***	***18***	***3***
1.A.b.6.1 Direct insurance	17	7	11	19	8	11
1.A.b.6.2 Reinsurance	1	7	-5	1	9	-8
1.A.b.6.3 Auxiliary insurance services	–	1	-1	–	1	–
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***56***	***64***	***-8***	***85***	***89***	***-4***
1.A.b.7.1 Explicitly charged and other financial services	56	64	-8	85	89	-4
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***2***	***26***	***-24***	***1***	***26***	***-25***
1.A.b.9 Telecommunications, computer, and information services	***581***	***40***	***541***	***602***	***41***	***561***
1.A.b.9.1 Telecommunications services	15	10	4	18	11	7
1.A.b.9.2 Computer services	562	26	536	579	27	552
1.A.b.9.3 Information services	4	3	–	5	3	2
1.A.b.10 Other business services	***212***	***256***	***-44***	***260***	***308***	***-48***
1.A.b.10.1 Research and development services	8	3	5	13	2	11
1.A.b.10.2 Professional and management consulting services	87	109	-22	121	139	-19
1.A.b.10.3 Technical, trade-related, and other business services	116	144	-27	126	166	-41
1.A.b.11 Personal, cultural, and recreational services	***2***	***3***	***-1***	***3***	***5***	***-2***
1.A.b.11.1 Audiovisual and related services	1	2	-1	1	2	-1
1.A.b.11.2 Other personal, cultural, and recreational services	1	2	–	1	3	-1
1.A.b.12 Government goods and services n.i.e.	***4***	***7***	***-2***	***6***	***10***	***-4***
1.A.b.13 Others n.i.e.	***49***	***89***	***-40***	***149***	***97***	***52***
1.B Primary Income (1.B.1 to 1.B.3)	**130**	**288**	**-158**	**92**	**314**	**-222**
1.B.1 Compensation of employees	10	22	-12	11	20	-9
1.B.2 Investment income	120	266	-146	80	294	-214
1.B.2.1 Direct investment	77	262	-185	24	288	-264
1.B.2.1.1 Income on equity and investment fund shares	16	185	-169	18	210	-191
1.B.2.1.2 Interest	61	77	-16	6	78	-72
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	4	-4	–	6	-6
1.B.2.4 Reserve assets	43	–	43	56	–	56
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**625**	**27**	**598**	**628**	**25**	**603**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	625	27	598	628	25	603
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	603	22	581	607	21	586
Of which:	–	–	–	–	–	–
1.C.1.1.1 Workers' remittances	315	22	293	279	21	258
1.C.1.2 Other current transfers	22	5	17	21	4	17
2 Capital Account (2.1+2.2)	**3**	**7**	**-3**	**7**	**6**	**–**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	–	–	–	–	–	–
2.2 Capital transfers	3	6	-4	7	6	–
2.2.1 General government	3	6	-4	7	6	–
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	3	6	-4	7	6	–
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
3 Financial Account (3.1 to 3.5)	**4338**	**3718**	**620**	**5225**	**4373**	**851**
3.1 Direct Investment (3.1A+3.1B)	**426**	**268**	**159**	**426**	**260**	**166**
3.1.A Direct Investment in India	***413***	***105***	***308***	***399***	***51***	***348***
3.1.1 Equity and investment fund shares	*410*	*104*	*306*	*392*	*48*	*344*
3.1.1.1 Equity other than reinvestment of earnings	273	104	169	253	48	205
3.1.1.1.1 Direct investor in direct investment enterprises	273	104	169	253	48	205
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	136	–	136	139	–	139
3.1.2 Debt instruments	*3*	*1*	*2*	*7*	*3*	*4*
3.1.2.1 Direct investor in direct investment enterprises	3	1	2	7	3	4
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***13***	***163***	***-149***	***27***	***209***	***-182***
3.1.1 Equity and investment fund shares	*13*	*110*	*-96*	*27*	*131*	*-104*
3.1.1.1 Equity other than reinvestment of earnings	13	98	-84	27	119	-92
3.1.1.1.1 Direct investor in direct investment enterprises	13	98	-84	27	119	-92
3.1.1.1.2 Direct investment enterprises in direct investor(reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	12	-12	–	13	-13
3.1.2 Debt instruments	–	*53*	*-53*	–	*78*	*-78*
3.1.2.1 Direct investor in direct investment enterprises	–	53	-53	–	78	-78
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**1960**	**1800**	**159**	**2732**	**1863**	**869**
3.2A Portfolio Investment in India	***1955***	***1794***	***161***	***2725***	***1853***	***872***
3.2.1 Equity and investment fund shares	*1476*	*1374*	*102*	*1690*	*1251*	*438*
3.2.2 Debt securities	*479*	*420*	*59*	*1035*	*601*	*434*
3.2.B Portfolio Investment by India	***4***	***6***	***-2***	***7***	***10***	***-3***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**1952**	**1479**	**473**	**2067**	**2098**	**-31**
3.4.1 Other equity (ADRs/GDRs)	*51*	–	*51*	*23*	–	*23*
3.4.2 Currency and deposits	*514*	*463*	*50*	*543*	*522*	*20*
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	–	1	-1	–	28	-28
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	513	462	51	543	494	49
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***599***	***253***	***346***	***583***	***563***	***20***
3.4.3A Loans to India	*590*	*241*	*349*	*568*	*536*	*32*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	251	118	133	247	415	-167
3.4.3.3 General government (External Assistance)	146	33	112	58	31	27
3.4.3.4 Other sectors (External Commercial Borrowings)	194	89	104	263	91	172
3.4.3B Loans by India	*9*	*12*	*-3*	*15*	*27*	*-12*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	1	1	–	1	1	–
3.4.3.4 Other sectors	8	11	-3	14	26	-12
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***722***	***525***	***197***	***903***	***781***	***122***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	722	525	197	903	781	122
3.4.6 Other accounts receivable/payable—other	***67***	***238***	***-171***	***16***	***231***	***-216***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**171**	**-171**	–	**153**	**-153**
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)	–	171	-171	–	153	-153
3.5.4.1 Currency,deposits and securities	–	171	-171	–	153	-153
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**4338**	**3718**	**620**	**5225**	**4373**	**851**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	1903	1594	309	2116	1440	675
3.0.2 Debt instruments	2317	1716	602	3071	2549	522
3.0.3 Other financial assets and liabilities	118	408	-291	38	384	-346
4 Net errors and omissions		**41**	**-41**		**66**	**-66**

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Oct-Dec 2010 (PR)			Jan-Mar 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
1 Current Account (1.A+1.B+1.C)	**5428**	**5882**	**-454**	**5849**	**6135**	**-286**
1.A Goods and Services (1.A.a+1.A.b)	**4702**	**5553**	**-850**	**5102**	**5801**	**-700**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**2960**	**4370**	**-1410**	**3504**	**4864**	**-1360**
1.A.a.1 General merchandise on a BOP basis	2956	4016	-1060	3497	4334	-837
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	4	–	4	7	–	7
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	354	-354	–	530	-530
1.A.b Services (1.A.b.1 to 1.A.b.13)	**1742**	**1182**	**560**	**1598**	**938**	**660**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***167***	***179***	***-12***	***189***	***147***	***41***
1.A.b.3.1 Sea transport	72	102	-30	70	90	-20
1.A.b.3.2 Air transport	26	64	-38	34	48	-13
1.A.b.3.3 Other modes of transport	68	13	56	83	9	75
1.A.b.3.4 Postal and courier services	–	–	–	1	1	–
1.A.b.4 Travel	***199***	***128***	***71***	***205***	***145***	***60***
1.A.b.4.1 Business	–	56	-56	–	84	-84
1.A.b.4.2 Personal	–	72	-72	–	60	-60
1.A.b.4.2.1 Health-related	–	–	–	–	–	–
1.A.b.4.2.2 Education-related	–	20	-20	–	21	-21
1.A.b.4.2.3 Other	–	52	-52	–	39	-39
1.A.b.5 Construction	***6***	***10***	***-4***	***11***	***21***	***-9***
1.A.b.5.1 Construction abroad	6	5	–	11	11	1
1.A.b.5.2 Construction in the reporting economy	–	5	-5	–	10	-10
1.A.b.6 Insurance and pension services	***23***	***18***	***5***	***27***	***14***	***13***
1.A.b.6.1 Direct insurance	21	6	15	25	6	19
1.A.b.6.2 Reinsurance	2	11	-10	1	7	-6
1.A.b.6.3 Auxiliary insurance services	–	1	–	–	1	–
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***76***	***88***	***-12***	***80***	***100***	***-20***
1.A.b.7.1 Explicitly charged and other financial services	76	88	-12	80	100	-20
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***1***	***31***	***-30***	***5***	***27***	***-22***
1.A.b.9 Telecommunications, computer, and information services	***695***	***50***	***645***	***743***	***39***	***704***
1.A.b.9.1 Telecommunications services	19	13	6	17	15	2
1.A.b.9.2 Computer services	661	32	630	721	15	707
1.A.b.9.3 Information services	14	5	9	4	10	-5
1.A.b.10 Other business services	***303***	***347***	***-44***	***265***	***304***	***-40***
1.A.b.10.1 Research and development services	10	4	7	9	2	7
1.A.b.10.2 Professional and management consulting services	140	153	-12	135	145	-10
1.A.b.10.3 Technical, trade-related, and other business services	152	191	-38	121	157	-36
1.A.b.11 Personal, cultural, and recreational services	***2***	***10***	***-8***	***3***	***6***	***-3***
1.A.b.11.1 Audiovisual and related services	1	2	–	2	1	1
1.A.b.11.2 Other personal, cultural, and recreational services	1	9	-8	1	5	-4
1.A.b.12 Government goods and services n.i.e.	***7***	***9***	***-2***	***7***	***13***	***-5***
1.A.b.13 Others n.i.e.	***265***	***311***	***-47***	***63***	***122***	***-59***
1.B Primary Income (1.B.1 to 1.B.3)	**94**	**300**	**-206**	**99**	**301**	**-202**
1.B.1 Compensation of employees	13	25	-13	16	25	-9
1.B.2 Investment income	81	275	-194	82	276	-194
1.B.2.1 Direct investment	40	272	-232	33	272	-239
1.B.2.1.1 Income on equity and investment fund shares	32	195	-163	26	177	-151
1.B.2.1.2 Interest	8	77	-69	7	95	-88
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	3	-3	–	3	-3
1.B.2.4 Reserve assets	41	–	41	49	–	49
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**632**	**29**	**603**	**649**	**33**	**616**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	632	29	603	649	33	616
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	609	24	585	621	28	593
Of which:	–	–	–	–	–	–
1.C.1.1.1 Workers' remittances	324	24	300	330	28	302
1.C.1.2 Other current transfers	23	5	18	28	5	23
2 Capital Account (2.1+2.2)	**15**	**9**	**6**	**6**	**7**	**-1**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	–	–	–	1	–	1
2.2 Capital transfers	15	9	6	5	7	-2
2.2.1 General government	15	9	6	5	7	-2
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	15	9	6	5	7	-2
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Oct-Dec 2010 (PR)			Jan-Mar 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
3 Financial Account (3.1 to 3.5)	**7822**	**7380**	**443**	**5319**	**4995**	**323**
3.1 Direct Investment (3.1A+3.1B)	**423**	**369**	**54**	**341**	**290**	**51**
3.1.A Direct Investment in India	***374***	***99***	***275***	***314***	***64***	***249***
3.1.1 Equity and investment fund shares	*370*	*83*	*286*	*299*	*61*	*238*
3.1.1.1 Equity other than reinvestment of earnings	236	83	152	163	61	103
3.1.1.1.1 Direct investor in direct investment enterprises	236	83	152	163	61	103
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	134	–	134	135	–	135
3.1.2 Debt instruments	*5*	*15*	*-11*	*15*	*4*	*12*
3.1.2.1 Direct investor in direct investment enterprises	5	15	-11	15	4	12
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***49***	***271***	***-222***	***27***	***226***	***-198***
3.1.1 Equity and investment fund shares	*49*	*162*	*-113*	*27*	*126*	*-99*
3.1.1.1 Equity other than reinvestment of earnings	49	150	-101	27	114	-86
3.1.1.1.1 Direct investor in direct investment enterprises	49	150	-101	27	114	-86
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	12	-12	–	12	-12
3.1.2 Debt instruments	–	*109*	*-109*	–	*100*	*-100*
3.1.2.1 Direct investor in direct investment enterprises	–	109	-109	–	100	-100
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**4556**	**4284**	**272**	**2201**	**2202**	**-1**
3.2A Portfolio Investment in India	***4550***	***4229***	***321***	***2184***	***2185***	***-2***
3.2.1 Equity and investment fund shares	*3797*	*3386*	*412*	*1562*	*1648*	*-87*
3.2.2 Debt securities	*753*	*843*	*-91*	*622*	*537*	*85*
3.2.B Portfolio Investment by India	***6***	***55***	***-49***	***18***	***17***	***1***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**2843**	**2547**	**296**	**2776**	**2411**	**365**
3.4.1 Other equity (ADRs/GDRs)	***10***	–	***10***	***10***	–	***10***
3.4.2 Currency and deposits	***568***	***555***	***12***	***696***	***607***	***89***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	4	–	4	73	25	48
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	564	555	8	623	583	40
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***1289***	***856***	***433***	***858***	***814***	***44***
3.4.3A Loans to India	*1263*	*845*	*418*	*822*	*791*	*31*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	917	710	208	458	582	-124
3.4.3.3 General government (External Assistance)	86	34	52	65	31	34
3.4.3.4 Other sectors (External Commercial Borrowings)	259	101	158	299	178	120
3.4.3B Loans by India	*26*	*11*	*15*	*37*	*23*	*13*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	1	1	–	1	1	–
3.4.3.4 Other sectors	26	10	16	36	22	13
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***823***	***762***	***60***	***1003***	***880***	***123***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	823	762	60	1003	880	123
3.4.6 Other accounts receivable/payable – other	***154***	***374***	***-221***	***209***	***109***	***100***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**179**	**-179**	–	**92**	**-92**
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)	–	179	-179	–	92	-92
3.5.4.1 Currency,deposits and securities	–	179	-179	–	92	-92
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**7822**	**7380**	**443**	**5319**	**4995**	**323**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	4222	3686	536	1905	1852	53
3.0.2 Debt instruments	3436	3140	296	3194	2942	252
3.0.3 Other financial assets and liabilities	164	553	-389	219	201	18
4 Net errors and omissions	**5**		**5**		**36**	**-36**

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Apr-Jun 2011 (PR)			Jul-Sept 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
1 Current Account (1.A+1.B+1.C)	**5602**	**6304**	**-702**	**5865**	**6707**	**-842**
1.A Goods and Services (1.A.a+1.A.b)	**4798**	**5970**	**-1171**	**4980**	**6325**	**-1345**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**3325**	**5170**	**-1846**	**3499**	**5484**	**-1985**
1.A.a.1 General merchandise on a BOP basis	3319	4450	-1131	3499	4905	-1407
1.A.a.1.1 Re-exports						
1.A.a.2 Net exports of goods under merchanting	5	–	5	1	–	1
1.A.a.2.1 Goods acquired under merchanting (negative credits)						
1.A.a.2.2 Goods sold under merchanting						
1.A.a.3 Nonmonetary gold	–	720	-720	–	579	-579
1.A.b Services (1.A.b.1 to 1.A.b.13)	**1474**	**799**	**674**	**1481**	**841**	**641**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy						
1.A.b.1.2 Goods for processing abroad						
1.A.b.2 Maintenance and repair services n.i.e.						
1.A.b.3 Transport	***194***	***180***	***14***	***203***	***167***	***36***
1.A.b.3.1 Sea transport	83	115	-32	75	104	-30
1.A.b.3.2 Air transport	31	53	-23	40	47	-7
1.A.b.3.3 Other modes of transport	80	11	69	88	15	73
1.A.b.3.4 Postal and courier services	–	1	-1	–	1	-1
1.A.b.4 Travel	***165***	***155***	***11***	***194***	***162***	***32***
1.A.b.4.1 Business	–	83	-83	–	75	-75
1.A.b.4.2 Personal	–	72	-72	–	86	-86
1.A.b.4.2.1 Health-related	–	–	–	–	1	-1
1.A.b.4.2.2 Education-related	–	15	-15	–	29	-29
1.A.b.4.2.3 Other	–	57	-57	–	57	-57
1.A.b.5 Construction	***11***	***9***	***2***	***6***	***14***	***-9***
1.A.b.5.1 Construction abroad	11	5	6	6	8	-2
1.A.b.5.2 Construction in the reporting economy	–	4	-4	–	7	-7
1.A.b.6 Insurance and pension services	***25***	***13***	***12***	***28***	***19***	***9***
1.A.b.6.1 Direct insurance	24	4	20	26	7	19
1.A.b.6.2 Reinsurance	1	9	-7	1	10	-9
1.A.b.6.3 Auxiliary insurance services	–	1	–	1	2	-1
1.A.b.6.4 Pension and standardized guarantee services						
1.A.b.7 Financial services	***57***	***79***	***-22***	***72***	***97***	***-25***
1.A.b.7.1 Explicitly charged and other financial services	57	79	-22	72	97	-25
1.A.b.7.2 Financial intermediation services indirectly measured						
1.A.b.8 Charges for the use of intellectual property n.i.e.	***2***	***27***	***-25***	***4***	***32***	***-28***
1.A.b.9 Telecommunications, computer, and information services	***686***	***40***	***646***	***660***	***31***	***629***
1.A.b.9.1 Telecommunications services	16	18	-2	21	13	8
1.A.b.9.2 Computer services	668	14	655	638	14	624
1.A.b.9.3 Information services	1	9	-7	1	4	-3
1.A.b.10 Other business services	***225***	***269***	***-44***	***233***	***276***	***-43***
1.A.b.10.1 Research and development services	7	2	5	9	1	7
1.A.b.10.2 Professional and management consulting services	108	115	-7	106	126	-20
1.A.b.10.3 Technical, trade-related, and other business services	109	151	-42	119	148	-30
1.A.b.11 Personal, cultural, and recreational services	***4***	***4***	***–***	***6***	***4***	***2***
1.A.b.11.1 Audiovisual and related services	1	1	–	1	1	–
1.A.b.11.2 Other personal, cultural, and recreational services	2	2	–	4	3	2
1.A.b.12 Government goods and services n.i.e.	***6***	***9***	***-3***	***7***	***8***	***-1***
1.A.b.13 Others n.i.e.	***99***	***15***	***84***	***69***	***30***	***39***
1.B Primary Income (1.B.1 to 1.B.3)	**111**	**304**	**-193**	**141**	**354**	**-212**
1.B.1 Compensation of employees	26	18	8	33	21	11
1.B.2 Investment income	85	286	-201	109	332	-223
1.B.2.1 Direct investment	49	283	-235	49	330	-281
1.B.2.1.1 Income on equity and investment fund shares	32	178	-146	34	224	-190
1.B.2.1.2 Interest	16	105	-89	15	106	-91
1.B.2.2 Portfolio investment						
1.B.2.3 Other investment	–	2	-2	–	2	-2
1.B.2.4 Reserve assets	36	–	36	60	–	60
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**693**	**31**	**662**	**743**	**28**	**715**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	693	32	661	743	28	715
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	665	26	639	716	24	692
Of which:						
1.C.1.1.1 Workers' remittances	330	26	303	353	24	329
1.C.1.2 Other current transfers	28	6	22	27	4	23
2 Capital Account (2.1+2.2)	**2**	**14**	**-12**	**19**	**7**	**11**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	–	8	-8	12	1	12
2.2 Capital transfers	2	7	-4	6	7	-1
2.2.1 General government	2	7	-4	6	7	-1
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	2	7	-4	6	7	-1
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Apr-Jun 2011 (PR)			Jul-Sept 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
3 Financial Account (3.1 to 3.5)	*5731*	*4972*	*759*	**5178**	**4414**	**764**
3.1 Direct Investment (3.1A+3.1B)	*818*	*471*	*347*	**433**	**251**	**182**
3.1.A Direct Investment in India	*800*	*204*	*596*	*416*	*98*	*318*
3.1.1 Equity and investment fund shares	*734*	*189*	*545*	*397*	*92*	*305*
3.1.1.1 Equity other than reinvestment of earnings	612	189	423	272	92	180
3.1.1.1.1 Direct investor in direct investment enterprises	612	189	423	272	92	180
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)						
3.1.1.1.3 Between fellow enterprises						
3.1.1.2 Reinvestment of earnings	122	–	122	125	–	125
3.1.2 Debt instruments	*66*	*15*	*51*	*19*	*6*	*13*
3.1.2.1 Direct investor in direct investment enterprises	66	15	51	19	6	13
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)						
3.1.2.3 Between fellow enterprises						
3.1.B Direct Investment by India	*18*	*267*	*-249*	*17*	*153*	*-137*
3.1.1 Equity and investment fund shares	*18*	*82*	*-64*	*17*	*87*	*-70*
3.1.1.1 Equity other than reinvestment of earnings	18	69	-51	17	73	-56
3.1.1.1.1 Direct investor in direct investment enterprises	18	69	-51	17	73	-56
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)						
3.1.1.1.3 Between fellow enterprises						
3.1.1.2 Reinvestment of earnings	–	14	-14	–	14	-14
3.1.2 Debt instruments	–	*185*	*-185*	–	*66*	*-66*
3.1.2.1 Direct investor in direct investment enterprises	–	185	-185	–	66	-66
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)						
3.1.2.3 Between fellow enterprises						
3.2 Portfolio Investment	**2165**	**2064**	**101**	**1969**	**2034**	**-64**
3.2A Portfolio Investment in India	*2,161*	*2,050*	*111*	*1,948*	*2,021*	*-73*
3.2.1 Equity and investment fund shares	*1490*	*1415*	*75*	*1386*	*1473*	*-87*
3.2.2 Debt securities	*671*	*635*	*36*	*562*	*548*	*14*
3.2.B Portfolio Investment by India	*4*	*14*	*-9*	*21*	*12*	*9*
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**2748**	**2194**	**554**	**2775**	**2117**	**659**
3.4.1 Other equity (ADRs/GDRs)	*12*	–	*12*	*9*	–	*9*
3.4.2 Currency and deposits	*560*	*508*	*52*	*691*	*564*	*126*
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	1	1	–	–	1	-1
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	558	507	51	691	563	128
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	*1085*	*405*	*679*	*727*	*293*	*434*
3.4.3A Loans to India	*1069*	*390*	*679*	*675*	*270*	*405*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	726	212	515	231	52	179
3.4.3.3 General government (External Assistance)	55	37	17	49	34	15
3.4.3.4 Other sectors (External Commercial Borrowings)	288	141	147	394	184	210
3.4.3B Loans by India	*16*	*15*	*1*	*52*	*23*	*29*
3.4.3.1 Central bank						
3.4.3.2 Deposit-taking corporations, except the central bank						
3.4.3.3 General government	1	1	–	1	1	–
3.4.3.4 Other sectors	15	14	1	51	21	30
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	*1080*	*943*	*137*	*1209*	*1077*	*131*
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	*1080*	*943*	*137*	*1209*	*1077*	*131*
3.4.6 Other accounts receivable/payable – other	*10*	*337*	*-327*	*140*	*183*	*-43*
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**243**	**-243**	–	**13**	**-13**
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)	–	243	-243	–	13	-13
3.5.4.1 Currency,deposits and securities	–	243	-243	–	13	-13
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**5731**	**4972**	**759**	**5178**	**4414**	**764**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	2246	1700	547	1821	1657	165
3.0.2 Debt instruments	3462	2691	770	3207	2562	645
3.0.3 Other financial assets and liabilities	23	580	-558	150	195	-46
4 Net errors and omissions		–	**-45**	–	–	**67**

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Oct-Dec 2011 (P)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
1 Current Account (1.A+1.B+1.C)	**6529**	**7529**	**-999**	**5428**	**5882**	**-454**
1.A Goods and Services (1.A.a+1.A.b)	**5496**	**7159**	**-1663**	**4702**	**5553**	**-850**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**3625**	**6053**	**-2427**	**2960**	**4370**	**-1410**
1.A.a.1 General merchandise on a BOP basis	3623	5200	-1578	2956	4016	-1060
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	3	–	3	4	–	4
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	853	-853	–	354	-354
1.A.b Services (1.A.b.1 to 1.A.b.13)	**1870**	**1106**	**765**	**1742**	**1182**	**560**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy						
1.A.b.1.2 Goods for processing abroad						
1.A.b.2 Maintenance and repair services n.i.e.						
1.A.b.3 Transport	***233***	***227***	***7***	***167***	***179***	***-12***
1.A.b.3.1 Sea transport	66	114	-48	72	102	-30
1.A.b.3.2 Air transport	41	43	-2	26	64	-38
1.A.b.3.3 Other modes of transport	127	70	57	68	13	56
1.A.b.3.4 Postal and courier services	–	–	–	–	–	–
1.A.b.4 Travel	***258***	***180***	***78***	***199***	***128***	***71***
1.A.b.4.1 Business	–	87	-87	–	56	-56
1.A.b.4.2 Personal	–	93	-93	–	72	-72
1.A.b.4.2.1 Health-related	–	–	–	–	–	–
1.A.b.4.2.2 Education-related	–	20	-20	–	20	-20
1.A.b.4.2.3 Other	–	72	-72	–	52	-52
1.A.b.5 Construction	***10***	***8***	***3***	***6***	***10***	***-4***
1.A.b.5.1 Construction abroad	10	4	7	6	5	–
1.A.b.5.2 Construction in the reporting economy	–	4	-4	–	5	-5
1.A.b.6 Insurance and pension services	***41***	***22***	***18***	***23***	***18***	***5***
1.A.b.6.1 Direct insurance	38	10	28	21	6	15
1.A.b.6.2 Reinsurance	2	12	-10	2	11	-10
1.A.b.6.3 Auxiliary insurance services	1	–	–	–	1	–
1.A.b.6.4 Pension and standardized guarantee services						
1.A.b.7 Financial services	***82***	***107***	***-25***	***76***	***88***	***-12***
1.A.b.7.1 Explicitly charged and other financial services	82	107	-25	76	88	-12
1.A.b.7.2 Financial intermediation services indirectly measured						
1.A.b.8 Charges for the use of intellectual property n.i.e.	***4***	***47***	***-43***	***1***	***31***	***-30***
1.A.b.9 Telecommunications, computer, and information services	***846***	***39***	***807***	***695***	***50***	***645***
1.A.b.9.1 Telecommunications services	23	17	6	19	13	6
1.A.b.9.2 Computer services	821	16	805	661	32	630
1.A.b.9.3 Information services	2	6	-4	14	5	9
1.A.b.10 Other business services	***291***	***342***	***-50***	***303***	***347***	***-44***
1.A.b.10.1 Research and development services	11	5	6	10	4	7
1.A.b.10.2 Professional and management consulting services	136	171	-35	140	153	-12
1.A.b.10.3 Technical, trade-related, and other business services	145	167	-21	152	191	-38
1.A.b.11 Personal, cultural, and recreational services	***3***	***2***	***1***	***2***	***10***	***-8***
1.A.b.11.1 Audiovisual and related services	2	1	1	1	2	–
1.A.b.11.2 Other personal, cultural, and recreational services	1	2	–	1	9	-8
1.A.b.12 Government goods and services n.i.e.	***7***	***9***	***-2***	***7***	***9***	***-2***
1.A.b.13 Others n.i.e.	***94***	***123***	***-29***	***265***	***311***	***-47***
1.B Primary Income (1.B.1 to 1.B.3)	**116**	**346**	**-230**	**94**	**300**	**-206**
1.B.1 Compensation of employees	30	28	2	13	25	-13
1.B.2 Investment income	86	318	-232	81	275	-194
1.B.2.1 Direct investment	36	314	-278	40	272	-232
1.B.2.1.1 Income on equity and investment fund shares	25	181	-156	32	195	-163
1.B.2.1.2 Interest	10	133	-122	8	77	-69
1.B.2.2 Portfolio investment						
1.B.2.3 Other investment	–	4	-4	–	3	-3
1.B.2.4 Reserve assets	51	–	51	41	–	41
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**917**	**24**	**894**	**632**	**29**	**603**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	917	24	894	632	29	603
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	883	20	863	609	24	585
Of which:						
1.C.1.1.1 Workers' remittances	428	20	408	324	24	300
1.C.1.2 Other current transfers	34	4	31	23	5	18
2 Capital Account (2.1+2.2)	**18**	**12**	**6**	**15**	**9**	**6**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	–	4	-4	–	–	–
2.2 Capital transfers	18	8	10	15	9	6
2.2.1 General government	18	8	10	15	9	6
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	18	8	10	15	9	6
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(` Billion)

Item	Oct-Dec 2011 (P)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
3 Financial Account (3.1 to 3.5)	**5480**	**4417**	**1064**	**7822**	**7380**	**443**
3.1 Direct Investment (3.1A+3.1B)	**507**	**278**	**228**	**423**	**369**	**54**
3.1.A Direct Investment in India	***456***	***130***	***325***	***374***	***99***	***275***
3.1.1 Equity and investment fund shares	*409*	*128*	*281*	*370*	*83*	*286*
3.1.1.1 Equity other than reinvestment of earnings	270	128	142	236	83	152
3.1.1.1.1 Direct investor in direct investment enterprises	270	128	142	236	83	152
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	139	–	139	134	–	134
3.1.2 Debt instruments	*46*	*2*	*44*	*5*	*15*	*-11*
3.1.2.1 Direct investor in direct investment enterprises	46	2	44	5	15	-11
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***51***	***148***	***-97***	***49***	***271***	***-222***
3.1.1 Equity and investment fund shares	*51*	*86*	*-35*	*49*	*162*	*-113*
3.1.1.1 Equity other than reinvestment of earnings	51	70	-19	49	150	-101
3.1.1.1.1 Direct investor in direct investment enterprises	51	70	-19	49	150	-101
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	15	-15	–	12	-12
3.1.2 Debt instruments	–	*62*	*-62*	–	*109*	*-109*
3.1.2.1 Direct investor in direct investment enterprises	–	62	-62	–	109	-109
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**2000**	**1907**	**92**	**4556**	**4284**	**272**
3.2A Portfolio Investment in India	***1,990***	***1,895***	***95***	***4550***	***4229***	***321***
3.2.1 Equity and investment fund shares	*1174*	*1275*	*-101*	*3797*	*3386*	*412*
3.2.2 Debt securities	*815*	*619*	*196*	*753*	*843*	*-91*
3.2.B Portfolio Investment by India	***10***	***13***	***-2***	***6***	***55***	***-49***
3.3 Financial derivatives (other than reserves) and employee stock options	**–**	**–**	**–**	**–**	**–**	**–**
3.4 Other investment	**2974**	**2883**	**90**	**2843**	**2547**	**296**
3.4.1 Other equity (ADRs/GDRs)	***4***	**–**	***4***	***10***	**–**	***10***
3.4.2 Currency and deposits	***800***	***637***	***163***	***568***	***555***	***12***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	–	6	-6	4	–	4
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	800	630	169	564	555	8
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***624***	***922***	***-298***	***1289***	***856***	***433***
3.4.3A Loans to India	*551*	*875*	*-324*	*1263*	*845*	*418*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	23	465	-442	917	710	208
3.4.3.3 General government (External Assistance)	112	41	71	86	34	52
3.4.3.4 Other sectors (External Commercial Borrowings)	417	369	48	259	101	158
3.4.3B Loans by India	*72*	*47*	*25*	*26*	*11*	*15*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	1	1	–	1	1	–
3.4.3.4 Other sectors	72	46	26	26	10	16
3.4.4 Insurance, pension, and standardized guarantee schemes	**–**	**–**	**–**	**–**	**–**	**–**
3.4.5 Trade credit and advances	***1281***	***1287***	***-7***	***823***	***762***	***60***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	*1281*	*1287*	*-7*	823	762	60
3.4.6 Other accounts receivable/payable – other	***265***	***37***	***228***	***154***	***374***	***-221***
3.4.7 Special drawing rights	**–**	**–**	**–**	**–**	**–**	**–**
3.5 Reserve assets	**653**	**–**	**653**	**–**	**179**	**-179**
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)	653	–	653	–	179	-179
3.5.4.1 Currency,deposits and securities	653	–	653	–	179	-179
3.5.4.2 Financial derivatives						
3.5.4.3 Other claims						
3 Total assets/liabilities	**5480**	**4417**	**1064**	**7822**	**7380**	**443**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	1645	1388	257	4222	3686	536
3.0.2 Debt instruments	862	798	64	3436	3140	296
3.0.3 Other financial assets and liabilities	2974	2231	743	164	553	-389
4 Net errors and omissions		**70**	**-70**	**5**		**5**

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Concld.)*

(` Billion)

Item	Apr-Dec 2011-12 (P)			Apr-Dec 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
1 Current Account (1.A+1.B+1.C)	**17997**	**20540**	**-2543**	**14493**	**16308**	**-1815**
1.A Goods and Services (1.A.a+1.A.b)	**15275**	**19453**	**-4179**	**12292**	**15325**	**-3033**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**10449**	**16708**	**-6258**	**7898**	**12487**	**-4589**
1.A.a.1 General merchandise on a BOP basis	10440	14556	-4115	7898	11471	-3573
1.A.a.1.1 Re-exports	-	-	-	-	-	-
1.A.a.2 Net exports of goods under merchanting	9	0	9	–	–	–
1.A.a.2.1 Goods acquired under merchanting (negative credits)	-	-	-	-	-	-
1.A.a.2.2 Goods sold under merchanting	-	-	-	-	-	-
1.A.a.3 Nonmonetary gold	–	2152	-2152	–	1016	-1016
1.A.b Services (1.A.b.1 to 1.A.b.13)	**4825**	**2746**	**2079**	**4394**	**2838**	**1556**
1.A.b.1 Manufacturing services on physical inputs owned by others	-	-	-	-	-	-
1.A.b.1.1 Goods for processing in reporting economy	-	-	-	-	-	-
1.A.b.1.2 Goods for processing abroad	-	-	-	-	-	-
1.A.b.2 Maintenance and repair services n.i.e.	-	-	-	-	-	-
1.A.b.3 Transport	***630***	***574***	***56***	***463***	***488***	***-24***
1.A.b.3.1 Sea transport	223	333	-109	211	279	-68
1.A.b.3.2 Air transport	111	143	-32	78	170	-92
1.A.b.3.3 Other modes of transport	294	95	199	173	36	137
1.A.b.3.4 Postal and courier services	1	2	-2	1	2	-1
1.A.b.4 Travel	***617***	***496***	***121***	***490***	***361***	***129***
1.A.b.4.1 Business	–	245	-245	–	142	-142
1.A.b.4.2 Personal	–	251	-251	–	219	-219
1.A.b.4.2.1 Health-related	–	1	-1	–	2	-2
1.A.b.4.2.2 Education-related	–	64	-64	–	65	-65
1.A.b.4.2.3 Other	–	186	-186	–	152	-152
1.A.b.5 Construction	***28***	***32***	***-4***	***19***	***32***	***-13***
1.A.b.5.1 Construction abroad	28	17	11	19	18	1
1.A.b.5.2 Construction in the reporting economy	–	15	-15	–	14	-14
1.A.b.6 Insurance and pension services	***94***	***55***	***39***	***62***	***50***	***12***
1.A.b.6.1 Direct insurance	88	21	67	57	21	36
1.A.b.6.2 Reinsurance	5	32	-27	4	27	-23
1.A.b.6.3 Auxiliary insurance services	2	3	-1	1	2	-1
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***211***	***283***	***-73***	***216***	***241***	***-24***
1.A.b.7.1 Explicitly charged and other financial services	211	283	-73	216	241	-24
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***9***	***106***	***-96***	***4***	***83***	***-79***
1.A.b.9 Telecommunications, computer, and information services	***2191***	***110***	***2081***	***1878***	***132***	***1746***
1.A.b.9.1 Telecommunications services	60	48	12	52	35	17
1.A.b.9.2 Computer services	2128	44	2084	1803	85	1718
1.A.b.9.3 Information services	4	18	-14	23	12	12
1.A.b.10 Other business services	***749***	***886***	***-137***	***774***	***911***	***-137***
1.A.b.10.1 Research and development services	26	8	18	31	9	22
1.A.b.10.2 Professional and management consulting services	350	412	-62	348	401	-53
1.A.b.10.3 Technical, trade-related, and other business services	373	466	-93	395	501	-107
1.A.b.11 Personal, cultural, and recreational services	***13***	***10***	***3***	***7***	***18***	***-11***
1.A.b.11.1 Audiovisual and related services	5	3	2	4	6	-2
1.A.b.11.2 Other personal, cultural, and recreational services	8	7	1	4	13	-9
1.A.b.12 Government goods and services n.i.e.	***20***	***27***	***-6***	***17***	***25***	***-8***
1.A.b.13 Others n.i.e.	***262***	***168***	***94***	***463***	***497***	***-35***
1.B Primary Income (1.B.1 to 1.B.3)	**369**	**1004**	**-635**	**316**	**902**	**-586**
1.B.1 Compensation of employees	89	67	21	35	68	-33
1.B.2 Investment income	280	937	-656	281	835	-554
1.B.2.1 Direct investment	133	927	-794	141	822	-681
1.B.2.1.1 Income on equity and investment fund shares	92	583	-491	67	590	-523
1.B.2.1.2 Interest	41	344	-303	74	231	-157
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	9	-9	–	13	-13
1.B.2.4 Reserve assets	148	1	147	140	1	140
1.B.3 Other primary income	-	-	-	-	-	-
1.C Secondary Income (1.C.1+1.C.2)	**2353**	**83**	**2270**	**1885**	**81**	**1804**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	2353	84	2269	1885	81	1804
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	2264	71	2194	1819	67	1752
Of which:						
1.C.1.1.1 Workers' remittances	1111	71	1040	918	67	851
1.C.1.2 Other current transfers	89	13	75	66	14	52
2 Capital Account (2.1+2.2)	**39**	**34**	**5**	**25**	**22**	**3**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	13	13	–	1	1	–
2.2 Capital transfers	26	21	5	24	22	3
2.2.1 General government	26	21	5	24	22	3
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	26	21	5	24	22	3
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 40A: Standard Presentation of BoP in India as per BPM6 *(Concld.)*

(` Billion)

Item	Apr-Dec 2011-12 (P)			Apr-Dec 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
3 Financial Account (3.1 to 3.5)	**16389**	**13802**	**2586**	**17386**	**15471**	**1914**
3.1 Direct Investment (3.1A+3.1B)	**1758**	**1000**	**758**	**1275**	**897**	**378**
3.1.A Direct Investment in India	***1672***	***432***	***1240***	***1186***	***255***	***931***
3.1.1 Equity and investment fund shares	*1541*	*409*	*1132*	*1171*	*235*	*936*
3.1.1.1 Equity other than reinvestment of earnings	1155	409	746	762	235	527
3.1.1.1.1 Direct investor in direct investment enterprises	1155	409	746	762	235	527
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	386	–	386	409	–	409
3.1.2 Debt instruments	*131*	*23*	*108*	*15*	*19*	*-4*
3.1.2.1 Direct investor in direct investment enterprises	131	23	108	15	19	-4
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***86***	***568***	***-482***	***89***	***643***	***-554***
3.1.1 Equity and investment fund shares	*86*	*255*	*-169*	*89*	*403*	*-314*
3.1.1.1 Equity other than reinvestment of earnings	86	212	-126	89	366	-277
3.1.1.1.1 Direct investor in direct investment enterprises	86	212	-126	89	366	-277
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	43	-43	–	37	-37
3.1.2 Debt instruments	–	*313*	*-313*	–	*240*	*-240*
3.1.2.1 Direct investor in direct investment enterprises	–	313	-313	–	240	-240
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**6134**	**6005**	**129**	**9248**	**7947**	**1301**
3.2A Portfolio Investment in India	***6099***	***5966***	***133***	***9230***	***7876***	***1355***
3.2.1 Equity and investment fund shares	*4050*	*4042*	*9*	*6963*	*6011*	*952*
3.2.2 Debt securities	*2048*	*1924*	*124*	*2267*	*1865*	*402*
3.2.B Portfolio Investment by India	***35***	***39***	***-3***	***18***	***72***	***-54***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**8497**	**7194**	**1303**	**6863**	**6124**	**738**
3.4.1 Other equity (ADRs/GDRs)	***26***	–	***26***	***84***	–	***84***
3.4.2 Currency and deposits	***2050***	***1709***	***341***	***1624***	***1541***	***83***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	2	9	-7	4	29	-25
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	2049	1700	348	1620	1512	108
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***2435***	***1620***	***815***	***2471***	***1672***	***799***
3.4.3A Loans to India	*2295*	*1535*	*760*	*2421*	*1622*	*799*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	981	729	252	1415	1243	173
3.4.3.3 General government (External Assistance)	215	111	103	290	98	192
3.4.3.4 Other sectors (External Commercial Borrowings)	1099	695	405	716	281	435
3.4.3B Loans by India	*140*	*85*	*55*	*50*	*50*	–
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	2	3	-1	3	3	-1
3.4.3.4 Other sectors	138	82	56	48	47	1
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***3570***	***3308***	***262***	***2447***	***2068***	***379***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	*3570*	*3308*	*262*	2447	2068	379
3.4.6 Other accounts receivable/payable – other	***416***	***557***	***-141***	***236***	***843***	***-607***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	**397**	–	**397**	–	**503**	**-503**
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)	–	-397	397	–	503	-503
3.5.4.1 Currency,deposits and securities	–	-397	397	–	503	-503
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**16389**	**13802**	**2586**	**17386**	**15471**	**1914**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	5713	4867	846	8241	6721	1520
3.0.2 Debt instruments	10234	8775	1459	8824	7405	1420
3.0.3 Other financial assets and liabilities	1094	813	281	320	1346	-1025
4 Net errors and omissions		**48**	**-48**	–	**102**	**-102**

Note: The comparable figures in new and old formats may not entirely agree due to rounding off. Total of subcomponents may not tally with aggregate due to rounding off.

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

No. 41: India's Overall Balance of Payments

(US$ million)

Item	2007-08 (R)			2008-09 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1,66,162**	**2,57,629**	**-91,467**	**1,89,001**	**3,08,520**	**-1,19,519**
II. INVISIBLES (a+b+c)	**1,48,875**	**73,144**	**75,731**	**1,67,819**	**76,214**	**91,604**
a) Services	90,342	51,490	38,853	1,05,963	52,047	53,916
i) Travel	11,349	9,258	2,091	10,894	9,425	1,469
ii) Transportation	10,014	11,514	-1,500	11,310	12,820	-1,509
iii) Insurance	1,639	1,044	595	1,422	1,130	292
iv) G.n.i.e.	331	376	-45	389	793	-404
v) Miscellaneous	67,010	29,298	37,712	81,947	27,879	54,069
of which						
Software Services	40,300	3,358	36,942	46,300	2,564	43,736
Business Services	16,772	16,553	219	18,602	15,318	3,285
Financial Services	3,217	3,133	84	4,428	2,958	1,469
Communication Services	2,408	860	1,548	2,298	1,087	1,211
b) Transfers	44,261	2,316	41,945	47,547	2,749	44,798
i) Official	753	514	239	645	413	232
ii) Private	43,508	1,802	41,706	46,903	2,336	44,567
c) Income	14,272	19,339	-5,068	14,309	21,419	-7,110
i) Investment Income	13,811	18,244	-4,433	13,483	20,109	-6,626
ii) Compensation of Employees	461	1,095	-635	825	1,309	-484
Total Current Account (I+II)	**3,15,037**	**3,30,774**	**-15,737**	**3,56,820**	**3,84,735**	**-27,914**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,71,122**	**2,27,796**	**43,326**	**1,71,660**	**1,63,318**	**8,342**
a) Foreign Direct Investment (i+ii)	37,321	21,429	15,893	43,006	20,634	22,372
i) In India	34,844	116	34,728	41,903	166	41,738
Equity	26,865	108	26,757	32,096	166	31,930
Reinvested Earnings	7,679	–	7,679	9,030	–	9,030
Other Capital	300	8	292	777	–	777
ii) Abroad	2,477	21,312	-18,835	1,103	20,468	-19,365
Equity	2,477	16,899	-14,422	1,103	13,283	-12,181
Reinvested Earnings	–	1,084	-1,084	–	1,084	-1,084
Other Capital	–	3,330	-3,330	–	6,100	-6,100
b) Portfolio Investment	2,33,800	2,06,367	27,433	1,28,654	1,42,685	-14,030
i) In India	2,33,564	2,06,294	27,270	1,28,512	1,42,365	-13,853
of which						
FIIs	2,26,621	2,06,294	20,327	1,27,349	1,49,366	-15,017
ADR/GDRs	6,645	–	6,645	1,162	–	1,162
ii) Abroad	236	73	163	142	319	-177
2. Loans (a+b+c)	**82,192**	**41,539**	**40,653**	**62,217**	**53,902**	**8,314**
a) External Assistance	4,241	2,126	2,114	5,230	2,792	2,439
i) By India	23	28	-4	71	417	-347
ii) To India	4,217	2,098	2,119	5,159	2,374	2,785
b) Commercial Borrowings	30,293	7,684	22,609	15,222	7,361	7,861
i) By India	1,593	1,624	-31	1,997	783	1,214
ii) To India	28,700	6,060	22,640	13,225	6,578	6,647
c) Short Term to India	47,658	31,729	15,930	41,765	43,750	-1,985
i) Suppliers' Credit > 180 days & Buyers' Credit	42,641	31,729	10,913	38,815	38,352	463
ii) Suppliers' Credit up to 180 days	5,017	–	5,017	2,950	5,398	-2,448
3. Banking Capital (a+b)	**55,814**	**44,055**	**11,759**	**65,207**	**68,453**	**-3,245**
a) Commercial Banks	55,735	43,623	12,112	65,094	67,868	-2,774
i) Assets	19,562	12,668	6,894	25,823	28,725	-2,902
ii) Liabilities	36,173	30,955	5,217	39,270	39,142	128
of which: Non-Resident Deposits	29,400	29,222	179	37,147	32,858	4,290
b) Others	79	432	-353	114	585	-471
4. Rupee Debt Service	**–**	**122**	**-122**	**–**	**100**	**-100**
5. Other Capital	**29,229**	**18,261**	**10,969**	**16,685**	**22,602**	**-5,916**
Total Capital Account (1 to 5)	**4,38,357**	**3,31,772**	**1,06,585**	**3,15,770**	**3,08,375**	**7,395**
C. Errors & Omissions	**1,316**	**–**	**1,316**	**440**	**–**	**440**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,54,710**	**6,62,546**	**92,164**	**6,73,030**	**6,93,109**	**-20,080**
E. Monetary Movements (i+ii)	**–**	**92,164**	**-92,164**	**20,080**	**–**	**20,080**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	92,164	-92,164	20,080	–	20,080
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	2009-10 (R)			2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1,82,442**	**3,00,644**	**-1,18,203**	**2,50,468**	**3,81,061**	**-1,30,593**
II. INVISIBLES (a+b+c)	**1,63,430**	**83,408**	**80,022**	**1,98,248**	**1,13,600**	**84,647**
a) Services	96,045	60,029	36,016	1,32,880	84,064	48,816
i) Travel	11,859	9,343	2,517	15,275	11,108	4,167
ii) Transportation	11,178	11,933	-756	14,271	13,880	391
iii) Insurance	1,591	1,285	306	1,948	1,400	549
iv) G.n.i.e.	441	525	-84	535	820	-285
v) Miscellaneous	70,977	36,944	34,033	1,00,851	56,856	43,995
of which						
Software Services	49,705	1,468	48,237	55,460	2,194	53,265
Business Services	11,321	18,049	-6,728	24,050	27,765	-3,715
Financial Services	3,693	4,642	-950	6,508	7,483	-975
Communication Services	1,228	1,355	-127	1,562	1,152	410
b) Transfers	54,363	2,318	52,045	56,265	3,125	53,140
i) Official	727	473	254	647	631	16
ii) Private	53,636	1,845	51,791	55,618	2,494	53,125
c) Income	13,022	21,061	-8,038	9,102	26,412	-17,309
i) Investment Income	12,108	19,355	-7,248	7,986	24,384	-16,398
ii) Compensation of Employees	915	1,705	-791	1,116	2,028	-912
Total Current Account (I+II)	**3,45,872**	**3,84,052**	**-38,181**	**4,48,716**	**4,94,661**	**-45,945**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,98,653**	**1,48,291**	**50,362**	**2,89,416**	**2,49,763**	**39,652**
a) Foreign Direct Investment (i+ii)	38,484	20,518	17,966	35,464	26,104	9,360
i) In India	37,746	4,637	33,109	32,902	7,018	25,884
Equity	27,146	4,241	22,905	20,304	6,514	13,791
Reinvested Earnings	8,669	–	8,669	11,939	–	11,939
Other Capital	1,931	396	1,535	658	504	154
ii) Abroad	738	15,881	-15,143	2,562	19,086	-16,524
Equity	738	10,609	-9,871	2,562	10,537	-7,975
Reinvested Earnings	–	1,084	-1,084	–	1,084	-1,084
Other Capital	–	4,188	-4,188	–	7,465	-7,465
b) Portfolio Investment	1,60,169	1,27,773	32,396	2,53,952	2,23,660	30,293
i) In India	1,59,897	1,27,521	32,376	2,53,175	2,21,704	31,471
of which						
FIIs	1,56,570	1,27,521	29,049	2,51,125	2,21,704	29,422
ADR/GDRs	3,328	–	3,328	2,049	–	2,049
ii) Abroad	272	252	20	777	1,956	-1,179
2. Loans (a+b+c)	**74,163**	**61,716**	**12,447**	**1,07,726**	**79,289**	**28,437**
a) External Assistance	5,897	3,007	2,890	7,882	2,941	4,941
i) By India	51	422	-371	76	102	-26
ii) To India	5,846	2,585	3,261	7,806	2,840	4,967
b) Commercial Borrowings	15,003	13,003	2,000	24,113	11,606	12,506
i) By India	973	1,505	-531	1,840	1,513	328
ii) To India	14,029	11,498	2,531	22,272	10,094	12,179
c) Short Term to India	53,264	45,706	7,558	75,732	64,742	10,990
i) Suppliers' Credit > 180 days & Buyers' Credit	48,571	43,914	4,657	72,086	64,742	7,344
ii) Suppliers' Credit up to 180 days	4,693	1,792	2,901	3,646	–	3,646
3. Banking Capital (a+b)	**61,499**	**59,416**	**2,083**	**92,323**	**87,361**	**4,962**
a) Commercial Banks	60,893	58,966	1,927	90,621	86,189	4,433
i) Assets	17,097	15,259	1,838	35,369	38,666	-3,297
ii) Liabilities	43,796	43,707	88	55,252	47,523	7,730
of which: Non-Resident Deposits	41,355	38,433	2,922	49,252	46,014	3,238
b) Others	606	449	157	1,702	1,172	529
4. Rupee Debt Service	**–**	**97**	**-97**	**–**	**68**	**-68**
5. Other Capital	**11,451**	**24,613**	**-13,162**	**9,890**	**20,885**	**-10,994**
Total Capital Account (1 to 5)	**3,45,766**	**2,94,132**	**51,634**	**4,99,355**	**4,37,366**	**61,989**
C. Errors & Omissions	**–**	**12**	**-12**	**–**	**2,993**	**-2,993**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**6,91,638**	**6,78,197**	**13,441**	**9,48,071**	**9,35,021**	**13,050**
E. Monetary Movements (i+ii)	**–**	**13,441**	**-13,441**	**–**	**13,050**	**-13,050**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	13,441	-13,441	–	13,050	-13,050
of which: SDR allocation	–	5,160	-5,160	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-Jun 2008 (R)			Jul-Sept 2008 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
A. CURRENT ACCOUNT						
I. MERCHANDISE	**57,454**	**82,655**	**-25,200**	**53,630**	**92,752**	**-39,121**
II. INVISIBLES (a+b+c)	**39,985**	**18,186**	**21,799**	**46,919**	**20,062**	**26,857**
a) Services	23,616	12,344	11,271	29,001	13,525	15,476
i) Travel	2,504	2,164	341	2,786	2,711	75
ii) Transportation	2,615	3,328	-713	3,041	3,751	-710
iii) Insurance	350	227	123	377	306	71
iv) G.n.i.e.	130	110	19	81	95	-14
v) Miscellaneous	18,017	6,515	11,501	22,716	6,662	16,054
of which						
Software Services	12,081	844	11,237	12,120	685	11,435
Business Services	4,087	3,217	869	5,410	3,916	1,494
Financial Services	615	620	-5	1,673	966	707
Communication Services	510	227	284	740	296	444
b) Transfers	12,797	654	12,143	13,773	831	12,942
i) Official	148	107	40	51	97	-46
ii) Private	12,649	547	12,102	13,722	734	12,988
c) Income	3,573	5,187	-1,615	4,145	5,706	-1,561
i) Investment Income	3,418	4,859	-1,441	3,855	5,375	-1,520
ii) Compensation of Employees	155	328	-174	290	331	-41
Total Current Account (I+II)	**97,440**	**1,00,841**	**-3,401**	**1,00,549**	**1,12,814**	**-12,264**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**53,674**	**48,936**	**4,737**	**52,550**	**47,702**	**4,848**
a) Foreign Direct Investment (i+ii)	12,906	3,962	8,944	9,920	3,761	6,159
i) In India	12,670	21	12,649	9,604	52	9,552
Equity	10,248	21	10,227	7,312	52	7,260
Reinvested Earnings	2,258	–	2,258	2,258	–	2,258
Other Capital	164	–	164	34	–	34
ii) Abroad	236	3,940	-3,705	316	3,709	-3,393
Equity	236	2,519	-2,283	316	2,775	-2,460
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	1,151	-1,151	–	662	-662
b) Portfolio Investment	40,768	44,975	-4,207	42,630	43,942	-1,311
i) In India	40,745	44,923	-4,177	42,618	43,919	-1,302
of which						
FIIs	39,746	44,923	-5,177	42,482	43,919	-1,437
ADR/GDRs	999	–	999	136	–	136
ii) Abroad	22	52	-29	13	22	-10
2. Loans (a+b+c)	**15,900**	**9,705**	**6,195**	**16,305**	**13,739**	**2,566**
a) External Assistance	940	656	284	1,122	673	449
i) By India	18	104	-87	18	104	-87
ii) To India	923	551	371	1,104	569	535
b) Commercial Borrowings	2,754	1,271	1,483	3,574	1,859	1,715
i) By India	403	190	213	532	138	393
ii) To India	2,351	1,080	1,270	3,042	1,721	1,321
c) Short Term to India	12,206	7,779	4,427	11,609	11,207	402
i) Suppliers' Credit > 180 days & Buyers' Credit	9,256	7,779	1,477	11,609	9,766	1,843
ii) Suppliers' Credit up to 180 days	2,950	–	2,950	–	1,441	-1,441
3. Banking Capital (a+b)	**21,987**	**19,291**	**2,696**	**16,360**	**14,086**	**2,275**
a) Commercial Banks	21,987	19,140	2,847	16,360	14,083	2,277
i) Assets	11,457	10,533	924	6,596	5,154	1,442
ii) Liabilities	10,530	8,607	1,923	9,764	8,929	835
of which: Non-Resident Deposits	9,098	8,284	814	9,176	8,917	259
b) Others	–	151	-151	–	3	-3
4. Rupee Debt Service	**–**	**30**	**-30**	**–**	**3**	**-3**
5. Other Capital	**4,644**	**13,015**	**-8,371**	**4,776**	**7,682**	**-2,906**
Total Capital Account (1 to 5)	**96,206**	**90,978**	**5,228**	**89,992**	**83,212**	**6,780**
C. Errors & Omissions	**408**	**–**	**408**	**750**	**–**	**750**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**1,94,053**	**1,91,818**	**2,235**	**1,91,291**	**196025**	**-4,734**
E. Monetary Movements (i+ii)	**–**	**2235**	**-2235**	**4734**	**–**	**4734**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	2235	-2235	4734	–	4734
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2008 (R)			Jan-Mar 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
A. CURRENT ACCOUNT						
I. MERCHANDISE	**39,436**	**74,428**	**-34,994**	**38,481**	**58,686**	**-20,205**
II. INVISIBLES (a+b+c)	**42,416**	**19,294**	**23,123**	**38,498**	**18,673**	**19,826**
a) Services	28,228	13,099	15,129	25,119	13,078	12,040
i) Travel	2,924	1,946	979	2,680	2,606	74
ii) Transportation	2,738	3,241	-503	2,916	2,499	417
iii) Insurance	347	268	80	348	329	18
iv) G.n.i.e.	97	233	-136	81	355	-273
v) Miscellaneous	22,121	7,412	14,709	19,094	7,289	11,804
of which						
Software Services	11,274	580	10,694	10,825	455	10,370
Business Services	4,851	3,568	1,283	4,255	4,616	-362
Financial Services	1,112	740	372	1,028	633	395
Communication Services	547	257	291	501	308	193
b) Transfers	10,997	845	10,151	9,980	419	9,562
i) Official	285	98	187	161	111	50
ii) Private	10,712	748	9,964	9,820	308	9,512
c) Income	3,192	5,349	-2,157	3,399	5,176	-1,777
i) Investment Income	3,000	5,011	-2,011	3,210	4,864	-1,654
ii) Compensation of Employees	192	338	-146	189	312	-123
Total Current Account (I+II)	**81,852**	**93,722**	**-11,871**	**76,979**	**77,359**	**-380**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**37,774**	**40,654**	**-2,879**	**27,662**	**26,026**	**1,636**
a) Foreign Direct Investment (i+ii)	11,177	8,236	2,941	9,003	4,675	4,328
i) In India	10,966	29	10,937	8,662	63	8,599
Equity	8,182	29	8,153	6,352	63	6,289
Reinvested Earnings	2,258	–	2,258	2,258	–	2,258
Other Capital	526	–	526	52	–	52
ii) Abroad	210	8,207	-7,996	341	4,612	-4,271
Equity	210	4,217	-4,007	341	3,772	-3,432
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	3,719	-3,719	–	569	-569
b) Portfolio Investment	26,598	32,418	-5,820	18,658	21,350	-2,692
i) In India	26,568	32,355	-5,786	18,580	21,169	-2,588
of which						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
ADR/GDRs	7	–	7	20	–	20
ii) Abroad	29	63	-34	78	182	-104
2. Loans (a+b+c)	**15,802**	**15,419**	**383**	**14,210**	**15,039**	**-829**
a) External Assistance	1,692	759	933	1,477	704	773
i) By India	18	104	-87	18	104	-87
ii) To India	1,674	655	1,019	1,459	600	859
b) Commercial Borrowings	5,395	1,724	3,671	3,499	2,508	991
i) By India	662	148	514	399	306	93
ii) To India	4,733	1,576	3,157	3,100	2,201	898
c) Short Term to India	8,715	12,936	-4,221	9,234	11,828	-2,594
i) Suppliers' Credit > 180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216
ii) Suppliers' Credit up to 180 days	–	2,579	-2,579	–	1,378	-1,378
3. Banking Capital (a+b)	**14,830**	**19,786**	**-4,956**	**12,030**	**15,290**	**-3,260**
a) Commercial Banks	14,827	19,355	-4,528	11,919	15,290	-3,371
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920
ii) Liabilities	9,636	11,814	-2,178	9,341	9,792	-451
of which: Non-Resident Deposits	9,543	8,501	1,042	9,331	7,155	2,176
b) Others	2	431	-429	111	–	111
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**68**	**-68**
5. Other Capital	**3,150**	**693**	**2,458**	**4,114**	**1,212**	**2,903**
Total Capital Account (1 to 5)	**71,557**	**76,551**	**-4,995**	**58,016**	**57,634**	**382**
C. Errors & Omissions	**–**	**1,016**	**-1,016**	**298**	**–**	**298**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**1,53,408**	**1,71,289**	**-17,881**	**1,35,293**	**1,34,993**	**300**
E. Monetary Movements (i+ii)	**17881**	**–**	**17881**	**–**	**300**	**-300**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	17881	–	17881	–	300	-300
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-Jun 2009 (R)			July-Sept 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
A. CURRENT ACCOUNT						
I. MERCHANDISE	**39,166**	**65,447**	**-26,280**	**43,403**	**72,994**	**-29,592**
II. INVISIBLES (a+b+c)	**38,710**	**16,582**	**22,128**	**40,488**	**20,092**	**20,396**
a) Services	22,414	10,954	11,460	21,352	13,704	7,648
i) Travel	2,297	2,035	262	2,719	2,357	362
ii) Transportation	2,501	2,777	-276	2,570	2,221	350
iii) Insurance	388	314	74	384	341	44
iv) G.n.i.e.	100	103	-3	100	130	-29
v) Miscellaneous	17,127	5,725	11,403	15,578	8,656	6,922
of which						
Software Services	11,004	391	10,613	11,207	438	10,769
Business Services	2,586	3,295	-709	2,504	4,612	-2,109
Financial Services	1,116	835	282	732	1,135	-403
Communication Services	418	278	140	307	313	-6
b) Transfers	13,345	469	12,876	14,386	569	13,817
i) Official	47	110	-63	169	108	60
ii) Private	13,298	360	12,939	14,217	460	13,757
c) Income	2,951	5,159	-2,208	4,750	5,819	-1,069
i) Investment Income	2,723	4,808	-2,085	4,544	5,477	-933
ii) Compensation of Employees	227	351	-124	205	342	-137
Total Current Account (I+II)	**77,876**	**82,028**	**-4,152**	**83,890**	**93,086**	**-9,196**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**48,575**	**35,337**	**13,239**	**55,911**	**38,808**	**17,103**
a) Foreign Direct Investment (i+ii)	9,950	4,980	4,970	11,551	4,126	7,425
i) In India	9,825	926	8,900	11,455	632	10,824
Equity	7,290	900	6,390	8,547	597	7,950
Reinvested Earnings	2,167	–	2,167	2,167	–	2,167
Other Capital	368	26	342	741	35	707
ii) Abroad	125	4,054	-3,929	95	3,494	-3,399
Equity	125	2,837	-2,713	95	2,131	-2,035
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	946	-946	–	1,092	-1,092
b) Portfolio Investment	38,625	30,357	8,268	44,360	34,683	9,678
i) In India	38,602	30,332	8,270	44,356	34,655	9,701
of which						
FIIs	38,559	30,332	8,227	41,693	34,655	7,038
ADR/GDRs	43	–	43	2,664	–	2,664
ii) Abroad	23	25	-2	4	28	-24
2. Loans (a+b+c)	**13,111**	**14,528**	**-1,417**	**16,688**	**13,530**	**3,158**
a) External Assistance	1,014	729	285	1,477	741	736
i) By India	13	105	-93	13	105	-93
ii) To India	1,001	623	378	1,464	635	829
b) Commercial Borrowings	1,972	2,418	-446	3,283	2,068	1,215
i) By India	244	333	-89	206	215	-9
ii) To India	1,728	2,085	-357	3,077	1,853	1,224
c) Short Term to India	10,126	11,382	-1,256	11,928	10,721	1,206
i) Suppliers' Credit > 180 days & Buyers' Credit	10,126	9,590	536	10,994	10,721	272
ii) Suppliers' Credit up to 180 days	–	1,792	-1,792	934	–	934
3. Banking Capital (a+b)	**15,577**	**18,942**	**-3,365**	**16,544**	**12,132**	**4,411**
a) Commercial Banks	15,577	18,704	-3,127	16,544	11,989	4,555
i) Assets	4,368	6,946	-2,578	6,131	1,730	4,402
ii) Liabilities	11,209	11,758	-549	10,412	10,259	153
of which: Non-Resident Deposits	11,172	9,354	1,817	10,342	9,295	1,047
b) Others	–	238	-238	–	143	-143
4. Rupee Debt Service	**–**	**23**	**-23**	**–**	**1**	**-1**
5. Other Capital	**545**	**5,169**	**-4,625**	**6,899**	**12,315**	**-5,416**
Total Capital Account (1 to 5)	**77,808**	**73,999**	**3,809**	**96,041**	**76,786**	**19,255**
C. Errors & Omissions	**458**	**–**	**458**	**–**	**641**	**-641**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**1,56,143**	**1,56,028**	**115**	**1,79,931**	**1,70,513**	**9,418**
E. Monetary Movements (i+ii)	**–**	**115**	**-115**	**–**	**9,418**	**-9,418**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	115	-115	–	9,418	-9,418
of which: SDR allocation	–	–	–	–	5160	-5160

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2009 (R)			Jan- Mar 2010 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
A. CURRENT ACCOUNT						
I. MERCHANDISE	**47,170**	**78,100**	**-30,929**	**52,702**	**84,104**	**-31,401**
II. INVISIBLES (a+b+c)	**40,495**	**21,749**	**18,745**	**43,738**	**24,985**	**18,753**
a) Services	24,443	15,994	8,450	27,835	19,378	8,457
i) Travel	3,440	2,312	1,127	3,403	2,638	766
ii) Transportation	2,992	3,366	-375	3,115	3,570	-455
iii) Insurance	395	305	90	423	326	97
iv) G.n.i.e.	124	134	-9	116	159	-42
v) Miscellaneous	17,493	9,876	7,617	20,778	12,686	8,092
of which						
Software Services	13,197	333	12,865	14,297	307	13,990
Business Services	2,413	4,571	-2,158	3,818	5,571	-1,753
Financial Services	741	1,156	-415	1,103	1,517	-414
Communication Services	259	381	-122	245	383	-139
b) Transfers	13,416	638	12,777	13,217	642	12,575
i) Official	385	113	271	127	142	-15
ii) Private	13,031	525	12,506	13,090	500	12,590
c) Income	2,636	5,118	-2,482	2,686	4,965	-2,279
i) Investment Income	2,385	4,597	-2,212	2,455	4,473	-2,018
ii) Compensation of Employees	251	520	-269	231	492	-261
Total Current Account (I+II)	**87,665**	**99,849**	**-12,184**	**96,441**	**1,09,089**	**-12,648**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**44,703**	**36,226**	**8,476**	**49,464**	**37,919**	**11,545**
a) Foreign Direct Investment (i+ii)	8,922	6,131	2,791	8,061	5,281	2,780
i) In India	8,728	1,469	7,260	7,737	1,611	6,126
Equity	5,956	1,233	4,724	5,353	1,512	3,841
Reinvested Earnings	2,167	–	2,167	2,167	–	2,167
Other Capital	605	236	369	217	99	118
ii) Abroad	194	4,663	-4,469	324	3,671	-3,346
Equity	194	3,640	-3,446	324	2,001	-1,677
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	752	-752	–	1,398	-1,398
b) Portfolio Investment	35,781	30,095	5,685	41,403	32,638	8,765
i) In India	35,770	30,041	5,729	41,169	32,493	8,675
of which						
FIIs	35,295	30,041	5,254	41,023	32,493	8,529
ADR/GDRs	475	–	475	146	–	146
ii) Abroad	11	55	-44	234	144	89
2. Loans (a+b+c)	**20,061**	**14,369**	**5,692**	**24,303**	**19,289**	**5,014**
a) External Assistance	1,646	803	843	1,760	735	1,025
i) By India	13	105	-93	13	105	-93
ii) To India	1,633	697	936	1,748	630	1,118
b) Commercial Borrowings	4,508	2,812	1,696	5,240	5,705	-465
i) By India	227	570	-343	297	387	-90
ii) To India	4,281	2,242	2,039	4,943	5,318	-375
c) Short Term to India	13,907	10,754	3,153	17,303	12,849	4,454
i) Suppliers' Credit > 180 days & Buyers' Credit	12,055	10,754	1,301	15,396	12,849	2,547
ii) Suppliers' Credit up to 180 days	1,852	–	1,852	1,907	–	1,907
3. Banking Capital (a+b)	**15,172**	**13,232**	**1,939**	**14,207**	**15,109**	**-902**
a) Commercial Banks	14,578	13,165	1,413	14,195	15,109	-914
i) Assets	3,067	1,874	1,193	3,531	4,709	-1,179
ii) Liabilities	11,511	11,291	220	10,664	10,399	265
of which: Non-Resident Deposits	10,177	9,568	608	9,665	10,215	-551
b) Others	594	67	526	12	–	12
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**73**	**-73**
5. Other Capital	**1,602**	**3,338**	**-1,736**	**2,405**	**3,791**	**-1,385**
Total Capital Account (1 to 5)	**81,538**	**67,166**	**14,372**	**90,379**	**76,181**	**14,198**
C. Errors & Omissions	**–**	**421**	**-421**	**591**	**–**	**591**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**1,69,203**	**1,67,435**	**1,767**	**1,87,411**	**1,85,270**	**2,141**
E. Monetary Movements (i+ii)	**–**	**1,767**	**-1,767**	**–**	**2,141**	**-2,141**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	1,767	-1,767	–	2,141	-2,141
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
A. CURRENT ACCOUNT						
I. MERCHANDISE	**55,301**	**87,209**	**-31,907**	**52,029**	**89,005**	**-36,975**
II. INVISIBLES (a+b+c)	**43,260**	**24,051**	**19,209**	**47,051**	**26,977**	**20,074**
a) Services	26,650	17,014	9,636	31,425	19,543	11,881
i) Travel	2,949	2,307	642	3,379	2,747	632
ii) Transportation	3,143	3,134	9	3,270	3,524	-254
iii) Insurance	410	310	100	441	386	55
iv) G.n.i.e.	94	143	-49	125	205	-80
v) Miscellaneous	20,054	11,120	8,934	24,210	12,682	11,528
of which						
Software Services	12,327	575	11,752	12,455	585	11,869
Business Services	4,819	5,892	-1,073	5,942	6,966	-1,024
Financial Services	1,228	1,404	-176	1,819	1,905	-87
Communication Services	325	241	83	417	266	152
b) Transfers	13,754	727	13,027	13,653	677	12,976
i) Official	59	141	-83	141	137	4
ii) Private	13,695	585	13,110	13,513	540	12,973
c) Income	2,855	6,310	-3,455	1,973	6,756	-4,783
i) Investment Income	2,628	5,828	-3,199	1,726	6,322	-4,596
ii) Compensation of Employees	227	482	-255	247	434	-188
Total Current Account (I+II)	**98,561**	**1,11,260**	**-12,698**	**99,080**	**1,15,981**	**-16,901**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**53,410**	**45,331**	**8,079**	**68,418**	**45,662**	**22,756**
a) Foreign Direct Investment (i+ii)	9,344	5,870	3,474	9,162	5,596	3,565
i) In India	9,050	2,302	6,748	8,584	1,097	7,487
Equity	5,991	2,278	3,713	5,452	1,034	4,418
Reinvested Earnings	2,985	–	2,985	2,985	–	2,985
Other Capital	75	24	50	148	63	85
ii) Abroad	294	3,568	-3,274	578	4,499	-3,922
Equity	294	2,138	-1,844	578	2,549	-1,971
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	1,159	-1,159	–	1,679	-1,679
b) Portfolio Investment	44,066	39,461	4,605	59,256	40,065	19,191
i) In India	43,972	39,320	4,652	59,106	39,854	19,251
of which						
FIIs	42,858	39,320	3,538	58,614	39,854	18,759
ADR/GDRs	1,114	–	1,114	492	–	492
ii) Abroad	94	141	-47	151	211	-60
2. Loans (a+b+c)	**23,465**	**14,464**	**9,000**	**26,644**	**19,997**	**6,647**
a) External Assistance	3,210	758	2,452	1,272	688	584
i) By India	19	25	-6	19	25	-6
ii) To India	3,191	733	2,458	1,253	662	590
b) Commercial Borrowings	4,429	2,200	2,229	5,953	2,508	3,445
i) By India	185	243	-58	297	556	-259
ii) To India	4,244	1,957	2,287	5,656	1,952	3,703
c) Short Term to India	15,825	11,506	4,319	19,420	16,801	2,618
i) Suppliers' Credit > 180 days & Buyers' Credit	14,681	11,506	3,175	18,252	16,801	1,450
ii) Suppliers' Credit up to 180 days	1,144	–	1,144	1,168	–	1,168
3. Banking Capital (a+b)	**16,745**	**12,743**	**4,002**	**16,992**	**20,154**	**-3,163**
a) Commercial Banks	16,743	12,719	4,024	16,992	19,551	-2,559
i) Assets	3,263	2,558	705	4,195	8,025	-3,831
ii) Liabilities	13,480	10,160	3,320	12,797	11,526	1,271
of which: Non-Resident Deposits	11,252	10,133	1,119	11,672	10,628	1,044
b) Others	2	24	-22	–	604	-604
4. Rupee Debt Service	**–**	**16**	**-16**	**–**	**1**	**-1**
5. Other Capital	**1,478**	**5,197**	**-3,719**	**337**	**4,974**	**-4,637**
Total Capital Account (1 to 5)	**95,098**	**77,751**	**17,347**	**1,12,391**	**90,788**	**21,603**
C. Errors & Omissions	**–**	**908**	**-908**	**–**	**1,413**	**-1,413**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**1,93,659**	**1,89,918**	**3,741**	**2,11,471**	**2,08,182**	**3,289**
E. Monetary Movements (i+ii)	**–**	**3,741**	**-3,741**	**–**	**3,289**	**-3,289**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,741	-3,741	–	3,289	-3,289
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2010 (PR)			Jan-Mar 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
A. CURRENT ACCOUNT						
I. MERCHANDISE	**65,898**	**97,421**	**-31,522**	**77,240**	**1,07,427**	**-30,188**
II. INVISIBLES (a+b+c)	**55,678**	**34,133**	**21,545**	**52,259**	**28,440**	**23,819**
a) Services	39,160	26,591	12,569	35,645	20,915	14,730
i) Travel	4,429	2,857	1,572	4,518	3,198	1,321
ii) Transportation	3,713	3,984	-271	4,144	3,238	907
iii) Insurance	507	403	104	590	301	289
iv) G.n.i.e.	150	195	-45	165	277	-111
v) Miscellaneous	30,360	19,152	11,208	26,227	13,902	12,325
of which						
Software Services	14,743	709	14,034	15,936	326	15,610
Business Services	7,085	7,986	-900	6,203	6,921	-717
Financial Services	1,684	1,961	-276	1,777	2,213	-436
Communication Services	424	304	121	396	341	55
b) Transfers	14,422	844	13,578	14,436	877	13,559
i) Official	341	199	141	107	154	-47
ii) Private	14,081	645	13,436	14,329	723	13,606
c) Income	2,096	6,698	-4,601	2,177	6,647	-4,470
i) Investment Income	1,811	6,133	-4,323	1,820	6,100	-4,280
ii) Compensation of Employees	286	564	-279	357	547	-190
Total Current Account (I+II)	**1,21,576**	**1,31,553**	**-9,977**	**1,29,498**	**1,35,867**	**-6,369**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,11,219**	**1,03,727**	**7,492**	**56,369**	**55,044**	**1,325**
a) Foreign Direct Investment (i+ii)	9,424	8,231	1,193	7,534	6,407	1,127
i) In India	8,340	2,200	6,141	6,928	1,419	5,508
Equity	5,253	1,861	3,392	3,610	1,341	2,269
Reinvested Earnings	2,985	–	2,985	2,985	–	2,985
Other Capital	103	339	-236	333	78	255
ii) Abroad	1,084	6,031	-4,948	606	4,987	-4,381
Equity	1,084	3,337	-2,253	606	2,513	-1,907
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	2,423	-2,423	–	2,203	-2,203
b) Portfolio Investment	1,01,795	95,496	6,299	48,835	48,637	198
i) In India	1,01,656	94,265	7,391	48,441	48,265	176
of which						
FIIs	1,01,423	94,265	7,158	48,231	48,265	-34
ADR/GDRs	233	–	233	210	–	210
ii) Abroad	139	1,232	-1,092	393	372	21
2. Loans (a+b+c)	**26,619**	**20,243**	**6,376**	**30,998**	**24,584**	**6,414**
a) External Assistance	1,935	781	1,154	1,465	714	751
i) By India	19	25	-6	19	25	-6
ii) To India	1,916	755	1,160	1,446	689	757
b) Commercial Borrowings	6,347	2,470	3,877	7,383	4,428	2,955
i) By India	570	222	347	788	491	297
ii) To India	5,778	2,248	3,530	6,595	3,937	2,659
c) Short Term to India	18,337	16,992	1,345	22,150	19,442	2,708
i) Suppliers' Credit > 180 days & Buyers' Credit	18,031	16,992	1,039	21,122	19,442	1,680
ii) Suppliers' Credit up to 180 days	306	–	306	1,028	–	1,028
3. Banking Capital (a+b)	**33,103**	**28,202**	**4,901**	**25,483**	**26,262**	**-778**
a) Commercial Banks	33,016	28,202	4,814	23,871	25,717	-1,846
i) Assets	19,992	15,240	4,752	7,920	12,843	-4,923
ii) Liabilities	13,024	12,962	62	15,951	12,874	3,077
of which: Non-Resident Deposits	12,566	12,380	185	13,763	12,873	890
b) Others	87	–	87	1,613	545	1,068
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**52**	**-52**
5. Other Capital	**3,427**	**8,347**	**-4,920**	**4,649**	**2,367**	**2,282**
Total Capital Account (1 to 5)	**1,74,368**	**1,60,519**	**13,849**	**1,17,499**	**1,08,308**	**9,191**
C. Errors & Omissions	**118**	**–**	**118**	**–**	**791**	**-791**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**2,96,061**	**2,92,072**	**3,989**	**2,46,997**	**2,44,966**	**2,031**
E. Monetary Movements (i+ii)	**–**	**3,989**	**-3,989**	**–**	**2,031**	**-2,031**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,989	-3,989	–	2,031	-2,031
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-Jun 2011 (PR)			Jul-Sept 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	49	50	51	52	53	54
A. CURRENT ACCOUNT						
I. MERCHANDISE	**74,238**	**1,15,638**	**-41,400**	**76,429**	**1,19,810**	**-43,381**
II. INVISIBLES (a+b+c)	**51,321**	**25,722**	**25,599**	**52,165**	**27,193**	**24,972**
a) Services	33,291	18,091	15,200	32,701	18,692	14,009
i) Travel	3,697	3,461	237	4,235	3,534	701
ii) Transportation	4,329	4,002	327	4,424	3,624	800
iii) Insurance	566	298	268	619	423	196
iv) G.n.i.e.	139	201	-63	147	179	-32
v) Miscellaneous	24,561	10,129	14,432	23,277	10,933	12,345
of which						
Software Services	14,950	302	14,647	13,940	307	13,633
Business Services	5,356	6,219	-863	5,439	6,352	-912
Financial Services	1,267	1,764	-497	1,577	2,130	-553
Communication Services	360	415	-55	390	309	80
b) Transfers	15,537	830	14,707	16,376	775	15,601
i) Official	46	146	-99	136	152	-16
ii) Private	15,491	685	14,807	16,240	622	15,618
c) Income	2,493	6,800	-4,307	3,088	7,726	-4,638
i) Investment Income	1,904	6,400	-4,496	2,377	7,259	-4,882
ii) Compensation of Employees	589	400	189	711	467	244
Total Current Account (I+II)	**1,25,559**	**1,41,360**	**-15,801**	**1,28,594**	**1,47,003**	**-18,408**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**67,002**	**56,689**	**10,312**	**52,684**	**49,909**	**2,775**
a) Foreign Direct Investment (i+ii)	18,301	10,530	7,771	9,457	5,487	3,971
i) In India	17,897	4,559	13,337	9,091	2,137	6,954
Equity	13,696	4,226	9,470	5,950	2,015	3,934
Reinvested Earnings	2,730	–	2,730	2,730	–	2,730
Other Capital	1,471	333	1,137	411	122	290
ii) Abroad	404	5,971	-5,567	366	3,350	-2,983
Equity	404	1,535	-1,131	366	1,600	-1,234
Reinvested Earnings	–	302	-302	–	302	-302
Other Capital	–	4,133	-4,133	–	1,448	-1,448
b) Portfolio Investment	48,701	46,159	2,541	43,227	44,422	-1,196
i) In India	48,607	45,857	2,750	42,769	44,152	-1,384
of which						
FIIs	48,329	45,857	2,472	42,564	44,152	-1,589
ADR/GDRs	278	–	278	205	–	205
ii) Abroad	94	303	-208	458	270	188
2. Loans (a+b+c)	**32,180**	**25,424**	**6,756**	**37,220**	**28,788**	**8,432**
a) External Assistance	1,237	855	382	1,081	758	324
i) By India	18	24	-6	18	24	-6
ii) To India	1,219	831	388	1,063	734	330
b) Commercial Borrowings	6,779	3,473	3,306	9,735	4,497	5,238
i) By India	339	319	21	1,118	469	649
ii) To India	6,439	3,154	3,285	8,616	4,028	4,588
c) Short Term to India	24,165	21,096	3,069	26,405	23,534	2,871
i) Suppliers' Credit > 180 days & Buyers' Credit	22,682	21,096	1,586	25,130	23,534	1,596
ii) Suppliers' Credit up to 180 days	1,483	–	1,483	1,275	–	1,275
3. Banking Capital (a+b)	**28,767**	**16,103**	**12,664**	**20,144**	**13,465**	**6,679**
a) Commercial Banks	28,736	16,077	12,659	20,144	13,439	6,705
i) Assets	10,858	4,595	6,263	2,223	1,006	1,217
ii) Liabilities	17,878	11,482	6,396	17,921	12,433	5,488
of which: Non-Resident Deposits	12,488	11,337	1,151	15,088	12,302	2,786
b) Others	31	27	5	–	26	-26
4. Rupee Debt Service	**–**	**31**	**-31**	**–**	**1**	**-1**
5. Other Capital	**234**	**7,683**	**-7,448**	**3,333**	**4,003**	**-670**
Total Capital Account (1 to 5)	**1,28,183**	**1,05,931**	**22,253**	**1,13,381**	**96,166**	**17,215**
C. Errors & Omissions	**–**	**1,009**	**-1,009**	**1,469**	**–**	**1,469**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**2,53,742**	**2,48,300**	**5,442**	**2,43,444**	**2,43,168**	**276**
E. Monetary Movements (i+ii)	**–**	**5,442**	**-5,442**	**–**	**276**	**-276**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	5,442	-5,442	–	276	-276
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2011 (P)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	55	56	57	58	59	60
A. CURRENT ACCOUNT						
I. MERCHANDISE	**71,127**	**1,18,848**	**-47,721**	**65,898**	**97,421**	**-31,522**
II. INVISIBLES (a+b+c)	**57,668**	**29,366**	**28,302**	**55,678**	**34,133**	**21,545**
a) Services	37,026	21,954	15,072	39,160	26,591	12,569
i) Travel	5,068	3,530	1,538	4,429	2,857	1,572
ii) Transportation	4,580	4,444	135	3,713	3,984	-271
iii) Insurance	799	440	359	507	403	104
iv) G.n.i.e.	145	186	-40	150	195	-45
v) Miscellaneous	26,434	13,354	13,080	30,360	19,152	11,208
of which						
Software Services	16,123	317	15,806	14,743	709	14,034
Business Services	6,018	6,950	-931	7,085	7,986	-900
Financial Services	1,613	2,104	-491	1,684	1,961	-276
Communication Services	456	328	128	424	304	121
b) Transfers	18,360	614	17,746	14,422	844	13,578
i) Official	351	149	202	341	199	141
ii) Private	18,009	465	17,544	14,081	645	13,436
c) Income	2,282	6,798	-4,516	2,096	6,698	-4,601
i) Investment Income	1,698	6,247	-4,549	1,811	6,133	-4,323
ii) Compensation of Employees	583	551	32	286	564	-279
Total Current Account (I+II)	**1,28,795**	**1,48,214**	**-19,419**	**1,21,576**	**1,31,553**	**-9,977**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**49,301**	**42,918**	**6,383**	**1,11,219**	**1,03,727**	**7,492**
a) Foreign Direct Investment (i+ii)	9,950	5,466	4,485	9,424	8,231	1,193
i) In India	8,949	2,559	6,389	8,340	2,200	6,141
Equity	5,307	2,515	2,792	5,253	1,861	3,392
Reinvested Earnings	2,730	–	2,730	2,985	–	2,985
Other Capital	912	44	868	103	339	-236
ii) Abroad	1,001	2,906	-1,905	1,084	6,031	-4,948
Equity	1,001	1,382	-381	1,084	3,337	-2,253
Reinvested Earnings	–	302	-302	–	271	-271
Other Capital	–	1,222	-1,222	–	2,423	-2,423
b) Portfolio Investment	39,350	37,452	1,898	1,01,795	95,496	6,299
i) In India	39,149	37,204	1,945	1,01,656	94,265	7,391
of which						
FIIs	39,065	37,204	1,861	1,01,423	94,265	7,158
ADR/GDRs	84	–	84	233	–	233
ii) Abroad	201	248	-47	139	1,232	-1,092
2. Loans (a+b+c)	**36,950**	**34,255**	**2,695**	**26,619**	**20,243**	**6,376**
a) External Assistance	2,209	823	1,385	1,935	781	1,154
i) By India	18	24	-6	19	25	-6
ii) To India	2,191	800	1,392	1,916	755	1,160
b) Commercial Borrowings	9,594	8,153	1,441	6,347	2,470	3,877
i) By India	1,405	901	504	570	222	347
ii) To India	8,189	7,252	937	5,778	2,248	3,530
c) Short Term to India	25,148	25,279	-131	18,337	16,992	1,345
i) Suppliers' Credit > 180 days & Buyers' Credit	25,148	23,897	1,251	18,031	16,992	1,039
ii) Suppliers' Credit up to 180 days	–	1,382	-1,382	306	–	306
3. Banking Capital (a+b)	**16,146**	**21,632**	**-5,487**	**33,103**	**28,202**	**4,901**
a) Commercial Banks	16,143	21,505	-5,362	33,016	28,202	4,814
i) Assets	393	2,770	-2,377	19,992	15,240	4,752
ii) Liabilities	15,750	18,735	-2,985	13,024	12,962	62
of which: Non-Resident Deposits	15,698	12,375	3,323	12,566	12,380	185
b) Others	3	127	-124	87	–	87
4. Rupee Debt Service	–	–	–	–	–	–
5. Other Capital	**5,205**	**808**	**4,397**	**3,427**	**8,347**	**-4,920**
Total Capital Account (1 to 5)	**1,07,602**	**99,614**	**7,988**	**1,74,368**	**1,60,519**	**13,849**
C. Errors & Omissions	–	**1,381**	**-1,381**	**118**	–	**118**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**2,36,397**	**2,49,209**	**-12,812**	**2,96,061**	**2,92,072**	**3,989**
E. Monetary Movements (i+ii)	**12,812**	–	**12,812**	–	**3,989**	**-3,989**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	12,812	–	12,812	–	3,989	-3,989
of which: SDR allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Concld.)*

(US$ million)

Item	Apr-Dec 2011-12 (P)			Apr-Dec 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	61	62	63	64	65	66
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,21,794**	**3,54,296**	**-1,32,502**	**1,73,229**	**2,73,634**	**-1,00,405**
II. INVISIBLES (a+b+c)	**1,61,154**	**82,281**	**78,873**	**1,45,989**	**85,161**	**60,828**
a) Services	1,03,018	58,738	44,280	97,235	63,148	34,086
i) Travel	13,000	10,525	2,475	10,757	7,910	2,846
ii) Transportation	13,332	12,071	1,262	10,127	10,642	-516
iii) Insurance	1,983	1,161	823	1,358	1,098	259
iv) G.n.i.e.	431	566	-135	369	543	-174
v) Miscellaneous	74,272	34,416	39,856	74,624	42,954	31,670
of which						
Software Services	45,013	927	44,086	39,524	1,869	37,655
Business Services	16,813	19,520	-2,706	17,847	20,844	-2,997
Financial Services	4,456	5,997	-1,541	4,731	5,270	-539
Communication Services	1,206	1,052	153	1,167	811	356
b) Transfers	50,274	2,219	48,055	41,829	2,248	39,581
i) Official	534	447	87	540	478	62
ii) Private	49,740	1,772	47,968	41,289	1,770	39,519
c) Income	7,862	21,324	-13,462	6,925	19,764	-12,839
i) Investment Income	5,979	19,906	-13,927	6,166	18,283	-12,118
ii) Compensation of Employees	1,883	1,418	465	759	1,481	-722
Total Current Account (I+II)	**3,82,948**	**4,36,576**	**-53,629**	**3,19,218**	**3,58,794**	**-39,577**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,68,986**	**1,49,516**	**19,470**	**2,33,047**	**1,94,720**	**38,327**
a) Foreign Direct Investment (i+ii)	37,708	21,482	16,226	27,930	19,697	8,233
i) In India	35,937	9,256	26,681	25,974	5,599	20,375
Equity	24,952	8,757	16,196	16,695	5,173	11,522
Reinvested Earnings	8,190	–	8,190	8,955	–	8,955
Other Capital	2,794	499	2,295	325	426	-101
ii) Abroad	1,772	12,227	-10,455	1,955	14,098	-12,143
Equity	1,772	4,517	-2,746	1,955	8,024	-6,068
Reinvested Earnings	–	906	-906	–	813	-813
Other Capital	–	6,803	-6,803	–	5,261	-5,261
b) Portfolio Investment	1,31,278	1,28,034	3,244	2,05,117	1,75,023	30,095
i) In India	1,30,524	1,27,213	3,311	2,04,733	1,73,439	31,295
of which						
FIIs	1,29,957	1,27,213	2,744	2,02,894	1,73,439	29,456
ADR/GDRs	567	–	567	1,839	–	1,839
ii) Abroad	753	821	-67	384	1,584	-1,200
2. Loans (a+b+c)	**1,06,351**	**88,467**	**17,883**	**76,728**	**54,704**	**22,023**
a) External Assistance	4,526	2,436	2,091	6,417	2,227	4,190
i) By India	53	72	-19	57	76	-19
ii) To India	4,474	2,364	2,110	6,360	2,151	4,209
b) Commercial Borrowings	26,107	16,123	9,984	16,729	7,178	9,551
i) By India	2,862	1,689	1,173	1,052	1,021	31
ii) To India	23,245	14,434	8,811	15,677	6,157	9,520
c) Short Term to India	75,717	69,908	5,809	53,582	45,299	8,283
i) Suppliers' Credit > 180 days & Buyers' Credit	72,959	68,526	4,433	50,964	45,299	5,665
ii) Suppliers' Credit up to 180 days	2,758	1,382	1,376	2,618	–	2,618
3. Banking Capital (a+b)	**65,058**	**51,201**	**13,857**	**66,840**	**61,100**	**5,740**
a) Commercial Banks	65,023	51,021	14,003	66,751	60,472	6,279
i) Assets	13,474	8,370	5,103	27,450	25,824	1,626
ii) Liabilities	51,549	42,650	8,899	39,301	34,648	4,653
of which: Non-Resident Deposits	43,275	36,015	7,260	35,490	33,141	2,348
b) Others	34	180	-146	89	628	-539
4. Rupee Debt Service	**–**	**32**	**-32**	**–**	**16**	**-16**
5. Other Capital	**8,772**	**12,494**	**-3,722**	**5,241**	**18,518**	**-13,277**
Total Capital Account (1 to 5)	**3,49,166**	**3,01,710**	**47,456**	**3,81,856**	**3,29,058**	**52,798**
C. Errors & Omissions	**–**	**921**	**-921**	**–**	**2,202**	**-2,202**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,32,114**	**7,39,207**	**-7,093**	**7,01,074**	**6,90,054**	**11,019**
E. Monetary Movements (i+ii)	**7,093**	**–**	**7,093**	**–**	**11,019**	**-11,019**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	7,093	–	7,093	–	11,019	-11,019
of which: SDR allocation	–	–	–	–	–	–

Note: The comparable figures in new and old formats may not entirely agree due to rounding off. Total of subcomponents may not tally with aggregate due to rounding off.
P: Preliminary. PR: Partially Revised. R: Revised.

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

(US$ million)

Item	Apr-Mar 2009-10 (R)			Apr-Mar 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**344651**	**383087**	**-38435**	**447000**	**492958**	**-45958**
1.A Goods and Services (1.A.a+1.A.b)	**277991**	**360181**	**-82190**	**382280**	**464054**	**-81775**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**182262**	**300644**	**-118382**	**250627**	**381061**	**-130434**
1.A.a.1 General merchandise on a BOP basis	182442	271829	-89387	250468	347106	-96638
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-180	–	-180	159	–	159
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	28816	-28816	–	33955	-33955
1.A.b Services (1.A.b.1 to 1.A.b.13)	**95729**	**59537**	**36192**	**131653**	**82993**	**48659**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***11185***	***12035***	***-850***	***14323***	***13947***	***375***
1.A.b.3.1 Sea transport	5825	7264	-1439	6167	8116	-1949
1.A.b.3.2 Air transport	1816	3738	-1923	2464	4780	-2316
1.A.b.3.3 Other modes of transport	3537	931	2606	5641	984	4656
1.A.b.3.4 Postal and courier services	8	101	-94	52	67	-15
1.A.b.4 Travel	***11859***	***9343***	***2517***	***15275***	***11108***	***4167***
1.A.b.4.1 Business	–	3463	-3463	–	4979	-4979
1.A.b.4.2 Personal	–	5880	-5880	–	6129	-6129
1.A.b.4.2.1 Health-related	–	28	-28	–	59	-59
1.A.b.4.2.2 Education-related	–	2137	-2137	–	1893	-1893
1.A.b.4.2.3 Other	–	3661	-3661	–	4178	-4178
1.A.b.5 Construction	***560***	***998***	***-438***	***677***	***1157***	***-481***
1.A.b.5.1 Construction abroad	560	535	25	677	633	44
1.A.b.5.2 Construction in the reporting economy	–	463	-463	–	524	-524
1.A.b.6 Insurance and pension services	***1591***	***1285***	***306***	***1948***	***1400***	***549***
1.A.b.6.1 Direct insurance	1290	456	834	1790	584	1205
1.A.b.6.2 Reinsurance	270	684	-414	127	750	-623
1.A.b.6.3 Auxiliary insurance services	31	145	-114	32	65	-33
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***3692***	***4642***	***-950***	***6508***	***7483***	***-975***
1.A.b.7.1 Explicitly charged and other financial services	3692	4642	-950	6508	7483	-975
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***203***	***2017***	***-1814***	***193***	***2424***	***-2231***
1.A.b.9 Telecommunications, computer, and information services	***51879***	***3251***	***48629***	***57577***	***3748***	***53829***
1.A.b.9.1 Telecommunications services	1823	1144	679	1512	1085	427
1.A.b.9.2 Computer services	49705	1468	48237	55460	2194	53265
1.A.b.9.3 Information services	351	639	-288	605	468	137
1.A.b.10 Other business services	***11292***	***17926***	***-6634***	***22823***	***26696***	***-3874***
1.A.b.10.1 Research and development services	565	318	247	878	249	629
1.A.b.10.2 Professional and management consulting services	5989	9998	-4009	10626	11991	-1365
1.A.b.10.3 Technical, trade-related, and other business services	4738	7610	-2872	11319	14457	-3138
1.A.b.11 Personal, cultural, and recreational services	***527***	***300***	***227***	***227***	***543***	***-316***
1.A.b.11.1 Audiovisual and related services	438	172	266	117	147	-30
1.A.b.11.2 Other personal, cultural, and recreational services	89	128	-39	110	396	-287
1.A.b.12 Government goods and services n.i.e.	***441***	***525***	***-84***	***531***	***820***	***-288***
1.A.b.13 Others n.i.e.	***2499***	***7216***	***-4717***	***11571***	***13667***	***-2096***
1.B Primary Income (1.B.1 to 1.B.3)	**13024**	**21061**	**-8036**	**9102**	**26411**	**-17308**
1.B.1 Compensation of employees	915	1705	-791	1116	2028	-912
1.B.2 Investment income	12110	19355	-7246	7986	24383	-16397
1.B.2.1 Direct investment	6199	19084	-12885	3824	24011	-20188
1.B.2.1.1 Income on equity and investment fund shares	1989	12698	-10709	2049	16840	-14791
1.B.2.1.2 Interest	4210	6386	-2176	1775	7171	-5397
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	262	-262	–	353	-353
1.B.2.4 Reserve assets	5910	9	5901	4162	18	4144
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**53636**	**1845**	**51791**	**55618**	**2494**	**53125**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	53636	1902	51735	55618	2494	53125
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	51695	1515	50180	53559	2078	51481
Of which:	–	–	–	–	–	–
1.C.1.1.1 Workers' remittances	28407	1881	26526	27408	2078	25331
1.C.1.2 Other current transfers	1942	387	1555	2060	416	1644
2 Capital Account (2.1+2.2)	**777**	**501**	**276**	**685**	**645**	**40**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	50	28	22	38	14	25
2.2 Capital transfers	727	473	254	647	631	16
2.2.1 General government	727	473	254	647	631	16
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	727	473	254	647	631	16
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs						

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

(US$ million)

Item	Apr-Mar 2009-10 (R)			Apr-Mar 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
3 Financial Account (3.1 to 3.5)	**345717**	**307546**	**38171**	**499317**	**450403**	**48914**
3.1 Direct Investment (3.1A+3.1B)	**38484**	**20518**	**17966**	**35464**	**26104**	**9360**
3.1.A Direct Investment in India	***37746***	***4637***	***33109***	***32902***	***7018***	***25884***
3.1.1 Equity and investment fund shares	*35815*	*4241*	*31574*	*32244*	*6514*	*25730*
3.1.1.1 Equity other than reinvestment of earnings	27146	4241	22905	20304	6514	13791
3.1.1.1.1 Direct investor in direct investment enterprises	27146	4241	22905	20304	6514	13791
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	8669	–	8669	11939	–	11939
3.1.2 Debt instruments	*1931*	*396*	*1535*	*658*	*504*	*154*
3.1.2.1 Direct investor in direct investment enterprises	1931	396	1535	658	504	154
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***738***	***15881***	***-15143***	***2562***	***19086***	***-16524***
3.1.1 Equity and investment fund shares	*738*	*11693*	*-10955*	*2562*	*11621*	*-9059*
3.1.1.1 Equity other than reinvestment of earnings	738	10609	-9871	2562	10537	-7975
3.1.1.1.1 Direct investor in direct investment enterprises	738	10609	-7528	2562	10537	-7975
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	1084	-1084	–	1084	-1084
3.1.2 Debt instruments	–	*4188*	*-4188*	–	*7465*	*-7465*
3.1.2.1 Direct investor in direct investment enterprises	–	4188	-4188	–	7465	-7465
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**156842**	**127773**	**29069**	**251903**	**223660**	**28243**
3.2A Portfolio Investment in India	***156570***	***127521***	***29049***	***251125***	***221704***	***29422***
3.2.1 Equity and investment fund shares	*130471*	*93599*	*36873*	*187837*	*168910*	*18927*
3.2.2 Debt securities	*26099*	*33922*	*-7824*	*63289*	*52794*	*10495*
3.2.B Portfolio Investment by India	***272***	***252***	***20***	***777***	***1956***	***-1179***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**150391**	**145814**	**4577**	**211950**	**187589**	**24361**
3.4.1 Other equity (ADRs/GDRs)	***3328***	–	***3328***	***2049***	–	***2049***
3.4.2 Currency and deposits	***41961***	***38882***	***3078***	***50954***	***47186***	***3768***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	606	449	157	1702	1172	529
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	41355	38433	2922	49252	46014	3238
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***40438***	***36543***	***3894***	***73363***	***54722***	***18641***
3.4.3A Loans to India	*39414*	*34617*	*4797*	*71447*	*53108*	*18339*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	19538	20533	-995	41369	40175	1194
3.4.3.3 General government (External Assistance)	5846	2585	3261	7806	2840	4967
3.4.3.4 Other sectors (External Commercial Borrowings)	14029	11498	2531	22272	10094	12179
3.4.3B Loans by India	*1024*	*1927*	*-903*	*1916*	*1614*	*302*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	51	422	-371	76	102	-26
3.4.3.4 Other sectors	973	1505	-531	1840	1513	328
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***53264***	***45706***	***7558***	***75732***	***64742***	***10990***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	*53264*	*45706*	*7558*	*75732*	*64742*	*10990*
3.4.6 Other accounts receivable/payable—other	***11401***	***24682***	***-13281***	***9852***	***20939***	***-11088***
3.4.7 Special drawing rights						
3.5 Reserve assets	–	**13441**	**-13441**	–	**13050**	**-13050**
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)	–	13441	-13441	–	13050	-13050
3.5.4.1 Currency,deposits and securities	–	13441	-13441	–	13050	-13050
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**345717**	**307546**	**38171**	**499317**	**450403**	**48914**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	167297	109785	57512	223420	189001	34419
3.0.2 Debt instruments	163692	159638	4054	263996	227413	36583
3.0.3 Other financial assets and liabilities	14729	38124	-23395	11901	33990	-22089
4 Net errors and omissions		**12**	**-12**		**2996**	**-2996**

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Apr-Jun 2009 (R)			Jul-Sept 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
1 Current Account (1.A+1.B+1.C)	**77706**	**81795**	**-4089**	**83600**	**92857**	**-9257**
1.A Goods and Services (1.A.a+1.A.b)	**61457**	**76277**	**-14820**	**64632**	**86578**	**-21946**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**39072**	**65447**	**-26374**	**43346**	**72994**	**-29649**
1.A.a.1 General merchandise on a BOP basis	39166	59612	-20445	43403	67571	-24169
1.A.a.1.1 Re-exports						
1.A.a.2 Net exports of goods under merchanting	-94		-94	-57		-57
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	5835	-5835	–	5423	-5423
1.A.b Services (1.A.b.1 to 1.A.b.13)	**22385**	**10830**	**11554**	**21287**	**13583**	**7703**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***2503***	***2811***	***-308***	***2571***	***2242***	***329***
1.A.b.3.1 Sea transport	1434	1599	-164	1456	1271	185
1.A.b.3.2 Air transport	437	905	-467	333	760	-426
1.A.b.3.3 Other modes of transport	630	274	356	781	190	591
1.A.b.3.4 Postal and courier services	2	34	-32	1	22	-20
1.A.b.4 Travel	***2,297***	***2,035***	***262***	***2,719***	***2,357***	***362***
1.A.b.4.1 Business	–	826	-826	–	833	-833
1.A.b.4.2 Personal	–	1209	-1209	–	1524	-1524
1.A.b.4.2.1 Health-related	–	7	-7	–	7	-7
1.A.b.4.2.2 Education-related	–	360	-360	–	735	-735
1.A.b.4.2.3 Other	–	831	-831	–	739	-739
1.A.b.5 Construction	***149***	***267***	***-118***	***150***	***259***	***-109***
1.A.b.5.1 Construction abroad	149	174	-25	150	121	29
1.A.b.5.2 Construction in the reporting economy	–	93	-93	–	138	-138
1.A.b.6 Insurance and pension services	***388***	***314***	***74***	***384***	***341***	***44***
1.A.b.6.1 Direct insurance	308	64	244	250	201	49
1.A.b.6.2 Reinsurance	73	146	-73	128	128	–
1.A.b.6.3 Auxiliary insurance services	7	104	-97	6	11	-5
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***1116***	***835***	***282***	***732***	***1135***	***-403***
1.A.b.7.1 Explicitly charged and other financial services	1116	835	282	732	1135	-403
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***69***	***414***	***-345***	***47***	***409***	***-362***
1.A.b.9 Telecommunications, computer, and information services	***11509***	***726***	***10784***	***11900***	***788***	***11112***
1.A.b.9.1 Telecommunications services	416	243	173	611	280	331
1.A.b.9.2 Computer services	11004	391	10613	11207	438	10769
1.A.b.9.3 Information services	89	91	-2	83	71	12
1.A.b.10 Other business services	***2557***	***3172***	***-615***	***2504***	***4612***	***-2109***
1.A.b.10.1 Research and development services	106	51	55	145	56	90
1.A.b.10.2 Professional and management consulting services	1485	1531	-46	1348	2639	-1291
1.A.b.10.3 Technical, trade-related, and other business services	966	1590	-624	1010	1918	-907
1.A.b.11 Personal, cultural, and recreational services	***95***	***98***	***-3***	***139***	***89***	***50***
1.A.b.11.1 Audiovisual and related services	79	40	39	112	74	38
1.A.b.11.2 Other personal, cultural, and recreational services	16	58	-43	27	15	12
1.A.b.12 Government goods and services n.i.e.	***100***	***103***	***-3***	***100***	***130***	***-29***
1.A.b.13 Others n.i.e.	**1600**	**56**	**1544**	**39**	**1221**	**-1182**
1.B Primary Income (1.B.1 to 1.B.3)	**2,951**	**5,159**	**-2208**	**4,751**	**5,819**	**-1068**
1.B.1 Compensation of employees	227	351	-124	205	342	-137
1.B.2 Investment income	2723	4808	-2085	4546	5477	-931
1.B.2.1 Direct investment	808	4768	-3960	2534	5420	-2886
1.B.2.1.1 Income on equity and investment fund shares	408	3,093	-2685	411	3,614	-3203
1.B.2.1.2 Interest	400	1675	-1275	2123	1806	318
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	38	-38	–	56	-56
1.B.2.4 Reserve assets	1915	1	1914	2012	1	2011
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**13,298**	**360**	**12939**	**14,217**	**460**	**13757**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	13,298	360	12,939	14,217	470	13,747
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	12,753	289	12,464	13,742	373	13,369
Of which:						
1.C.1.1.1 Workers' remittances	7,184	289	6,895	7,493	443	7,049
1.C.1.2 Other current transfers	546	70	475	474	97	378
2 Capital Account (2.1+2.2)	**63**	**117**	**-54**	**179**	**114**	**65**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	17	8	9	10	5	5
2.2 Capital transfers	47	110	-63	169	108	60
2.2.1 General government	47	110	-63	169	108	60
2.2.1.1 Debt forgiveness			–			–
2.2.1.2 Other capital transfers	47	110	-63	169	108	60
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs						

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Apr-Jun 2009 (R)			Jul-Sept 2009 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
3 Financial Account (3.1 to 3.5)	**77791**	**74106**	**3685**	**96032**	**86199**	**9832**
3.1 Direct Investment (3.1A+3.1B)	**9950**	**4980**	**4970**	**11551**	**4126**	**7425**
3.1.A Direct Investment in India	***9825***	***926***	***8900***	***11455***	***632***	***10824***
3.1.1 Equity and investment fund shares	*9457*	*900*	*8558*	*10714*	*597*	*10117*
3.1.1.1 Equity other than reinvestment of earnings	7290	900	6390	8547	597	7950
3.1.1.1.1 Direct investor in direct investment enterprises	7290	900	6390	8547	597	7950
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2167	–	2167	2167	–	2167
3.1.2 Debt instruments	*368*	*26*	*342*	*741*	*35*	*707*
3.1.2.1 Direct investor in direct investment enterprises	368	26	342	741	35	707
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***125***	***4054***	***-3929***	***95***	***3494***	***-3399***
3.1.1 Equity and investment fund shares	*125*	*3108*	*-2984*	*95*	*2402*	*-2306*
3.1.1.1 Equity other than reinvestment of earnings	125	2837	-2713	95	2131	-2035
3.1.1.1.1 Direct investor in direct investment enterprises	125	2837	-1765	95	2131	-1905
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	271	-271	–	271	-271
3.1.2 Debt instruments	–	*946*	*-946*	–	*1092*	*-1092*
3.1.2.1 Direct investor in direct investment enterprises	–	946	-946	–	1092	-1092
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**38582**	**30357**	**8225**	**41697**	**34683**	**7014**
3.2A Portfolio Investment in India	***38,559***	***30,332***	***8227***	***41,693***	***34,655***	***7038***
3.2.1 Equity and investment fund shares	*33863*	*26120*	*7743*	*36107*	*24604*	*11503*
3.2.2 Debt securities	*4696*	*4212*	*484*	*5586*	*10051*	*-4465*
3.2.B Portfolio Investment by India	***23***	***25***	***-2***	***4***	***28***	***-24***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**29259**	**38655**	**-9396**	**42784**	**37973**	**4811**
3.4.1 Other equity (ADRs/GDRs)	***43***	–	***43***	***2664***	–	***2664***
3.4.2 Currency and deposits	***11172***	***9593***	***1579***	***10342***	***9438***	***904***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	–	239	-238	–	143	-143
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	11172	9354	1817	10342	9295	1047
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***7391***	***12496***	***-5105***	***10962***	***5503***	***5459***
3.4.3A Loans to India	*7134*	*12058*	*-4923*	*10744*	*5182*	*5561*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	4405	9349	-4944	6202	2694	3508
3.4.3.3 General government (External Assistance)	1001	623	378	1464	635	829
3.4.3.4 Other sectors (External Commercial Borrowings)	1728	2085	-357	3077	1853	1224
3.4.3B Loans by India	*257*	*438*	*-182*	*218*	*320*	*-102*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	13	105	-93	13	105	-93
3.4.3.4 Other sectors	244	333	-89	206	215	-9
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***10126***	***11382***	***-1256***	***11928***	***10721***	***1206***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	10126	11382	-1256	11928	10721	1206
3.4.6 Other accounts receivable/payable—other	***528***	***5184***	***-4656***	***6889***	***12311***	***-5422***
3.4.7 Special drawing rights			–			–
3.5 Reserve assets	–	**115**	**-115**	–	**9418**	**-9418**
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)	–	115	-115	–	9418	-9418
3.5.4.1 Currency,deposits and securities	–	115	-115	–	9418	-9418
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**77791**	**74106**	**3685**	**96032**	**86199**	**9832**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	43468	30152	13315	46921	27631	19290
3.0.2 Debt instruments	33753	38655	-4902	39558	36840	2719
3.0.3 Other financial assets and liabilities	571	5299	-4728	9553	21729	-12176
4 Net errors and omissions	**459**		**459**		**641**	**-641**

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Oct-Dec 2009 (R)			Jan-Mar 2010 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
1 Current Account (1.A+1.B+1.C)	**87188**	**99643**	**-12455**	**96157**	**108791**	**-12634**
1.A Goods and Services (1.A.a+1.A.b)	**71521**	**94001**	**-22480**	**80381**	**103326**	**-22945**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**47160**	**78100**	**-30940**	**52685**	**84104**	**-31419**
1.A.a.1 General merchandise on a BOP basis	47170	70528	-23357	52702	74118	-21416
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-11		-11	-18		-18
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	7572	-7572	–	9986	-9986
1.A.b Services (1.A.b.1 to 1.A.b.13)	**24361**	**15901**	**8460**	**27696**	**19222**	**8474**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***2992***	***3383***	***-391***	***3119***	***3599***	***-480***
1.A.b.3.1 Sea transport	1414	2161	-747	1521	2233	-713
1.A.b.3.2 Air transport	510	950	-441	536	1124	-588
1.A.b.3.3 Other modes of transport	1068	255	813	1058	213	846
1.A.b.3.4 Postal and courier services	–	16	-16	4	29	-25
1.A.b.4 Travel	***3,440***	***2,312***	***1127***	***3,403***	***2,638***	***766***
1.A.b.4.1 Business	–	903	-903	–	901	-901
1.A.b.4.2 Personal	–	1410	-1410	–	1736	-1736
1.A.b.4.2.1 Health-related	–	8	-8	–	6	-6
1.A.b.4.2.2 Education-related	–	551	-551	–	491	-491
1.A.b.4.2.3 Other	–	851	-851	–	1240	-1240
1.A.b.5 Construction	***160***	***182***	***-22***	***102***	***290***	***-189***
1.A.b.5.1 Construction abroad	160	123	37	102	117	-15
1.A.b.5.2 Construction in the reporting economy	–	59	-59	–	174	-174
1.A.b.6 Insurance and pension services	***395***	***305***	***90***	***423***	***326***	***97***
1.A.b.6.1 Direct insurance	351	33	318	381	157	224
1.A.b.6.2 Reinsurance	37	255	-218	31	155	-124
1.A.b.6.3 Auxiliary insurance services	7	16	-10	11	13	-3
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***741***	***1156***	***-415***	***1103***	***1517***	***-414***
1.A.b.7.1 Explicitly charged and other financial services	741	1156	-415	1103	1517	-414
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***45***	***578***	***-532***	***41***	***616***	***-574***
1.A.b.9 Telecommunications, computer, and information services	***13717***	***1006***	***12711***	***14752***	***731***	***14022***
1.A.b.9.1 Telecommunications services	421	296	125	376	325	51
1.A.b.9.2 Computer services	13197	333	12865	14297	307	13990
1.A.b.9.3 Information services	99	378	-279	80	99	-19
1.A.b.10 Other business services	***2413***	***4571***	***-2157***	***3818***	***5571***	***-1753***
1.A.b.10.1 Research and development services	94	89	5	220	123	97
1.A.b.10.2 Professional and management consulting services	1273	2570	-1296	1883	3258	-1376
1.A.b.10.3 Technical, trade-related, and other business services	1046	1912	-866	1715	2190	-475
1.A.b.11 Personal, cultural, and recreational services	***115***	***50***	***66***	***178***	***63***	***115***
1.A.b.11.1 Audiovisual and related services	94	23	71	153	35	118
1.A.b.11.2 Other personal, cultural, and recreational services	21	26	-5	25	28	-3
1.A.b.12 Government goods and services n.i.e.	***124***	***134***	***-9***	***116***	***159***	***-42***
1.A.b.13 Others n.i.e.	***219***	***2225***	***-2006***	***641***	***3714***	***-3073***
1.B Primary Income (1.B.1 to 1.B.3)	**2,636**	**5,118**	**-2482**	**2,686**	**4,965**	**-2279**
1.B.1 Compensation of employees	251	520	-269	231	492	-261
1.B.2 Investment income	2385	4597	-2212	2455	4473	-2018
1.B.2.1 Direct investment	1479	4495	-3016	1378	4401	-3024
1.B.2.1.1 Income on equity and investment fund shares	449	3,052	-2604	722	2,938	-2216
1.B.2.1.2 Interest	1030	1442	-412	656	1463	-807
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	100	-100	–	68	-68
1.B.2.4 Reserve assets	906	3	903	1077	4	1073
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**13,031**	**525**	**12506**	**13,090**	**500**	**12590**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	13,031	546	12,485	13,090	526	12,564
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	12,554	441	12,113	12,646	412	12,234
Of which:						
1.C.1.1.1 Workers' remittances	6,813	540	6,273	6,916	609	6,308
1.C.1.2 Other current transfers	477	105	372	444	115	330
2 Capital Account (2.1+2.2)	**395**	**115**	**280**	**139**	**154**	**-15**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	11	2	9	12	12	–
2.2 Capital transfers	385	113	271	127	142	-15
2.2.1 General government	385	113	271	127	142	-15
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	385	113	271	127	142	-15
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs						

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Oct-Dec 2009 (R)			Jan-Mar 2010 (R)		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
3 Financial Account (3.1 to 3.5)	**81527**	**68931**	**12596**	**90367**	**78309**	**12058**
3.1 Direct Investment (3.1A+3.1B)	**8922**	**6131**	**2791**	**8061**	**5281**	**2780**
3.1.A Direct Investment in India	***8728***	***1469***	***7260***	***7737***	***1611***	***6126***
3.1.1 Equity and investment fund shares	8124	1233	6891	7520	1512	6008
3.1.1.1 Equity other than reinvestment of earnings	5956	1233	4724	5353	1512	3841
3.1.1.1.1 Direct investor in direct investment enterprises	5956	1233	4724	5353	1512	3841
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2167	–	2167	2167	–	2167
3.1.2 Debt instruments	605	236	369	217	99	118
3.1.2.1 Direct investor in direct investment enterprises	605	236	369	217	99	118
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***194***	***4663***	***-4469***	***324***	***3671***	***-3346***
3.1.1 Equity and investment fund shares	194	3911	-3717	324	2272	-1948
3.1.1.1 Equity other than reinvestment of earnings	194	3640	-3446	324	2001	-1677
3.1.1.1.1 Direct investor in direct investment enterprises	194	3640	-2181	324	2001	-1677
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	271	-271	–	271	-271
3.1.2 Debt instruments	–	*752*	*-752*	–	*1398*	*-1398*
3.1.2.1 Direct investor in direct investment enterprises	–	752	-752	–	1398	-1398
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**35306**	**30096**	**5210**	**41257**	**32637**	**8619**
3.2A Portfolio Investment in India	***35,295***	***30,041***	***5254***	***41,023***	***32,493***	***8530***
3.2.1 Equity and investment fund shares	*29453*	*21422*	*8031*	*31048*	*21452*	*9596*
3.2.2 Debt securities	*5842*	*8619*	*-2777*	*9975*	*11041*	*-1066*
3.2.B Portfolio Investment by India	***11***	***55***	***-44***	***234***	***144***	***89***
3.3 Financial derivatives (other than reserves) and employee stock options	**–**	**–**	**–**	**–**	**–**	**–**
3.4 Other investment	**37299**	**30937**	**6362**	**41049**	**38250**	**2799**
3.4.1 Other equity (ADRs/GDRs)	***475***	***–***	***475***	***146***	***–***	***146***
3.4.2 Currency and deposits	***10770***	***9636***	***1134***	***9677***	***10215***	***-539***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	594	67	526	12	–	12
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	10177	9568	608	9665	10215	-551
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***10555***	***7211***	***3344***	***11530***	***11333***	***196***
3.4.3A Loans to India	*10315*	*6536*	*3780*	*11220*	*10841*	*379*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	4401	3597	805	4530	4893	-363
3.4.3.3 General government (External Assistance)	1633	697	936	1748	630	1118
3.4.3.4 Other sectors (External Commercial Borrowings)	4281	2242	2039	4943	5318	-375
3.4.3B Loans by India	*240*	*676*	*-436*	*309*	*492*	*-183*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	13	105	-93	13	105	-93
3.4.3.4 Other sectors	227	570	-343	297	387	-90
3.4.4 Insurance, pension, and standardized guarantee schemes	***–***	***–***	***–***	***–***	***–***	***–***
3.4.5 Trade credit and advances	***13907***	***10754***	***3153***	***17303***	***12849***	***4454***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	13907	10754	3153	17303	12849	4454
3.4.6 Other accounts receivable/payable—other	***1591***	***3336***	***-1744***	***2393***	***3852***	***-1459***
3.4.7 Special drawing rights						
3.5 Reserve assets	**–**	**1767**	**-1767**	**–**	**2141**	**-2141**
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)	–	1767	-1767	–	2141	-2141
3.5.4.1 Currency,deposits and securities	–	1767	-1767	–	2141	-2141
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**81527**	**68931**	**12596**	**90367**	**78309**	**12058**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	37781	26621	11161	39127	25381	13746
3.0.2 Debt instruments	41679	37207	4472	48701	46936	1766
3.0.3 Other financial assets and liabilities	2066	5103	-3037	2539	5993	-3454
4 Net errors and omissions		**421**	**-421**	**591**		**591**

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
1 Current Account (1.A+1.B+1.C)	**98221**	**110834**	**-12614**	**98598**	**115501**	**-16903**
1.A Goods and Services (1.A.a+1.A.b)	**81670**	**103939**	**-22269**	**83112**	**108205**	**-25093**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**55200**	**87209**	**-32008**	**52044**	**89005**	**-36960**
1.A.a.1 General merchandise on a BOP basis	55301	80806	-25504	52029	81061	-29031
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	-101		-101	15		15
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold		6403	-6403		7944	-7944
1.A.b Services (1.A.b.1 to 1.A.b.13)	**26469**	**16730**	**9739**	**31067**	**19200**	**11867**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***3144***	***3146***	***-2***	***3296***	***3555***	***-259***
1.A.b.3.1 Sea transport	1378	1797	-419	1636	2055	-419
1.A.b.3.2 Air transport	589	1133	-544	540	1164	-625
1.A.b.3.3 Other modes of transport	1176	204	972	1094	304	790
1.A.b.3.4 Postal and courier services	1	12	-11	26	31	-5
1.A.b.4 Travel	***2,949***	***2,307***	***642***	***3,379***	***2,747***	***632***
1.A.b.4.1 Business	–	856	-856	–	1006	-1006
1.A.b.4.2 Personal	–	1451	-1451	–	1740	-1740
1.A.b.4.2.1 Health-related	–	41	-41	–	6	-6
1.A.b.4.2.2 Education-related	–	325	-325	–	664	-664
1.A.b.4.2.3 Other	–	1086	-1086	–	1070	-1070
1.A.b.5 Construction	***122***	***345***	***-223***	***173***	***136***	***37***
1.A.b.5.1 Construction abroad	122	200	-78	173	77	97
1.A.b.5.2 Construction in the reporting economy	–	146	-146	–	59	-59
1.A.b.6 Insurance and pension services	***410***	***310***	***100***	***441***	***386***	***55***
1.A.b.6.1 Direct insurance	374	143	231	404	178	227
1.A.b.6.2 Reinsurance	29	147	-118	29	192	-164
1.A.b.6.3 Auxiliary insurance services	7	20	-13	8	16	-8
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***1228***	***1404***	***-176***	***1819***	***1905***	***-87***
1.A.b.7.1 Explicitly charged and other financial services	1228	1404	-176	1819	1905	-87
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***35***	***566***	***-531***	***27***	***560***	***-533***
1.A.b.9 Telecommunications, computer, and information services	***12733***	***880***	***11854***	***12954***	***888***	***12066***
1.A.b.9.1 Telecommunications services	324	230	94	392	235	157
1.A.b.9.2 Computer services	12327	575	11752	12455	585	11869
1.A.b.9.3 Information services	83	75	7	108	68	39
1.A.b.10 Other business services	***4636***	***5609***	***-972***	***5584***	***6623***	***-1039***
1.A.b.10.1 Research and development services	170	66	104	286	51	235
1.A.b.10.2 Professional and management consulting services	1914	2389	-475	2596	2995	-399
1.A.b.10.3 Technical, trade-related, and other business services	2553	3154	-601	2702	3577	-875
1.A.b.11 Personal, cultural, and recreational services	***49***	***71***	***-21***	***56***	***105***	***-49***
1.A.b.11.1 Audiovisual and related services	22	36	-15	27	47	-20
1.A.b.11.2 Other personal, cultural, and recreational services	28	35	-7	29	58	-29
1.A.b.12 Government goods and services n.i.e.	***94***	***143***	***-49***	***125***	***205***	***-80***
1.A.b.13 Others n.i.e.	***1068***	***1950***	***-882***	***3214***	***2089***	***1125***
1.B Primary Income (1.B.1 to 1.B.3)	**2,855**	**6,310**	**-3455**	**1,973**	**6,756**	**-4783**
1.B.1 Compensation of employees	227	482	-255	247	434	-188
1.B.2 Investment income	2628	5828	-3199	1726	6322	-4596
1.B.2.1 Direct investment	1685	5747	-4062	511	6186	-5674
1.B.2.1.1 Income on equity and investment fund shares	351	4,064	-3713	393	4,508	-4115
1.B.2.1.2 Interest	1335	1683	-349	119	1678	-1559
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	77	-77	–	133	-133
1.B.2.4 Reserve assets	943	4	939	1215	4	1211
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**13,695**	**585**	**13110**	**13,513**	**540**	**12973**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	13,695	585	13,110	13,513	540	12,973
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	13,219	486	12,733	13,051	443	12,608
Of which:						
1.C.1.1.1 Workers' remittances	6,900	486	6,414	5,999	443	5,556
1.C.1.2 Other current transfers	476	100	377	462	97	365
2 Capital Account (2.1+2.2)	**69**	**144**	**-75**	**142**	**139**	**3**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	11	3	8	1	2	-1
2.2 Capital transfers	59	141	-83	141	137	4
2.2.1 General government	59	141	-83	141	137	4
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	59	141	-83	141	137	4
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Apr-Jun 2010 (PR)			Jul-Sept 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
3 Financial Account (3.1 to 3.5)	**95087**	**81489**	**13598**	**112390**	**94075**	**18314**
3.1 Direct Investment (3.1A+3.1B)	**9344**	**5870**	**3474**	**9162**	**5596**	**3565**
3.1.A Direct Investment in India	***9050***	***2302***	***6748***	***8584***	***1097***	***7487***
3.1.1 Equity and investment fund shares	*8975*	*2278*	*6698*	*8436*	*1034*	*7402*
3.1.1.1 Equity other than reinvestment of earnings	5991	2278	3713	5452	1034	4418
3.1.1.1.1 Direct investor in direct investment enterprises	5991	2278	3713	5452	1034	4418
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2985	–	2985	2985	–	2985
3.1.2 Debt instruments	*75*	*24*	*50*	*148*	*63*	*85*
3.1.2.1 Direct investor in direct investment enterprises	75	24	50	148	63	85
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***294***	***3568***	***-3274***	***578***	***4499***	***-3922***
3.1.1 Equity and investment fund shares	*294*	*2409*	*-2115*	*578*	*2820*	*-2242*
3.1.1.1 Equity other than reinvestment of earnings	294	2138	-1844	578	2549	-1971
3.1.1.1.1 Direct investor in direct investment enterprises	294	2138	-1844	578	2549	-1971
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	271	-271	–	271	-271
3.1.2 Debt instruments	–	*1159*	*-1159*	–	*1679*	*-1679*
3.1.2.1 Direct investor in direct investment enterprises	–	1159	-1159	–	1679	-1679
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**42952**	**39461**	**3491**	**58764**	**40065**	**18699**
3.2A Portfolio Investment in India	***42,858***	***39,320***	***3538***	***58,614***	***39,854***	***18759***
3.2.1 Equity and investment fund shares	*32352*	*30110*	*2242*	*36346*	*26919*	*9427*
3.2.2 Debt securities	*10506*	*9209*	*1296*	*22268*	*12935*	*9333*
3.2.B Portfolio Investment by India	***94***	***141***	***-47***	***151***	***211***	***-60***
3.3 Financial derivatives (other than reserves) and employee stock options	**–**	**–**	**–**	**–**	**–**	**–**
3.4 Other investment	**42791**	**32417**	**10374**	**44463**	**45124**	**-661**
3.4.1 Other equity (ADRs/GDRs)	***1114***	**–**	***1114***	***492***	**–**	***492***
3.4.2 Currency and deposits	***11255***	***10157***	***1097***	***11672***	***11232***	***440***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	2	24	-22	–	604	-604
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	11252	10133	1119	11672	10628	1044
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***13130***	***5544***	***7587***	***12544***	***12119***	***426***
3.4.3A Loans to India	*12926*	*5275*	*7651*	*12228*	*11537*	*691*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	5491	2586	2905	5320	8923	-3603
3.4.3.3 General government (External Assistance)	3191	733	2458	1253	662	590
3.4.3.4 Other sectors (External Commercial Borrowings)	4244	1957	2287	5656	1952	3703
3.4.3B Loans by India	*204*	*268*	*-64*	*316*	*581*	*-265*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	19	25	-6	19	25	-6
3.4.3.4 Other sectors	185	243	-58	297	556	-259
3.4.4 Insurance, pension, and standardized guarantee schemes	**–**	**–**	**–**	**–**	**–**	**–**
3.4.5 Trade credit and advances	***15825***	***11506***	***4319***	***19420***	***16801***	***2618***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	*15825*	*11506*	*4319*	*19420*	*16801*	*2618*
3.4.6 Other accounts receivable/payable—other	***1467***	***5210***	***-3743***	***335***	***4972***	***-4637***
3.4.7 Special drawing rights			**–**			**–**
3.5 Reserve assets	**–**	**3741**	**-3741**	**–**	**3289**	**-3289**
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)	–	3741	-3741	–	3289	-3289
3.5.4.1 Currency,deposits and securities	–	3741	-3741	–	3289	-3289
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**95087**	**81489**	**13598**	**112390**	**94075**	**18314**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	41716	34938	6777	45511	30984	14526
3.0.2 Debt instruments	50790	37600	13190	66051	54829	11222
3.0.3 Other financial assets and liabilities	2581	8951	-6370	827	8262	-7434
4 Net errors and omissions		**909**	**-909**		**1414**	**-1414**

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Oct-Dec 2010 (PR)			Jan-Mar 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
1 Current Account (1.A+1.B+1.C)	**120994**	**131112**	**-10119**	**129188**	**135511**	**-6322**
1.A Goods and Services (1.A.a+1.A.b)	**104816**	**123770**	**-18954**	**112682**	**128141**	**-15459**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**65987**	**97421**	**-31434**	**77395**	**107427**	**-30032**
1.A.a.1 General merchandise on a BOP basis	65898	89520	-23621	77240	95720	-18481
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	89		89	156		156
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold		7901	-7901		11707	-11707
1.A.b Services (1.A.b.1 to 1.A.b.13)	**38829**	**26349**	**12480**	**35287**	**20714**	**14573**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***3717***	***3992***	***-275***	***4166***	***3254***	***912***
1.A.b.3.1 Sea transport	1607	2268	-661	1545	1995	-450
1.A.b.3.2 Air transport	579	1431	-852	755	1051	-296
1.A.b.3.3 Other modes of transport	1527	285	1242	1844	192	1652
1.A.b.3.4 Postal and courier services	4	8	-4	21	16	5
1.A.b.4 Travel	***4,429***	***2,857***	***1572***	***4,518***	***3,198***	***1321***
1.A.b.4.1 Business	–	1251	-1251	–	1866	-1866
1.A.b.4.2 Personal	–	1606	-1606	–	1331	-1331
1.A.b.4.2.1 Health-related	–	7	-7	–	5	-5
1.A.b.4.2.2 Education-related	–	435	-435	–	468	-468
1.A.b.4.2.3 Other	–	1164	-1164	–	858	-858
1.A.b.5 Construction	***128***	***220***	***-91***	***253***	***456***	***-203***
1.A.b.5.1 Construction abroad	128	117	11	253	239	14
1.A.b.5.2 Construction in the reporting economy	–	102	-102	–	216	-216
1.A.b.6 Insurance and pension services	***507***	***403***	***104***	***590***	***301***	***289***
1.A.b.6.1 Direct insurance	463	131	332	548	133	415
1.A.b.6.2 Reinsurance	37	255	-218	31	155	-124
1.A.b.6.3 Auxiliary insurance services	7	16	-10	11	13	-3
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***1684***	***1961***	***-276***	***1777***	***2213***	***-436***
1.A.b.7.1 Explicitly charged and other financial services	1684	1961	-276	1777	2213	-436
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***25***	***696***	***-671***	***106***	***602***	***-495***
1.A.b.9 Telecommunications, computer, and information services	***15485***	***1118***	***14368***	***16404***	***862***	***15542***
1.A.b.9.1 Telecommunications services	421	296	125	376	325	51
1.A.b.9.2 Computer services	14743	709	14034	15936	326	15610
1.A.b.9.3 Information services	322	113	209	93	211	-118
1.A.b.10 Other business services	***6754***	***7743***	***-989***	***5848***	***6721***	***-873***
1.A.b.10.1 Research and development services	224	79	145	198	53	145
1.A.b.10.2 Professional and management consulting services	3131	3408	-277	2985	3199	-214
1.A.b.10.3 Technical, trade-related, and other business services	3399	4257	-857	2665	3469	-804
1.A.b.11 Personal, cultural, and recreational services	***52***	***228***	***-176***	***70***	***139***	***-69***
1.A.b.11.1 Audiovisual and related services	30	39	-9	38	25	14
1.A.b.11.2 Other personal, cultural, and recreational services	22	190	-168	31	114	-83
1.A.b.12 Government goods and services n.i.e.	***150***	***195***	***-45***	***162***	***277***	***-115***
1.A.b.13 Others n.i.e.	***5897***	***6936***	***-1039***	***1392***	***2692***	***-1300***
1.B Primary Income (1.B.1 to 1.B.3)	**2,096**	**6,698**	**-4601**	**2,177**	**6,646**	**-4469**
1.B.1 Compensation of employees	286	564	-279	357	547	-190
1.B.2 Investment income	1811	6133	-4323	1820	6099	-4279
1.B.2.1 Direct investment	898	6060	-5162	729	6019	-5289
1.B.2.1.1 Income on equity and investment fund shares	723	4,351	-3627	583	3,918	-3336
1.B.2.1.2 Interest	174	1709	-1535	147	2101	-1954
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	68	-68	–	75	-75
1.B.2.4 Reserve assets	913	5	908	1091	6	1085
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**14,081**	**645**	**13436**	**14,329**	**723**	**13606**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	14,081	645	13,436	14,329	723	13,606
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	13,573	540	13,033	13,716	609	13,107
Of which:						
1.C.1.1.1 Workers' remittances	7,227	540	6,687	7,282	609	6,673
1.C.1.2 Other current transfers	508	105	403	613	115	499
2 Capital Account (2.1+2.2)	**343**	**206**	**137**	**131**	**155**	**-24**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	3	7	-5	24	2	22
2.2 Capital transfers	341	199	141	107	154	-47
2.2.1 General government	341	199	141	107	154	-47
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	341	199	141	107	154	-47
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Oct-Dec 2010 (PR)			Jan-Mar 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
3 Financial Account (3.1 to 3.5)	174365	164501	9864	117475	110338	7137
3.1 Direct Investment (3.1A+3.1B)	9424	8231	1193	7534	6407	1127
3.1.A Direct Investment in India	8340	2200	6141	6928	1419	5508
3.1.1 Equity and investment fund shares	8237	1861	6377	6594	1341	5253
3.1.1.1 Equity other than reinvestment of earnings	5253	1861	3392	3610	1341	2269
3.1.1.1.1 Direct investor in direct investment enterprises	5253	1861	3392	3610	1341	2269
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2985	–	2985	2985	–	2985
3.1.2 Debt instruments	103	339	-236	333	78	255
3.1.2.1 Direct investor in direct investment enterprises	103	339	-236	333	78	255
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	1084	6031	-4948	606	4987	-4381
3.1.1 Equity and investment fund shares	1084	3608	-2524	606	2784	-2178
3.1.1.1 Equity other than reinvestment of earnings	1084	3337	-2253	606	2513	-1907
3.1.1.1.1 Direct investor in direct investment enterprises	1084	3337	-2253	606	2513	-1907
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	271	-271	–	271	-271
3.1.2 Debt instruments	–	2423	-2423	–	2203	-2203
3.1.2.1 Direct investor in direct investment enterprises	–	2423	-2423	–	2203	-2203
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	101562	95496	6066	48624	48637	-13
3.2A Portfolio Investment in India	101423	94265	7158	48231	48265	-34
3.2.1 Equity and investment fund shares	84647	75469	9177	34492	36411	-1919
3.2.2 Debt securities	16776	18795	-2019	13739	11854	1885
3.2.B Portfolio Investment by India	139	1232	-1092	393	372	21
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	63379	56785	6594	61317	53263	8054
3.4.1 Other equity (ADRs/GDRs)	233	–	233	210	–	210
3.4.2 Currency and deposits	12652	12380	272	15375	13417	1958
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	87	–	87	1613	545	1068
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	12566	12380	185	13763	12873	890
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	28733	19073	9659	18956	17987	970
3.4.3A Loans to India	28144	18825	9319	18149	17470	679
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	20451	15822	4629	10108	12844	-2737
3.4.3.3 General government (External Assistance)	1916	755	1160	1446	689	757
3.4.3.4 Other sectors (External Commercial Borrowings)	5778	2248	3530	6595	3937	2659
3.4.3B Loans by India	589	248	341	807	517	290
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	19	25	-6	19	25	-6
3.4.3.4 Other sectors	570	222	347	788	491	297
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	18337	16992	1345	22150	19442	2708
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	18337	16992	1345	22150	19442	2708
3.4.6 Other accounts receivable/payable—other	3424	8340	-4915	4625	2417	2208
3.4.7 Special drawing rights						
3.5 Reserve assets	–	3989	-3989	–	2031	-2031
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)	–	3989	-3989	–	2031	-2031
3.5.4.1 Currency,deposits and securities	–	3989	-3989	–	2031	-2031
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	174365	164501	9864	117475	110338	7137
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	94107	82169	11938	42086	40908	1178
3.0.2 Debt instruments	76601	70003	6598	70554	64981	5573
3.0.3 Other financial assets and liabilities	3657	12329	-8671	4835	4448	387
4 Net errors and omissions	118		118		791	-791

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Apr-Jun 2011 (PR)			Jul-Sept 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
1 Current Account (1.A+1.B+1.C)	**125302**	**141004**	**-15702**	**128127**	**146519**	**-18392**
1.A Goods and Services (1.A.a+1.A.b)	**107318**	**133519**	**-26201**	**108799**	**138171**	**-29372**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**74360**	**115638**	**-41279**	**76446**	**119810**	**-43364**
1.A.a.1 General merchandise on a BOP basis	74238	99535	-25297	76429	107156	-30727
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	122		122	17		17
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold		16103	-16103		12654	-12654
1.A.b Services (1.A.b.1 to 1.A.b.13)	**32959**	**17881**	**15078**	**32353**	**18361**	**13993**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***4332***	***4019***	***314***	***4427***	***3651***	***776***
1.A.b.3.1 Sea transport	1862	2570	-708	1629	2277	-648
1.A.b.3.2 Air transport	685	1194	-509	873	1029	-156
1.A.b.3.3 Other modes of transport	1782	238	1544	1922	318	1604
1.A.b.3.4 Postal and courier services	4	16	-13	4	27	-24
1.A.b.4 Travel	***3697***	***3461***	***237***	***4235***	***3534***	***701***
1.A.b.4.1 Business	–	1847	-1847	–	1649	-1649
1.A.b.4.2 Personal	–	1613	-1613	–	1885	-1885
1.A.b.4.2.1 Health-related	–	10	-10	–	11	-11
1.A.b.4.2.2 Education-related	–	330	-330	–	631	-631
1.A.b.4.2.3 Other	–	1273	-1273	–	1242	-1242
1.A.b.5 Construction	***253***	***207***	***46***	***128***	***315***	***-187***
1.A.b.5.1 Construction abroad	253	120	133	128	173	-45
1.A.b.5.2 Construction in the reporting economy	–	87	-87	–	142	-142
1.A.b.6 Insurance and pension services	***566***	***298***	***268***	***619***	***423***	***196***
1.A.b.6.1 Direct insurance	530	84	446	571	162	409
1.A.b.6.2 Reinsurance	28	196	-168	30	226	-196
1.A.b.6.3 Auxiliary insurance services	7	18	-11	18	34	-17
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***1267***	***1764***	***-497***	***1577***	***2130***	***-553***
1.A.b.7.1 Explicitly charged and other financial services	1267	1764	-497	1577	2130	-553
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***40***	***606***	***-566***	***78***	***693***	***-615***
1.A.b.9 Telecommunications, computer, and information services	***15336***	***895***	***14442***	***14417***	***676***	***13741***
1.A.b.9.1 Telecommunications services	356	399	-42	455	282	173
1.A.b.9.2 Computer services	14950	302	14647	13940	307	13633
1.A.b.9.3 Information services	30	194	-164	21	87	-65
1.A.b.10 Other business services	***5023***	***6008***	***-985***	***5092***	***6020***	***-929***
1.A.b.10.1 Research and development services	159	48	111	187	26	161
1.A.b.10.2 Professional and management consulting services	2424	2572	-148	2316	2758	-443
1.A.b.10.3 Technical, trade-related, and other business services	2440	3388	-948	2589	3236	-647
1.A.b.11 Personal, cultural, and recreational services	***87***	***80***	***7***	***121***	***79***	***42***
1.A.b.11.1 Audiovisual and related services	33	27	7	27	22	5
1.A.b.11.2 Other personal, cultural, and recreational services	53	53	1	93	56	37
1.A.b.12 Government goods and services n.i.e.	***139***	***201***	***-63***	***147***	***179***	***-32***
1.A.b.13 Others n.i.e.	***2219***	***343***	***1876***	***1513***	***660***	***853***
1.B Primary Income (1.B.1 to 1.B.3)	**2493**	**6800**	**-4307**	**3088**	**7726**	**-4638**
1.B.1 Compensation of employees	589	400	189	711	467	244
1.B.2 Investment income	1904	6400	-4496	2377	7259	-4882
1.B.2.1 Direct investment	1089	6337	-5248	1062	7201	-6139
1.B.2.1.1 Income on equity and investment fund shares	726	3990	-3264	745	4886	-4141
1.B.2.1.2 Interest	364	2347	-1983	317	2315	-1998
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	56	-56	–	54	-54
1.B.2.4 Reserve assets	815	7	807	1315	4	1311
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**15491**	**685**	**14807**	**16240**	**622**	**15618**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	15491	712	14779	16240	622	15618
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	14875	588	14287	15648	530	15119
Of which:						
1.C.1.1.1 Workers' remittances	7372	588	6784	7718	530	7188
1.C.1.2 Other current transfers	616	124	492	592	93	499
2 Capital Account (2.1+2.2)	**49**	**320**	**-271**	**407**	**163**	**244**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	2	174	-172	271	11	260
2.2 Capital transfers	46	146	-99	136	152	-16
2.2.1 General government	46	146	-99	136	152	-16
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	46	146	-99	136	152	-16
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Apr-Jun 2011 (PR)			Jul-Sept 2011 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
3 Financial Account (3.1 to 3.5)	**128181**	**111199**	**16983**	**113110**	**96431**	**16679**
3.1 Direct Investment (3.1A+3.1B)	**18301**	**10530**	**7771**	**9457**	**5487**	**3971**
3.1.A Direct Investment in India	***17897***	***4559***	***13337***	***9091***	***2137***	***6954***
3.1.1 Equity and investment fund shares	*16426*	*4226*	*12200*	*8680*	*2015*	*6665*
3.1.1.1 Equity other than reinvestment of earnings	13696	4226	9470	5950	2015	3934
3.1.1.1.1 Direct investor in direct investment enterprises	13696	4226	9470	5950	2015	3934
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2730	–	2730	2730	–	2730
3.1.2 Debt instruments	*1471*	*333*	*1137*	*411*	*122*	*290*
3.1.2.1 Direct investor in direct investment enterprises	1471	333	1137	411	122	290
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***404***	***5971***	***-5567***	***366***	***3350***	***-2983***
3.1.1 Equity and investment fund shares	*404*	*1837*	*-1433*	*366*	*1902*	*-1536*
3.1.1.1 Equity other than reinvestment of earnings	404	1535	-1131	366	1600	-1234
3.1.1.1.1 Direct investor in direct investment enterprises	404	1535	-1131	366	1600	-1234
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	302	-302	–	302	-302
3.1.2 Debt instruments	–	*4133*	*-4133*	–	*1448*	*-1448*
3.1.2.1 Direct investor in direct investment enterprises	–	4133	-4133	–	1448	-1448
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**48423**	**46159**	**2263**	**43022**	**44422**	**-1401**
3.2A Portfolio Investment in India	***48329***	***45857***	***2472***	***42564***	***44152***	***-1588***
3.2.1 Equity and investment fund shares	*33320*	*31652*	*1668*	*30286*	*32187*	*-1901*
3.2.2 Debt securities	*15009*	*14205*	*804*	*12277*	*11965*	*312*
3.2.B Portfolio Investment by India	***94***	***303***	***-208***	***458***	***270***	***188***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**61458**	**49067**	**12391**	**60631**	**46246**	**14385**
3.4.1 Other equity (ADRs/GDRs)	***278***	–	***278***	***205***		***205***
3.4.2 Currency and deposits	***12520***	***11364***	***1155***	***15089***	***12328***	***2760***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	31	27	5	0	26	-26
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	12488	11337	1151	15088	12302	2786
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***24263***	***9067***	***15196***	***15871***	***6391***	***9480***
3.4.3A Loans to India	*23906*	*8724*	*15182*	*14736*	*5898*	*8837*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	16248	4739	11509	5056	1137	3919
3.4.3.3 General government (External Assistance)	1219	831	388	1063	734	330
3.4.3.4 Other sectors (External Commercial Borrowings)	6439	3154	3285	8616	4028	4588
3.4.3B Loans by India	*357*	*343*	*14*	1136	493	643
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	18	24	-6	18	24	-6
3.4.3.4 Other sectors	339	319	21	1118	469	649
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***24165***	***21096***	***3069***	***26405***	***23534***	***2871***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	24165	21096	3069	26405	23534	2871
3.4.6 Other accounts receivable/payable—other	***232***	***7540***	***-7308***	***3061***	***3993***	***-931***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**5442**	**-5442**	–	**276**	**-276**
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)	–	5442	-5442	–	276	-276
3.5.4.1 Currency,deposits and securities	–	5442	-5442	–	276	-276
3.5.4.2 Financial derivatives			–			–
3.5.4.3 Other claims			–			–
3 Total assets/liabilities	**128181**	**111199**	**16983**	**113110**	**96431**	**16679**
Of which: (by instrument):			–			–
3.0.1 Equity and investment fund shares	50244	38018	12226	39790	36192	3598
3.0.2 Debt instruments	77427	60199	17228	70053	55970	14084
3.0.3 Other financial assets and liabilities	510	12982	-12472	3266	4269	-1003
4 Net errors and omissions		**1009**	**-1009**	**1469**		**1469**

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Oct-Dec 2011 (P)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
1 Current Account (1.A+1.B+1.C)	**128202**	**147824**	**-19622**	**120994**	**131112**	**-10119**
1.A Goods and Services (1.A.a+1.A.b)	**107912**	**140561**	**-32649**	**104816**	**123770**	**-18954**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**71185**	**118848**	**-47662**	**65987**	**97421**	**-31434**
1.A.a.1 General merchandise on a BOP basis	71127	102105	-30978	65898	89520	-23621
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	58		58	89		89
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold		16743	-16743		7901	-7901
1.A.b Services (1.A.b.1 to 1.A.b.13)	**36726**	**21713**	**15013**	**38829**	**26349**	**12480**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***4584***	***4451***	***133***	***3717***	***3992***	***-275***
1.A.b.3.1 Sea transport	1289	2229	-941	1607	2268	-661
1.A.b.3.2 Air transport	801	841	-40	579	1431	-852
1.A.b.3.3 Other modes of transport	2490	1374	1116	1527	285	1242
1.A.b.3.4 Postal and courier services	4	7	-3	4	8	-4
1.A.b.4 Travel	***5068***	***3530***	***1538***	***4429***	***2857***	***1572***
1.A.b.4.1 Business	–	1714	-1714	–	1251	-1251
1.A.b.4.2 Personal	–	1816	-1816	–	1606	-1606
1.A.b.4.2.1 Health-related	–	6	-6	–	7	-7
1.A.b.4.2.2 Education-related	–	396	-396	–	435	-435
1.A.b.4.2.3 Other	–	1415	-1415	–	1164	-1164
1.A.b.5 Construction	***204***	***155***	***49***	***128***	***220***	***-91***
1.A.b.5.1 Construction abroad	204	72	132	128	117	11
1.A.b.5.2 Construction in the reporting economy	–	83	-83	–	102	-102
1.A.b.6 Insurance and pension services	***799***	***440***	***359***	***507***	***403***	***104***
1.A.b.6.1 Direct insurance	743	190	552	463	131	332
1.A.b.6.2 Reinsurance	45	243	-198	37	255	-218
1.A.b.6.3 Auxiliary insurance services	11	6	5	7	16	-10
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***1613***	***2104***	***-491***	***1684***	***1961***	***-276***
1.A.b.7.1 Explicitly charged and other financial services	1613	2104	-491	1684	1961	-276
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***78***	***919***	***-841***	***25***	***696***	***-671***
1.A.b.9 Telecommunications, computer, and information services	***16605***	***764***	***15842***	***15485***	***1118***	***14368***
1.A.b.9.1 Telecommunications services	452	334	118	421	296	125
1.A.b.9.2 Computer services	16123	317	15806	14743	709	14034
1.A.b.9.3 Information services	31	112	-82	322	113	209
1.A.b.10 Other business services	***5718***	***6708***	***-991***	***6754***	***7743***	***-989***
1.A.b.10.1 Research and development services	207	91	116	224	79	145
1.A.b.10.2 Professional and management consulting services	2663	3348	-685	3131	3408	-277
1.A.b.10.3 Technical, trade-related, and other business services	2848	3270	-422	3399	4257	-857
1.A.b.11 Personal, cultural, and recreational services	***67***	***48***	***20***	***52***	***228***	***-176***
1.A.b.11.1 Audiovisual and related services	41	17	24	30	39	-9
1.A.b.11.2 Other personal, cultural, and recreational services	26	31	-5	22	190	-168
1.A.b.12 Government goods and services n.i.e.	***145***	***186***	***-40***	***150***	***195***	***-45***
1.A.b.13 Others n.i.e.	***1845***	***2409***	***-564***	***5897***	***6936***	***-1039***
1.B Primary Income (1.B.1 to 1.B.3)	**2282**	**6798**	**-4516**	**2096**	**6698**	**-4601**
1.B.1 Compensation of employees	583	551	32	286	564	-279
1.B.2 Investment income	1698	6247	-4549	1811	6133	-4323
1.B.2.1 Direct investment	698	6161	-5463	898	6060	-5162
1.B.2.1.1 Income on equity and investment fund shares	497	3556	-3059	723	4351	-3627
1.B.2.1.2 Interest	201	2605	-2404	174	1709	-1535
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	80	-80	–	68	-68
1.B.2.4 Reserve assets	1000	5	995	913	5	908
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**18009**	**465**	**17544**	**14081**	**645**	**13436**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	18009	465	17544	14081	645	13436
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	17339	396	16943	13573	540	13033
Of which:						–
1.C.1.1.1 Workers' remittances	8399	396	8003	7227	540	6687
1.C.1.2 Other current transfers	670	69	601	508	105	403
2 Capital Account (2.1+2.2)	**352**	**232**	**120**	**343**	**206**	**137**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	0	83	-83	3	7	-5
2.2 Capital transfers	351	149	202	341	199	141
2.2.1 General government	351	149	202	341	199	141
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	351	149	202	341	199	141
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Contd.)*

(US$ million)

Item	Oct-Dec 2011 (P)			Oct-Dec 2010 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
3 Financial Account (3.1 to 3.5)	**107601**	**86718**	**20883**	**174365**	**164501**	**9864**
3.1 Direct Investment (3.1A+3.1B)	**9950**	**5466**	**4485**	**9424**	**8231**	**1193**
3.1.A Direct Investment in India	***8949***	***2559***	***6389***	***8340***	***2200***	***6141***
3.1.1 Equity and investment fund shares	*8037*	*2515*	*5522*	*8237*	*1861*	*6377*
3.1.1.1 Equity other than reinvestment of earnings	5307	2515	2792	5253	1861	3392
3.1.1.1.1 Direct investor in direct investment enterprises	5307	2515	2792	5253	1861	3392
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	2730	–	2730	2985	–	2985
3.1.2 Debt instruments	*912*	*44*	*868*	*103*	*339*	*-236*
3.1.2.1 Direct investor in direct investment enterprises	912	44	868	103	339	-236
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***1001***	***2906***	***-1905***	***1084***	***6031***	***-4948***
3.1.1 Equity and investment fund shares	*1001*	*1684*	*-683*	*1084*	*3608*	*-2524*
3.1.1.1 Equity other than reinvestment of earnings	1001	1382	-381	1084	3337	-2253
3.1.1.1.1 Direct investor in direct investment enterprises	1001	1382	-381	1084	3337	-2253
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	302	-302	–	271	-271
3.1.2 Debt instruments	–	*1222*	*-1222*	–	*2423*	*-2423*
3.1.2.1 Direct investor in direct investment enterprises	–	1222	-1222	–	2423	-2423
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**39266**	**37452**	**1814**	**101562**	**95496**	**6066**
3.2A Portfolio Investment in India	***39065***	***37204***	***1861***	***101423***	***94265***	***7158***
3.2.1 Equity and investment fund shares	*23058*	*25043*	*-1985*	*84647*	*75469*	*9177*
3.2.2 Debt securities	*16007*	*12161*	*3846*	*16776*	*18795*	*-2019*
3.2.B Portfolio Investment by India	***201***	***248***	***-47***	***139***	***1232***	***-1092***
3.3 Financial derivatives (other than reserves) and employee stock options	–	–	–	–	–	–
3.4 Other investment	**58385**	**56612**	**1772**	**63379**	**56785**	**6594**
3.4.1 Other equity (ADRs/GDRs)	***84***		***84***	***233***		***233***
3.4.2 Currency and deposits	***15701***	***12502***	***3199***	***12652***	***12380***	***272***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	3	127	-124	87	0	87
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	15698	12375	3323	12566	12380	185
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***12248***	***18107***	***-5859***	***28733***	***19073***	***9659***
3.4.3A Loans to India	*10825*	*17181*	*-6356*	*28144*	*18825*	*9319*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	445	9130	-8685	20451	15822	4629
3.4.3.3 General government (External Assistance)	2191	800	1392	1916	755	1160
3.4.3.4 Other sectors (External Commercial Borrowings)	8189	7252	937	5778	2248	3530
3.4.3B Loans by India	1422	925	497	*589*	*248*	*341*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	18	24	-6	19	25	-6
3.4.3.4 Other sectors	1405	901	504	570	222	347
3.4.4 Insurance, pension, and standardized guarantee schemes	–	–	–	–	–	–
3.4.5 Trade credit and advances	***25148***	***25279***	***-131***	***18337***	***16992***	***1345***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	25148	25279	-131	18337	16992	1345
3.4.6 Other accounts receivable/payable—other	***5205***	***725***	***4480***	***3424***	***8340***	***-4915***
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	**12812**	**–**	**12812**	**–**	**3989**	**-3989**
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)	12812	–	12812	–	3989	-3989
3.5.4.1 Currency,deposits and securities	12812	–	12812	–	3989	-3989
3.5.4.2 Financial derivatives			–	–	–	–
3.5.4.3 Other claims			–	–	–	–
3 Total assets/liabilities	**107601**	**86718**	**20883**	**174365**	**164501**	**9864**
Of which: (by instrument):			–			
3.0.1 Equity and investment fund shares	32297	27252	5045	94107	82169	11938
3.0.2 Debt instruments	16919	15666	1254	76601	70003	6598
3.0.3 Other financial assets and liabilities	58385	43800	14584	3657	12329	-8671
4 Net errors and omissions		**1381**	**-1381**	**118**		**118**

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Concld.)*

(US$ million)

Item	Apr-Dec 2011-12 (P)			Apr-Dec 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
1 Current Account (1.A+1.B+1.C)	**381631**	**435347**	**-53716**	**317812**	**357448**	**-39636**
1.A Goods and Services (1.A.a+1.A.b)	**324029**	**412251**	**-88222**	**269598**	**335913**	**-66316**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**221990**	**354296**	**-132305**	**173232**	**273634**	**-100402**
1.A.a.1 General merchandise on a BOP basis	221794	308796	-87002	173229	251386	-78157
1.A.a.1.1 Re-exports	–	–	–	–	–	–
1.A.a.2 Net exports of goods under merchanting	197	–	197	3	–	3
1.A.a.2.1 Goods acquired under merchanting (negative credits)	–	–	–	–	–	–
1.A.a.2.2 Goods sold under merchanting	–	–	–	–	–	–
1.A.a.3 Nonmonetary gold	–	45500	-45500	–	22248	-22248
1.A.b Services (1.A.b.1 to 1.A.b.13)	**102038**	**57955**	**44083**	**96366**	**62280**	**34086**
1.A.b.1 Manufacturing services on physical inputs owned by others	–	–	–	–	–	–
1.A.b.1.1 Goods for processing in reporting economy	–	–	–	–	–	–
1.A.b.1.2 Goods for processing abroad	–	–	–	–	–	–
1.A.b.2 Maintenance and repair services n.i.e.	–	–	–	–	–	–
1.A.b.3 Transport	***13344***	***12121***	***1222***	***10157***	***10693***	***-536***
1.A.b.3.1 Sea transport	4779	7076	-2297	4622	6121	-1499
1.A.b.3.2 Air transport	2359	3065	-706	1708	3729	-2020
1.A.b.3.3 Other modes of transport	6194	1930	4264	3797	793	3004
1.A.b.3.4 Postal and courier services	11	51	-39	30	51	-21
1.A.b.4 Travel	***13000***	***10525***	***2475***	***10757***	***7910***	***2846***
1.A.b.4.1 Business	–	5210	-5210	–	3113	-3113
1.A.b.4.2 Personal	–	5314	-5314	–	4798	-4798
1.A.b.4.2.1 Health-related	–	27	-27	–	54	-54
1.A.b.4.2.2 Education-related	–	1357	-1357	–	1424	-1424
1.A.b.4.2.3 Other	–	3930	-3930	–	3320	-3320
1.A.b.5 Construction	***585***	***677***	***-92***	***424***	***701***	***-278***
1.A.b.5.1 Construction abroad	585	365	220	424	394	30
1.A.b.5.2 Construction in the reporting economy	–	312	-312	–	308	-308
1.A.b.6 Insurance and pension services	***1983***	***1161***	***823***	***1358***	***1098***	***259***
1.A.b.6.1 Direct insurance	1843	437	1407	1241	451	790
1.A.b.6.2 Reinsurance	104	666	-562	95	595	-500
1.A.b.6.3 Auxiliary insurance services	36	58	-22	21	52	-31
1.A.b.6.4 Pension and standardized guarantee services	–	–	–	–	–	–
1.A.b.7 Financial services	***4456***	***5997***	***-1541***	***4731***	***5270***	***-539***
1.A.b.7.1 Explicitly charged and other financial services	4456	5997	-1541	4731	5270	-539
1.A.b.7.2 Financial intermediation services indirectly measured	–	–	–	–	–	–
1.A.b.8 Charges for the use of intellectual property n.i.e.	***196***	***2218***	***-2021***	***86***	***1822***	***-1736***
1.A.b.9 Telecommunications, computer, and information services	***46358***	***2335***	***44024***	***41173***	***2886***	***38287***
1.A.b.9.1 Telecommunications services	1263	1015	248	1136	760	376
1.A.b.9.2 Computer services	45013	927	44086	39524	1869	37655
1.A.b.9.3 Information services	82	393	-311	512	257	255
1.A.b.10 Other business services	***15833***	***18737***	***-2904***	***16975***	***19975***	***-3000***
1.A.b.10.1 Research and development services	552	164	388	680	196	484
1.A.b.10.2 Professional and management consulting services	7403	8679	-1276	7641	8792	-1151
1.A.b.10.3 Technical, trade-related, and other business services	7877	9894	-2017	8654	10988	-2334
1.A.b.11 Personal, cultural, and recreational services	***275***	***206***	***69***	***157***	***404***	***-247***
1.A.b.11.1 Audiovisual and related services	102	66	36	79	122	-43
1.A.b.11.2 Other personal, cultural, and recreational services	173	140	33	78	282	-204
1.A.b.12 Government goods and services n.i.e.	***431***	***566***	***-135***	***369***	***543***	***-174***
1.A.b.13 Others n.i.e.	***5577***	***3412***	***2165***	***10179***	***10975***	***-796***
1.B Primary Income (1.B.1 to 1.B.3)	**7862**	**21324**	**-13462**	**6925**	**19764**	**-12839**
1.B.1 Compensation of employees	1883	1418	465	759	1481	-722
1.B.2 Investment income	5979	19906	-13927	6166	18283	-12118
1.B.2.1 Direct investment	2850	19700	-16850	3094	17993	-14898
1.B.2.1.1 Income on equity and investment fund shares	1967	12432	-10465	1467	12922	-11456
1.B.2.1.2 Interest	882	7267	-6385	1628	5070	-3443
1.B.2.2 Portfolio investment	–	–	–	–	–	–
1.B.2.3 Other investment	–	190	-190	–	278	-278
1.B.2.4 Reserve assets	3130	16	3113	3071	13	3058
1.B.3 Other primary income	–	–	–	–	–	–
1.C Secondary Income (1.C.1+1.C.2)	**49740**	**1772**	**47968**	**41289**	**1770**	**39519**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	49740	1799	47941	41289	1770	39519
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	47863	1514	46349	39843	1469	38374
Of which:	–	–	–	–	–	–
1.C.1.1.1 Workers' remittances	23489	1514	21975	20126	1469	18657
1.C.1.2 Other current transfers	1877	285	1592	1446	301	1145
2 Capital Account (2.1+2.2)	**808**	**716**	**92**	**554**	**490**	**65**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	274	269	5	14	12	2
2.2 Capital transfers	534	447	87	540	478	62
2.2.1 General government	534	447	87	540	478	62
2.2.1.1 Debt forgiveness	–	–	–	–	–	–
2.2.1.2 Other capital transfers	534	447	87	540	478	62
2.2.2 Financial corporations, nonfinancial corporations, households, and NPISHs	–	–	–	–	–	–

No. 41A: Standard Presentation of BoP in India as per BPM6 *(Concld.)*

(US$ million)

Item	Apr-Dec 2011-12 (P)			Apr-Dec 2010-11 (PR)		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
3 Financial Account (3.1 to 3.5)	**348892**	**294348**	**54544**	**381842**	**340065**	**41777**
3.1 Direct Investment (3.1A+3.1B)	**37708**	**21482**	**16226**	**27930**	**19697**	**8233**
3.1.A Direct Investment in India	***35937***	***9256***	***26681***	***25974***	***5599***	***20375***
3.1.1 Equity and investment fund shares	*33143*	*8757*	*24386*	*25649*	*5173*	*20477*
3.1.1.1 Equity other than reinvestment of earnings	24952	8757	16196	16695	5173	11522
3.1.1.1.1 Direct investor in direct investment enterprises	24952	8757	16196	16695	5173	11522
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	8190	–	8190	8955	–	8955
3.1.2 Debt instruments	*2794*	*499*	*2295*	*325*	*426*	*-101*
3.1.2.1 Direct investor in direct investment enterprises	2794	499	2295	325	426	-101
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.1.B Direct Investment by India	***1772***	***12227***	***-10455***	***1955***	***14098***	***-12143***
3.1.1 Equity and investment fund shares	*1772*	*5423*	*-3652*	*1955*	*8837*	*-6881*
3.1.1.1 Equity other than reinvestment of earnings	1772	4517	-2746	1955	8024	-6068
3.1.1.1.1 Direct investor in direct investment enterprises	1772	4517	-2746	1955	8024	-6068
3.1.1.1.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.1.1.3 Between fellow enterprises	–	–	–	–	–	–
3.1.1.2 Reinvestment of earnings	–	906	-906	–	813	-813
3.1.2 Debt instruments	–	*6803*	*-6803*	–	*5261*	*-5261*
3.1.2.1 Direct investor in direct investment enterprises	–	6803	-6803	–	5261	-5261
3.1.2.2 Direct investment enterprises in direct investor (reverse investment)	–	–	–	–	–	–
3.1.2.3 Between fellow enterprises	–	–	–	–	–	–
3.2 Portfolio Investment	**130711**	**128034**	**2677**	**203278**	**175023**	**28256**
3.2A Portfolio Investment in India	***129957***	***127213***	***2744***	***202894***	***173439***	***29456***
3.2.1 Equity and investment fund shares	*86664*	*88882*	*-2218*	*153345*	*132499*	*20846*
3.2.2 Debt securities	*43294*	*38331*	*4962*	*49550*	*40940*	*8610*
3.2.B Portfolio Investment by India	***753***	***821***	***-67***	***384***	***1584***	***-1200***
3.3 Financial derivatives (other than reserves) and employee stock options	**–**	**–**	**–**	**–**	**–**	**–**
3.4 Other investment	**180473**	**151925**	**28548**	**150634**	**134326**	**16307**
3.4.1 Other equity (ADRs/GDRs)	***567***	***–***	***567***	***1839***	***–***	***1839***
3.4.2 Currency and deposits	***43309***	***36195***	***7114***	***35579***	***33769***	***1809***
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	34	180	-146	89	628	-539
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	43275	36015	7260	35490	33141	2348
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	***52382***	***33565***	***18817***	***54407***	***36736***	***17672***
3.4.3A Loans to India	*49467*	*31804*	*17663*	*53298*	*35638*	*17660*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	21748	15006	6743	31261	27330	3931
3.4.3.3 General government (External Assistance)	4474	2364	2110	6360	2151	4209
3.4.3.4 Other sectors (External Commercial Borrowings)	23245	14434	8811	15677	6157	9520
3.4.3B Loans by India	2915	1761	1154	*1109*	*1098*	*12*
3.4.3.1 Central bank	–	–	–	–	–	–
3.4.3.2 Deposit-taking corporations, except the central bank	–	–	–	–	–	–
3.4.3.3 General government	53	72	-19	57	76	-19
3.4.3.4 Other sectors	2862	1689	1173	1052	1021	31
3.4.4 Insurance, pension, and standardized guarantee schemes	***–***	***–***	***–***	***–***	***–***	***–***
3.4.5 Trade credit and advances	***75717***	***69908***	***5809***	***53582***	***45299***	***8283***
3.4.5.1 Central bank	–	–	–	–	–	–
3.4.5.2 General government	–	–	–	–	–	–
3.4.5.3 Deposit-taking corporations	–	–	–	–	–	–
3.4.5.4 Other sectors	75717	69908	5809	53582	45299	8283
3.4.6 Other accounts receivable/payable—other	***8498***	***12257***	***-3759***	***5227***	***18522***	***-13295***
3.4.7 Special drawing rights						
3.5 Reserve assets	**7093**	**–**	**7093**	**–**	**11019**	**-11019**
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)	7093	–	7093	–	11019	-11019
3.5.4.1 Currency,deposits and securities	7093	–	7093	–	11019	-11019
3.5.4.2 Financial derivatives	–	–	–	–	–	–
3.5.4.3 Other claims	–	–	–	–	–	–
3 Total assets/liabilities	**348892**	**294348**	**54544**	**381842**	**340065**	**41777**
Of which: (by instrument):						
3.0.1 Equity and investment fund shares	122332	103882	18449	181334	148092	33241
3.0.2 Debt instruments	217496	185302	32194	193442	162432	31011
3.0.3 Other financial assets and liabilities	21877	17976	3901	7066	29541	-22476
4 Net errors and omissions		**921**	**-921**	**–**	**2206**	**-2206**

Note: The comparable figures in new and old formats may not entirely agree due to rounding off. Total of subcomponents may not tally with aggregate due to rounding off.

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

No. 42: Foreign Exchange Reserves

End of	Foreign Currency Assets*		Gold #		SDRs ##			Reserve Tranche Position in IMF		Total	
	` billion	In millions of US $	` billion	In millions of US $	In millions of SDRs	` billion	In millions of US $	` billion	In millions of US $	**` billion**	**In millions of US $**
	1	2	3	4	5	6	7	8	9	10=(1+3+6+8)	11=(2+4+7+9)
2006-07	8,366	191,924	296	6,784	1	–	2	20	469	8,682	199,179
2007-08	11,960	299,230	401	10,039	11	1	18	17	436	12,380	309,723
2008-09	12,301	241,426	488	9,577	1	–	1	50	981	12,839	251,985
2009-10	11,497	254,685	812	17,986	3,297	226	5,006	62	1,380	12,597	279,057
2010-11	12,249	274,330	1,026	22,972	2,882	204	4,569	132	2,947	13,610	304,818
2009-10											
April	12,127	241,487	464	9,231	1	–	1	49	983	12,640	251,702
May	11,891	251,456	454	9,604	–	–	1	59	1,245	12,404	262,306
June	12,163	254,093	469	9,800	–	–	1	60	1,248	12,692	265,142
July	12,552	260,631	466	9,671	–	–	1	64	1,338	13,082	271,641
August	12,770	261,247	480	9,828	3,083	236	4,828	66	1,349	13,552	277,252
September	12,700	264,373	496	10,316	3,297	251	5,224	66	1,365	13,513	281,278
October	12,527	266,768	507	10,800	3,297	246	5,242	74	1,581	13,355	284,391
November	12,233	263,191	845	18,182	3,297	247	5,309	68	1,464	13,393	288,146
December	12,071	258,583	854	18,292	3,297	241	5,169	67	1,426	13,232	283,470
January	11,888	256,362	837	18,056	3,297	238	5,124	66	1,413	13,028	280,955
February	11,742	253,991	828	17,920	3,297	234	5,053	64	1,393	12,868	278,357
March	11,497	254,685	812	17,986	3,297	226	5,006	62	1,380	12,597	279,057
2010-11											
April	11,322	254,773	824	18,537	3,297	221	4,982	60	1,341	12,427	279,633
May	11,517	247,951	902	19,423	3,297	226	4,861	61	1,309	12,706	273,544
June	11,633	249,628	927	19,894	3,297	227	4,875	61	1,313	12,848	275,710
July	12,012	258,551	896	19,278	3,297	233	5,006	63	1,348	13,203	284,183
August	12,063	256,227	942	20,008	3,297	234	4,974	91	1,932	13,330	283,142
September	11,914	265,231	922	20,516	3,297	230	5,130	90	1,993	13,156	292,870
October	11,985	269,093	965	21,668	3,297	231	5,182	90	2,013	13,271	297,956
November	12,121	263,281	1,019	22,124	3,297	232	5,031	90	1,954	13,462	292,389
December	12,001	267,814	1,007	22,470	3,297	228	5,078	88	1,972	13,324	297,334
January	12,402	269,893	1,007	21,924	3,297	237	5,150	104	2,259	13,749	299,224
February	12,288	271,988	1,000	22,143	3,298	234	5,187	103	2,275	13,626	301,592
March	12,249	274,330	1,026	22,972	2,882	204	4,569	132	2,947	13,610	304,818
2011-12											
April	12,517	282,037	1,056	23,790	2,882	207	4,671	134	3,013	13,914	313,511
May	12,588	279,537	1,098	24,391	2,882	208	4,613	134	2,975	14,028	311,516
June	12,676	283,458	1,103	24,668	2,883	206	4,614	133	2,975	14,119	315,715
July	12,637	286,160	1,119	25,349	2,883	204	4,609	131	2,972	14,091	319,090
August	13,163	286,034	1,303	28,319	2,884	213	4,638	138	2,991	14,818	321,982
September	13,490	275,699	1,403	28,667	2,884	220	4,504	128	2,612	15,241	311,482
October	13,786	282,087	1,314	26,896	2,884	224	4,574	130	2,653	15,453	316,210
November	14,230	272,771	1,463	28,041	2,885	234	4,476	135	2,596	16,062	307,884
December	14,006	262,933	1,418	26,620	2,885	236	4,429	144	2,706	15,804	296,688
January	12,859	258,830	1,328	26,728	2,885	222	4,475	136	2,734	14,545	292,766
February	12,751	260,544	1,377	28,128	2,885	220	4,490	138	2,828	14,486	295,989
February 3, 2012	12,721	259,817	1,328	26,728	2,885	219	4,474	134	2,734	14,401	293,753
February 10, 2012	12,879	259,447	1,328	26,728	2,884	222	4,475	136	2,735	14,565	293,384
February 17, 2012	12,772	259,534	1,328	26,728	2,885	219	4,456	134	2,722	14,453	293,440
February 24, 2012	12,812	261,102	1,328	26,728	2,885	220	4,481	134	2,737	14,494	295,048
March 2, 2012	12,811	259,596	1,377	28,128	2,885	220	4,457	139	2,808	14,546	294,989
March 9, 2012	12,934	258,579	1,377	28,128	2,885	223	4,450	140	2,803	14,674	293,959

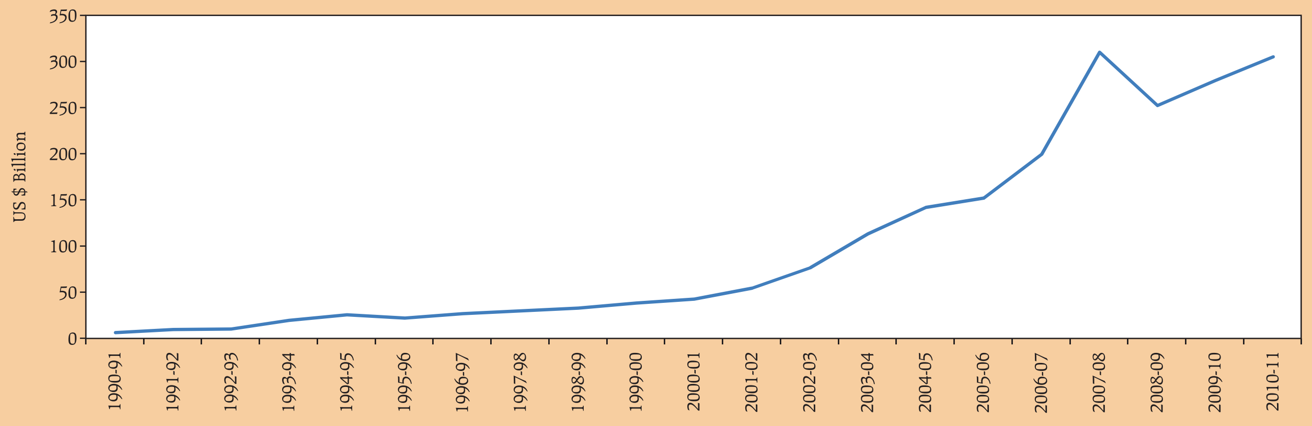
– Negligible. See 'Notes on Tables'

* FCA excludes US $ 250.00 millon invested in foreign currency denominated bonds issued by IFFC (UK) since March 2, 2009 excludes US $ 380.00 million since September 16, 2011, and excludes US $ 550 million since March 9, 2012 (as also its equivalent value in Indian Rupee).

Includes ` 314.63 billion (US$ 6,699 million) reflecting the purchase of 200 metric tonnes of gold from IMF on November 3, 2009.

Includes SDRs 3,082.5 million allocated under general allocation and SDRs 214.6 million allocated under special allocation by the IMF done on August 28, 2009 and September 9, 2009, respectively.

Foreign Exchange Reserves



No. 43: NRI Deposits – Outstanding and Inflows (+) /Outflows (-) @

(US$ Million)

SCHEME	(As at end - March)																
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. FCNR(A) *	7,051	4,255	2,306	1	–	–	–	–	–	–	–	–	–	–	–	–	–
2. FCNR(B) **	3,063	5,720	7,496	8,467	7,835	8,172	9,076	9,673	10,199	10,961	11,452	13,064	15,129	14,168	13,211	14,258	15,597
3. NR(E)RA	4,556	3,916	4,983	5,637	6,045	6,758	7,147	8,449	14,923	20,559	21,291	22,070	24,495	26,716	23,570	26,251	26,378
4. NR(NR)RD +	2,486	3,542	5,604	6,262	6,618	6,754	6,849	7,052	3,407	1,746	232	–	–	–	–	–	–
5. NRO	–	–	–	–	–	–	–	–	–	–	–	1,148	1,616	2,788	4,773	7,381	9,707
Total	**17,156**	**17,433**	**20,389**	**20,367**	**20,498**	**21,684**	**23,072**	**25,174**	**28,529**	**33,266**	**32,975**	**36,282**	**41,240**	**43,672**	**41,554**	**47,890**	**51,682**

(US$ Million)

SCHEME	2010-11 End - Month											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar
	1	2	3	4	5	6	7	8	9	10	11	12
1. FCNR(B) **	14,466	14,159	14,369	14,697	14,665	15,012	15,327	15,072	15,100	15,256	15,395	15,597
2. NR(E)RA	26,686	26,031	26,067	26,595	26,124	26,579	26,803	26,132	26,562	25,912	25,970	26,378
3. NRO	7,724	7,643	7,672	7,829	7,895	8,316	8,827	8,632	9,010	9,046	9,312	9,707
Total	**48,876**	**47,833**	**48,108**	**49,121**	**48,684**	**49,907**	**50,957**	**49,836**	**50,672**	**50,214**	**50,677**	**51,682**

(US$ Million)

SCHEME	2011-12(P) End - Month										
	Apr.	May	Jun.	Jul.	Aug.	Sep	Oct	Nov	Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8	9	10	11
1. FCNR(B) **	15,931	15,843	16,142	16,450	16,250	15,824	15,952	15,574	15,376	15,541	15,548
2. NR(E)RA	26,267	25,927	26,190	26,029	25,797	25,344	26,022	25,621	25,430	28,978	29,938
3. NRO	10,118	10,133	10,565	10,860	10,949	11,136	11,334	11,759	11,691	12,535	12,653
Total	**52,316**	**51,903**	**52,897**	**53,339**	**52,996**	**52,304**	**53,308**	**52,954**	**52,497**	**57,054**	**58,139**

Inflow (+) /Outflow (-) During the Month (US$ Million)

SCHEME	2010-11												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov	Dec	Jan	Feb	Mar	Apr.- Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B)	207	-307	210	329	-33	347	316	-256	29	156	139	202	1,339
	(173)	(633)	-(3)	(142)	-(103)	(135)	(437)	(73)	-(33)	-(131)	-(176)	-(100)	(1047)
2. NR(E)RA	-85	558	39	468	-234	-300	-381	41	-120	-105	-162	1	-280
	(67)	(128)	(187)	(234)	-(68)	(38)	-(270)	-(31)	(44)	-(286)	-(11)	-(103)	-(71)
3. NRO	197	272	29	139	138	189	322	41	194	223	188	248	2,180
	(229)	(257)	(146)	(316)	(120)	(233)	(166)	(207)	(16)	(104)	(68)	(84)	(1946)
Total	**319**	**523**	**278**	**936**	**-129**	**236**	**257**	**-174**	**103**	**274**	**165**	**451**	**3,239**
	(469)	**(1018)**	**(330)**	**(692)**	**-(51)**	**(406)**	**(333)**	**(249)**	**(27)**	**-(313)**	**-(119)**	**-(119)**	**(2,922)**

Inflow (+) /Outflow (-) During the Month (US$ Million)

SCHEME	2011-12(P)											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb	Apr.-Feb.
	1	2	3	4	5	6	7	8	9	10	11	12
1. FCNR(B)	334	-89	300	308	-200	-426	128	-378	-199	165	6	-50
	(207)	-(307)	(210)	(329)	-(33)	(347)	(316)	-(256)	(29)	(156)	(139)	(1,137)
2. NR(E)RA	-277	144	-100	-408	742	1,187	631	898	718	1,637	622	5,794
	-(85)	(558)	(39)	(468)	-(234)	-(300)	-(381)	(41)	-(120)	-(105)	-(162)	-(281)
3. NRO	350	202	289	193	498	893	178	997	350	-9	-27	3,914
	(197)	(272)	(29)	(139)	(138)	(189)	(322)	(41)	(194)	(223)	(188)	(1,932)
Total	**407**	**257**	**489**	**93**	**1,040**	**1,654**	**937**	**1,517**	**869**	**1,794**	**602**	**9,659**
	(319)	**(523)**	**(278)**	**(936)**	**-(129)**	**(236)**	**(257)**	**-(174)**	**(103)**	**(274)**	**(165)**	**(2,788)**

Notes: 1. FCNR(A) : Foreign Currency Non-Resident (Accounts).
2. FCNR(B) : Foreign Currency Non-Resident (Banks).
3. NR(E) RA : Non-Resident (External) Rupee Accounts.
4. NR(NR)RD : Non-Resident (Non-Repatriable) Rupee Deposits
5. NRO Non-Resident Ordinary Rupee Account
6. Figures in the brackets represent inflows(+) outflows (-) during the corresponding month/period of the previous year.
7. Flows derived from the month-end balances may not be consistent with the data provided under monthly total 'outflows/inflows' as exchange rates used in two sets of data are different.

P: Provisional. –: Not Available.
@ All figures are inclusive of accrued interest.
* Withdrawn effective August 1994.
** Introduced in May 1993.
\+ Introduced in June 1992 and discontinued w.e.f. April 2002.

No. 44: Foreign Investment Inflows

(US$ Million)

Item	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 (P)	2010-11 (P)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A. Direct Investment (I+II+III)	**2,144**	**2,821**	**3,557**	**2,462**	**2,155**	**4,029**	**6,130**	**5,035**	**4,322**	**6,051**	**8,961**	**22,826**	**34,835**	**41,874**	**37,745**	**32,901**
I. Equity (a+b+c+d+e)	2,144	2,821	3,557	2,462	2,155	2,400	4,095	2,764	2,229	3,778	5,975	16,481	26,864	32,066	27,146	20,304
a. Government (SIA/FIPB)	1,249	1,922	2,754	1,821	1,410	1,456	2,221	919	928	1,062	1,126	2,156	2,298	5,400	3,471	1,945
b. RBI	169	135	202	179	171	454	767	739	534	1,258	2,233	7,151	17,127	21,332	18,987	12,994
c. NRI	715	639	241	62	84	67	35	–	–	–	–	–	–	–	–	–
d. Acquisition of shares *	11	125	360	400	490	362	881	916	735	930	2,181	6,278	5,148	4,632	3,148	4,491
e. Equity capital of unincorporated bodies #	..	..	..	..	..	61	191	190	32	528	435	896	2,291	702	1,540	874
II. Reinvested earnings +	..	..	..	..	..	1,350	1,645	1,833	1,460	1,904	2,760	5,828	7,679	9,032	8,668	11,939
III. Other capital ++	..	..	..	..	..	279	390	438	633	369	226	517	292	776	1,931	658
B. Portfolio Investment (a+b+c)	**2,748**	**3,312**	**1,828**	**-61**	**3,026**	**2,760**	**2,021**	**979**	**11,377**	**9,315**	**12,492**	**7,003**	**27,271**	**-13,855**	**32,376**	**31,471**
a. GDRs/ADRs # #	683	1,366	645	270	768	831	477	600	459	613	2,552	3,776	6,645	1,162	3,328	2,049
b. FIIs **	2,009	1,926	979	-390	2,135	1,847	1,505	377	10,918	8,686	9,926	3,225	20,328	-15,017	29,048	29,422
c. Offshore funds and others	56	20	204	59	123	82	39	2	–	16	14	2	298	–	–	–
Total (A+B)	**4,892**	**6,133**	**5,385**	**2,401**	**5,181**	**6,789**	**8,151**	**6,014**	**15,699**	**15,366**	**21,453**	**29,829**	**62,106**	**28,019**	**70,121**	**64,372**

(US$ Million)

Item	2010-11 (P)												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov	Dec.	Jan.	Feb	Mar	Apr.- Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
A. Direct Investment (I+II+III)	**2,179**	**2,213**	**1,380**	**1,785**	**1,330**	**2,118**	**1,392**	**1,628**	**2,014**	**1,042**	**1,274**	**1,075**	**32,901**
I. Equity (a+b+c+d)	2,179	2,213	1,380	1,785	1,330	2,118	1,392	1,628	2,014	1,042	1,274	1,075	**20,304**
a. Government (SIA/FIPB)	440	555	159	49	151	61	146	43	118	32	79	112	1,945
b. RBI	1,361	1,274	914	1,387	998	565	1,204	1,247	1,732	788	876	648	12,994
c. Acquisition of shares *	378	384	307	349	181	1,492	42	338	164	222	319	315	4,491
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..	874
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..	11,939
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..	658
B. Portfolio Investment (a+b+c)	**3,315**	**88**	**1,250**	**9,114**	**-440**	**10,577**	**28,704**	**-19,811**	**-1,502**	**1,691**	**-1,600**	**85**	**31,471**
a. GDRs/ADRs # #	156	579	379	364	–	128	74	110	49	116	–	94	2,049
b. FIIs **	3,159	-491	871	8,750	-440	10,449	28,630	-19,921	-1,551	1,575	-1,600	-9	29,422
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**5,494**	**2,301**	**2,630**	**10,899**	**890**	**12,695**	**30,096**	**-18,183**	**512**	**2,733**	**-326**	**1,160**	**64,372**

(US$ Million)

Item	2011-12 (P)											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan,	Feb.	Apr.-Feb.
	1	2	3	4	5	6	7	8	9	10	11	12
A. Direct Investment (I+II+III)	**3,121**	**4,413**	**5,656**	**1,099**	**2,830**	**1,766**	**1,161**	**2,538**	**1,353**	**2,004**	**2,211**	**41,891**
I. Equity (a+b+c+d)	3,121	4,413	5,656	1,099	2,830	1,766	1,161	2,538	1,353	2,004	2,211	29,087
a. Government (SIA/FIPB)	655	103	993	212	105	109	130	282	121	86	205	3,001
b. RBI	2,263	4,108	2,443	841	2,384	1,429	854	1,028	1,142	1,415	1,270	19,177
c. Acquisition of shares *	203	202	2,220	46	341	228	177	1,228	90	503	736	5,974
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	935
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	10,010
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	2,794
B. Portfolio Investment (a+b+c)	**3,545**	**-1,584**	**789**	**1,560**	**-1,797**	**-1,147**	**-432**	**76**	**2,302**	**5,422**	**9,228**	**17,962**
a. GDRs/ADRs # #	105	**125**	48	20	24	161	84	**–**	–	30	–	597
b. FIIs **	3,440	**-1,709**	741	1,540	-1,821	-1,308	-516	76	2,302	5,392	9,228	17,365
c. Offshore funds and others	–	-	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**6,666**	**2,829**	**6,445**	**2,659**	**1,033**	**619**	**729**	**2,614**	**3,655**	**7,426**	**11,439**	**59,853**

* Relates to acquisition of shares of Indian companies by non-residents under Section 6 of FEMA, 1999. Data on such acquisitions have been included as part of FDI since January 1996.

** Represents inflow of funds (net) by Foreign Institutional Investors (FIIs).

\# Figures for equity capital of unincorporated bodies for 2011-12 are estimated based on the average of previous two years.

\# # Represents the amount raised by Indian Corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

\+ Data for 2011-12 are estimated as average of previous two years.

++ Data pertain to inter company debt transactions of FDI entities for the period of April-December only.

Notes: 1. Data for equity capital of unincorporated bodies and reinvested earnings in the column of the monthly tables, pertain to April-February 2012. which are included in the last column (cumulative FDI).As a result, the monthly total FDI may not match with the cumulative FDI given in the last column.

2. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices.

3. These data, therefore, are not comparable with FDI data for previous years. Also see 'Notes on Tables' of Table No 40 & 41.

Table 44 A: Outward Remittances under the Liberalised Remittance Scheme for Resident Individuals

(US$ Million)

Purpose	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	1	2	3	4	5	6	7
1. Deposit	9.1	23.2	19.7	24.0	30.4	37.4	29.6
2. Purchase of immovable property	0.5	1.9	8.5	39.5	55.9	47.6	66.3
3. Investment in equity/debt	–	–	20.7	144.7	151.4	206.5	265.9
4. Gift	–	–	7.4	70.3	133.0	159.9	242.5
5. Donations	–	–	0.1	1.6	1.4	5.3	3.6
6 Travel	–	–	–	–	–	17.4	16.2
7. Maintenance of close relatives	–	–	–	–	–	170.9	255.2
8. Medical Treatment	–	–	–	–	–	18.3	5.7
9. Studies Abroad	–	–	–	–	–	217.8	150.1
10. Others**	–	–	16.4	160.4	436.0	101.8	128.6
Total (1 to 10)	**9.6**	**25.0**	**72.8**	**440.5**	**808.1**	**983.0**	**1163.5**

(US$ Million)

Purpose	2010-11											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	9	10	11	12	13
1. Deposit	3.6	2.5	2.3	1.5	1.3	0.8	2.9	1.7	1.6	1.1	2.5	7.8
2. Purchase of immovable property	7.5	5.8	5.9	4.4	4.6	4.6	6.8	5.0	4.0	4.4	4.5	8.8
3. Investment in equity/debt	22.2	21.6	18.2	17.6	17.5	15.6	24.8	15.3	16.9	19.4	26.5	50.3
4. Gift	24.5	16.6	16.5	15.1	19.2	15.8	23.1	23.1	29.3	15.1	15.0	29.2
5. Donations	0.5	0.1	0.2	0.1	0.4	0	0.3	0.3	0.1	0.2	0.3	1.1
6. Travel	1.6	1.5	1.2	2.2	2.6	1.3	1.3	1.2	1.1	0.7	0.8	0.7
7. Maintenance of close relatives	61.1	19.7	15.1	14.7	20.7	14.5	18.9	12.1	40.4	9.6	9.1	19.3
8. Medical Treatment	0.8	0.6	0.7	0.7	0.5	0.4	0.3	0.6	0.6	0.04	0.3	0.2
9. Studies Abroad	7.7	9.6	6.9	13.0	18.6	23.9	12.6	10.4	11.7	13.1	10.4	12.2
10. Others **	11.7	12.2	10.1	7.6	9.5	7.3	8.3	12.0	14.0	10.1	7.9	17.9
Total (1 to 10)	**141.2**	**90.2**	**77.1**	**76.9**	**94.7**	**84.2**	**99.3**	**81.7**	**119.7**	**73.7**	**77.3**	**147.5**

(US$ Million)

Purpose	2011-12									
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
	1	2	3	4	5	6	7	8	9	10
1. Deposit	3.3	2.6	2.3	0.9	1.1	1.4	0.6	1.2	1.3	1.3
2. Purchase of immovable property	6.8	6.0	6.2	7.2	5.2	3.8	4.2	5.1	4.2	2.0
3. Investment in equity/debt	26.2	21.4	16.3	19.0	20.1	18.2	13.8	12.6	11.2	14.8
4. Gift	38.3	23.4	22.9	21.4	17.3	17.1	13.2	12.9	14.2	12.1
5. Donations	–	0.2	0.9	0.3	0.1	0.3	0.4	0.1	0.3	0.2
6. Travel	2.2	2.0	1.8	2.5	1.7	3.9	3.4	3.4	3.1	4.1
7. Maintenance of close relatives	12.9	11.2	10.5	11.1	9.3	13.0	12.3	14.3	13.4	14.4
8. Medical Treatment	0.2	0.4	0.2	0.02	0.3	0.6	0.3	0.2	0.3	0.6
9. Studies Abroad	6.5	7.9	6.8	9.1	15.5	12.5	7.5	8.8	8.1	11.8
10. Others **	7.0	8.5	6.3	6.7	8.3	8.4	9.4	6.8	6.0	8.3
Total (1 to 10)	**103.4**	**83.7**	**74.2**	**78.2**	**78.9**	**79.2**	**64.9**	**65.5**	**62.1**	**69.6**

– Not available

** Include items such as subscription to journals, maintenance of investment abroad, student loan repayments, credit card payments etc. (till 2008-09 also includes education, travel, maintenance of close relatives and medical treatment).

Notes: (i) The data from 2004 to 2007 are on calendar basis.

(ii) Under Liberalised Remittance Scheme (LRS), currently, the residents are permitted to remit up to an amount of US $ 2,00,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both with effect from September 26, 2007. The LRS Scheme was introduced in February 2004 to facilitate resident individuals to freely remit up to US $ 25,000 per calendar year, which was enhanced to US $ 50,000 per financial year in December 2006; to US $ 1, 00,000 per financial year in May 2007; and to US $ 2, 00,000 per financial year in September 2007.

No. 45: Daily Foreign Exchange Spot Rates

(` per Unit of Foreign Currency)

Date	RBI's Reference Rate ` Per Foreign Currency		FEDAI Indicative Rates							
	US Dollar	Euro	US Dollar		Pound Sterling		Euro		One Hundred Japanese Yen	
			Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
	1	2	3	4	5	6	7	8	9	10
February 1, 2012	49.5300	64.6600	49.5450	49.5550	77.9700	78.0050	64.6475	64.6850	65.0025	65.0250
February 2, 2012	49.1300	64.7500	49.1300	49.1400	77.8600	77.8975	64.7675	64.7950	64.5425	64.5650
February 3, 2012	48.9600	64.4000	48.9600	48.9700	77.4500	77.4800	64.3875	64.4200	64.2275	64.2725
February 6, 2012	48.6790	63.5678	48.6800	48.6900	76.7450	76.7750	63.5675	63.6000	63.4350	63.4800
February 7, 2012	48.9150	64.1188	48.9350	48.9450	77.3325	77.3575	64.1500	64.1825	63.8100	63.8475
February 8, 2012	49.0683	65.1526	49.0400	49.0500	78.0375	78.0725	65.1450	65.1675	63.6375	63.6775
February 9, 2012	49.2895	65.5895	49.3200	49.3300	78.0975	78.1350	65.5750	65.5950	63.8775	63.9075
February 10, 2012	49.6445	65.7995	49.6300	49.6400	78.3450	78.3775	65.7750	65.8075	63.9075	63.9600
February 13, 2012	49.3180	65.3520	49.3100	49.3200	77.8350	77.8625	65.3450	65.3675	63.5100	63.5650
February 14, 2012	49.3313	64.8391	49.3350	49.3450	77.4075	77.4375	64.8025	64.8200	63.2500	63.2950
February 15, 2012	49.2520	64.8900	49.2500	49.2600	77.4450	77.4700	64.8775	64.9100	62.7625	62.7825
February 16, 2012 +										
February 17, 2012	49.2128	64.5849	49.2050	49.2150	77.7300	77.7600	64.5725	64.6050	62.1600	62.1950
February 20, 2012 +										
February 21, 2012	49.0835	65.1705	49.0800	49.0900	77.8175	77.8425	65.1575	65.1825	61.5050	61.5475
February 22, 2012	49.2453	65.1638	49.2350	49.2450	77.7375	77.7675	65.1725	65.2000	61.5050	61.5400
February 23, 2012	49.2450	65.2903	49.2450	49.2550	77.1825	77.2075	65.2750	65.3075	61.3500	61.3775
February 24, 2012	49.0650	65.5701	49.0600	49.0700	77.1525	77.1875	65.5350	65.5575	60.9825	61.0025
February 27, 2012	49.0475	65.8900	49.0400	49.0500	77.7775	77.8125	65.8900	65.9175	60.4675	60.5175
February 28, 2012	49.1430	66.0625	49.1400	49.1500	77.8625	77.8925	66.0725	66.0925	60.9525	60.9800
February 29, 2012	48.9408	65.9375	48.9400	48.9500	77.9575	77.9875	65.9325	65.9600	60.8550	60.8825

+ Market closed.
FEDAI: Foreign Exchange Dealers' Association of India.
Note : Euro Reference rate was announced by RBI with effect from January 1, 2002.
Source : FEDAI for FEDAI rates.

No. 46: Sale/Purchase of U.S. Dollar by the Reserve Bank of India

Month	Foreign Currency (US $ million)			` equivalent at contract rate (` billion)	Cumulative (over end-March 2010)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ million)
	Purchase (+)	Sale (–)	Net (+/–)		(US $ million)	(` billion)	
	1	2	3	4	5	6	7
2010-11							
April 2010	–	–	–	–	–	–	370.00
May 2010	–	–	–	–	–	–	370.00
June 2010	370.00	260.00	110.00	4.92	110.00	4.92	260.00
July 2010	–	–	–	–	110.00	4.92	260.00
August 2010	–	–	–	–	110.00	4.92	260.00
September 2010	260.00	–	260.00	12.16	370.00	17.07	0.00
October 2010	450.00	–	450.00	20.02	820.00	37.09	450.00
November 2010	1,370.00	500.00	870.00	38.49	1,690.00	75.58	0.00
December 2010	–	–	–	–	1,690.00	75.58	0.00
January 2011	–	–	–	–	1,690.00	75.58	0.00
February 2011	–	–	–	–	1,690.00	75.58	0.00
March 2011	–	–	–	–	1,690.00	75.58	0.00

Month	Foreign Currency (US $ million)			` equivalent at contract rate (` billion)	Cumulative (over end-March 2011)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ million)
	Purchase (+)	Sale (–)	Net (+/–)		(US $ million)	(` billion)	
	1	2	3	4	5	6	7
2011-12							
April 2011	–	–	–	–	–	–	0.00
May 2011	–	–	–	–	–	–	0.00
June 2011	–	–	–	–	–	–	0.00
July 2011	–	–	–	–	–	–	0.00
August 2011	–	–	–	–	–	–	0.00
September 2011	–	845.00	–845.00	–41.40	–845.00	–41.40	0.00
October 2011	–	943.00	–943.00	–47.14	–1,788.00	–88.54	0.00
November 2011	–	2,918.00	–2,918.00	–148.35	–4,706.00	–236.89	–1,620.00
December 2011	–	7,809.00	–7,809.00	–413.29	–12,515.00	–650.18	–1,370.00
January 2012	–	7,303.00	–7,303.00	–376.75	–19,818.00	–1,026.93	–1,323.00
February 2012	1,115.00	1,435.00	–320.00	–18.86	–20,138.00	–1,045.79	–1,453.00

(+) Implies Purchase including purchase leg under swaps and outright forwards.
(–) Implies Sales including sale leg under swaps and outright forwards.
Note: This table is based on value dates.

No. 47: Turnover in Foreign Exchange Market

(US$ Million)

Position Date	Merchant						Inter-bank					
	FCY / INR			FCY / FCY			FCY/INR			FCY/FCY		
	Spot	Forward	Forward Cancellation	Spot	Forward	Forward Cancellation	Spot	Swap	Forward	Spot	Swap	Forward
	1	2	3	4	5	6	7	8	9	10	11	12
Purchases												
Feb. 1, 2012	3,102	691	424	200	146	142	7,668	9,640	581	3,425	1,475	44
Feb. 2, 2012	2,285	1,218	699	161	175	111	6,491	7,471	618	3,178	1,576	68
Feb. 3, 2012	2,343	920	647	145	188	166	7,105	8,247	986	3,134	770	30
Feb. 6, 2012	2,837	1,615	745	464	165	147	6,854	8,395	737	3,642	1,833	180
Feb. 7, 2012	2,063	607	464	173	194	181	6,859	7,626	441	3,028	1,191	41
Feb. 8, 2012	2,203	886	273	122	289	145	5,984	7,617	628	3,279	1,357	29
Feb. 9, 2012	2,430	975	369	164	148	142	6,288	8,517	685	3,857	851	75
Feb. 10, 2012	2,282	803	393	112	308	226	7,566	8,355	615	2,806	1,419	42
Feb. 13, 2012	2,231	868	987	219	308	249	6,290	6,443	362	2,468	952	104
Feb. 14, 2012	2,306	755	244	153	185	151	4,423	6,554	1,300	3,044	959	94
Feb. 15, 2012	2,370	948	818	188	314	328	4,844	6,462	1,940	3,618	1,737	146
Feb. 16, 2012 +												
Feb. 17, 2012	4,311	869	943	212	318	309	6,250	9,952	1,223	3,133	869	138
Feb. 20, 2012 +												
Feb. 21, 2012	2,961	1,183	1,196	265	399	496	6,031	6,952	735	3,872	2,099	122
Feb. 22, 2012	3,491	1,285	656	486	155	110	6,411	7,518	750	3,765	1,022	70
Feb. 23, 2012	3,133	735	332	162	280	217	5,081	9,222	965	3,601	2,430	170
Feb. 24, 2012	4,141	790	402	114	185	127	7,048	7,738	775	2,989	987	76
Feb. 27, 2012	4,363	1,568	1,017	340	477	257	7,960	7,011	487	5,572	2,154	255
Feb. 28, 2012	2,544	1,139	1,537	234	377	352	6,646	8,649	584	4,944	1,582	58
Feb. 29, 2012	3,784	2,587	1,320	520	496	490	6,841	12,242	990	4,667	2,041	237
Sales												
Feb. 1, 2012	2,849	1,317	194	206	200	143	7,440	11,217	745	3,314	1,740	44
Feb. 2, 2012	2,248	1,525	404	160	198	104	6,346	7,036	607	3,153	1,790	73
Feb. 3, 2012	2,566	1,545	534	153	186	165	6,887	8,696	882	3,116	772	40
Feb. 6, 2012	2,817	1,472	508	457	144	149	6,951	9,206	857	3,633	1,996	201
Feb. 7, 2012	1,886	995	413	187	196	162	6,682	7,817	528	3,055	1,312	58
Feb. 8, 2012	2,342	1,078	388	113	415	138	5,510	7,886	840	3,284	1,389	34
Feb. 9, 2012	1,849	1,953	513	158	314	136	6,040	8,688	692	3,872	953	91
Feb. 10, 2012	2,306	1,301	429	111	290	241	6,754	8,914	893	2,802	1,616	54
Feb. 13, 2012	2,400	1,457	824	199	327	236	6,158	6,701	377	2,514	1,117	117
Feb. 14, 2012	2,309	809	212	144	298	125	4,186	6,679	1,312	3,099	982	106
Feb. 15, 2012	2,351	1,528	356	182	295	345	4,808	6,721	1,803	3,693	1,987	245
Feb. 16, 2012 +												
Feb. 17, 2012	3,859	2,063	534	213	573	308	5,760	10,649	1,565	3,113	863	144
Feb. 20, 2012 +												
Feb. 21, 2012	2,514	2,427	511	269	495	489	5,762	7,473	717	3,873	2,294	128
Feb. 22, 2012	2,955	1,815	691	480	219	106	6,157	7,345	637	3,757	1,036	81
Feb. 23, 2012	2,271	1,886	409	163	318	213	4,791	8,802	986	3,600	2,501	176
Feb. 24, 2012	3,369	1,975	414	117	386	137	6,486	7,934	980	2,962	966	85
Feb. 27, 2012	3,188	2,336	1,623	331	472	262	7,080	7,575	1,080	5,519	2,163	260
Feb. 28, 2012	2,345	2,131	802	241	377	351	6,450	9,365	661	4,886	1,546	72
Feb. 29, 2012	4,693	1,686	1,599	528	479	504	6,470	12,366	1,007	4,638	1,991	201

+ : Market Closed. INR: Indian Rupees. FCY: Foreign Currency.

Note: Data relate to sales and purchases of foreign exchange on account of merchant and inter-bank transactions. Data are provisional.

No. 48: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(36-Currency Export and Trade Based Weights)

(Base: 2004-05=100)

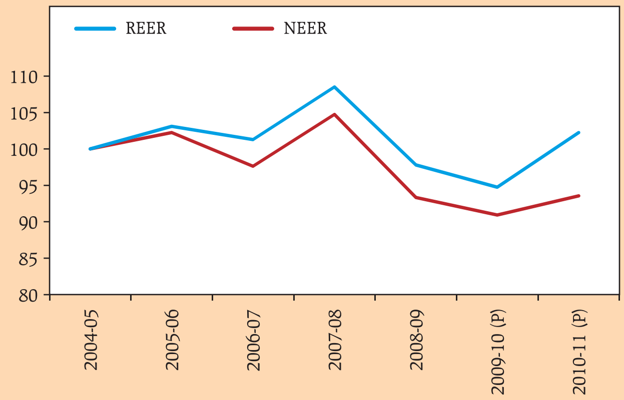
Year	Trade-Based Weights		Export-Based Weights	
	REER	NEER	REER	NEER
	1	2	3	4
2004-05	100.00	100.00	100.00	100.00
2005-06	103.10	102.24	102.74	102.20
2006-07	101.29	97.63	101.05	98.00
2007-08	108.52	104.75	108.57	105.61
2008-09	97.80	93.34	97.77	93.99
2009-10 (P)	94.73	90.93	95.26	91.41
2010-11 (P)	102.34	93.66	103.52	94.74

Year		Trade-Based Weights		Export-Based Weights	
		REER	NEER	REER	NEER
		1	2	3	4
2009-10 (P)	April	90.60	89.64	90.92	89.89
	May	91.87	90.58	92.34	90.95
	June	92.69	91.04	93.09	91.36
	July	92.01	89.58	92.37	89.85
	August	92.48	89.32	92.84	89.59
	September	91.70	88.35	92.14	88.72
	October	94.32	90.66	94.85	91.19
	November	95.65	90.67	96.15	91.19
	December	96.18	91.10	96.77	91.65
	January	99.10	92.63	99.80	93.29
	February	99.09	93.08	99.88	93.80
	March	101.06	94.56	102.01	95.46
2010-11 (P)	April	103.85	96.42	104.75	97.29
	May	103.03	95.63	103.86	96.41
	June	102.40	94.75	103.23	95.52
	July	100.07	92.12	101.61	93.48
	August	99.69	92.13	100.64	92.98
	September	100.86	92.98	101.91	93.97
	October	102.76	94.61	103.84	95.69
	November	101.77	93.43	102.85	94.52
	December	103.62	93.91	104.91	95.19
	January	103.87	92.81	105.28	94.11
	February	102.81	92.41	104.34	93.70
	March	103.37	92.67	105.05	94.04
2011-12 (P)	April	104.44	93.06	105.68	94.31
	May	102.97	92.00	104.25	93.29
	June	103.26	92.00	104.72	93.39
	July	104.39	92.62	106.15	94.22
	August	102.37	90.64	104.34	92.41
	September	99.40	87.89	101.04	89.40
	October	96.80	85.50	98.37	86.94
	November	94.48	83.00	95.84	84.41
	December	91.36	80.83	92.82	82.22
	January	94.57	83.24	96.05	84.65
	February	98.09	86.34	99.47	87.67
	March	95.89	84.40	97.35	85.80

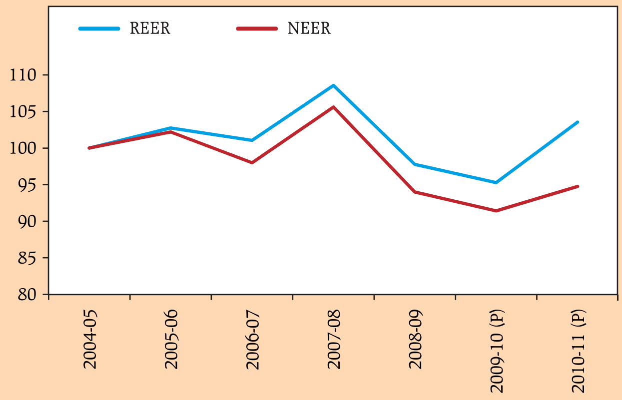
P : Provisional

Note: 1) For 'Note on Methodology' please see December 2005 issue of this Bulletin.
2) The Base year is changed from 1993-94 to 2004-05.

Indices of REER and NEER of the Indian Rupee (Trade-Based Weights)



Indices of REER and NEER of the Indian Rupee (Export-Based Weights)



No. 49: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(6-Currency Trade Based Weights)

Year/Month/Day	Base: 2004-05 (April-March) =100		Base: 2010-11 (April-March) =100	
	NEER	REER	NEER	REER
	1	2	3	4
2004-05	100.00	100.00	108.92	87.05
2005-06	103.04	105.17	112.20	91.52
2006-07	98.09	104.30	106.81	90.76
2007-08	104.62	112.76	113.92	98.13
2008-09	90.42	102.32	98.46	89.05
2009-10	87.07	101.97	94.81	88.74
2010-11	91.83	114.91	100.00	100.00
2008-09 April	99.35	110.58	108.18	96.23
May	94.86	105.92	103.29	92.17
June	93.26	105.77	101.56	92.05
July	92.49	105.29	100.71	91.63
August	94.33	108.24	102.72	94.19
September	90.35	103.67	98.38	90.22
October	86.86	99.98	94.58	87.00
November	88.08	100.80	95.91	87.72
December	86.83	98.30	94.55	85.54
January	87.00	97.86	94.74	85.16
February	87.66	97.58	95.45	84.92
March	84.00	93.90	91.47	81.71
2009-10 April	85.28	96.12	92.86	83.65
May	86.48	98.51	94.17	85.73
June	86.71	98.71	94.42	85.90
July	85.22	97.84	92.79	85.15
August	85.04	98.90	92.60	86.07
September	84.18	98.48	91.67	85.70
October	86.67	101.53	94.38	88.36
November	86.56	102.86	94.25	89.51
December	87.21	103.99	94.97	90.50
January	89.30	107.33	97.24	93.40
February	90.03	107.98	98.04	93.96
March	92.19	111.43	100.39	96.97
2010-11 April	94.43	115.49	102.83	100.50
May	93.97	115.72	102.33	100.70
June	93.26	114.72	101.55	99.84
July	90.76	112.16	98.83	97.60
August	90.75	112.30	98.82	97.73
September	91.22	113.57	99.33	98.84
October	92.18	114.80	100.38	99.90
November	91.37	114.64	99.49	99.77
December	92.29	117.48	100.50	102.24
January	91.28	116.91	99.39	101.74
February	90.21	115.17	98.24	100.22
March	90.29	115.97	98.32	100.92
2011-12 April	90.43	117.43	98.47	102.19
May	89.33	116.46	97.27	101.34
June	89.32	116.13	97.27	101.06
July	90.34	117.72	98.37	102.44
August	88.13	115.66	95.97	100.65
September (P)	85.08	112.46	92.64	97.87
October (P)	82.35	108.92	89.67	94.78
November (P)	80.00	106.25	87.11	92.46
December (P)	78.06	103.49	85.01	90.06
January (P)	80.49	106.24	87.64	92.46
February (P)	83.24	109.87	90.64	95.61
March As on				
March 2 (P)	82.88	109.40	90.25	95.20
March 9 (P)	81.95	108.17	89.23	94.13
March 16 (P)	81.99	108.23	89.28	94.18
March 22 (P)	80.68	106.49	87.85	92.67
March 30 (P)	79.89	105.46	87.00	91.77

P: Provisional.

Notes: 1. Rise in indices indicate appreciation of rupee and vice versa.
2. For "Note on Methodology" on the indices presented here, please see December 2005 issue of this Bulletin.
3. Base year 2010-11 is a moving one, which gets updated every year.

Special Table

No. 54: Combined Receipts and Disbursements of the Central and State Governments

(` Billion)

Item	2006-07 (Accounts)	2007-08 (Accounts)	2008-09 (Accounts)	2009-10 (Accounts)	2010-11 RE	2011-12 BE
	1	2	3	4	5	6
I. Total Disbursements (A+B+C)	**11,091.74**	**13,162.46**	**15,995.33**	**18,522.95**	**22,533.39**	**24,140.27**
of which:						
A. Developmental (i +ii +iii)	**5,880.28**	**7,102.71**	**9,437.08**	**10,628.08**	**13,460.24**	**14,164.84**
i) Revenue	4,524.99	5,496.39	7,521.03	8,513.03	10,717.61	11,172.32
ii) Capital	1,166.13	1,423.24	1,699.72	1,868.38	2,118.47	2,509.45
iii) Loans	189.16	183.08	216.33	246.67	624.16	483.07
B. Non-Developmental (i+ii+iii)	**5,076.35**	**5,897.42**	**6,373.09**	**7,689.10**	**8,797.55**	**9,653.06**
i) Revenue	4,664.31	5,056.46	5,872.00	7,088.70	7,984.99	8,790.78
of which : Interest Payments	2,308.31	2,597.48	2,833.10	3,147.46	3,569.42	3,978.87
ii) Capital	407.03	834.79	487.07	594.08	804.30	852.26
iii) Loans	5.01	6.17	14.02	6.32	8.26	10.02
C. Others ++	**135.11**	**162.33**	**185.16**	**205.77**	**275.60**	**322.37**
II. Total Receipts	**11,252.52**	**13,296.54**	**16,084.94**	**18,445.98**	**22,216.54**	**24,212.03**
of which:						
A. Revenue Receipts	**8,770.75**	**10,618.92**	**11,169.55**	**12,107.35**	**16,027.95**	**17,409.77**
i) Tax Receipts (a + b + c)	7,240.23	8,774.96	9,263.03	9,846.11	12,371.03	14,549.35
a) Taxes on commodities and services	4,546.52	5,205.28	5,468.58	5,580.66	7,300.10	8,555.03
b) Taxes on Income and Property	2,681.08	3,556.44	3,779.57	4,249.31	5,051.83	5,974.59
c) Taxes of Union Territories (Without Legislature)	12.63	13.24	14.88	16.14	19.10	19.73
ii) Non-Tax Receipts	1,530.52	1,843.96	1,906.52	2,261.24	3,656.92	2,860.42
of which: Interest Receipts	217.44	225.84	252.24	258.96	257.27	257.85
B. Non-debt Capital Receipts (i+ii)	**6.67**	**552.43**	**154.43**	**332.28**	**307.76**	**532.40**
i) Recovery of Loans & Advances	-17.73	94.93	146.11	78.35	70.77	111.98
ii) Disinvestment proceeds	24.40	457.50	8.32	253.93	236.99	420.42
III. Gross Fiscal Deficit [I - (IIA + IIB)]	**2,314.32**	**1,991.11**	**4,671.35**	**6,083.32**	**6,197.68**	**6,198.10**
Financed by :						
A. Institution-wise (i+ii)	**2,314.32**	**1,991.11**	**4,671.35**	**6,083.32**	**6,197.68**	**6,198.10**
i) Domestic Financing (a+b)	2,229.60	1,897.96	4,561.20	5,972.94	5,975.04	6,053.10
a) Net Bank Credit to Government # #	682.10	718.91	3,778.15	3,918.53	3,135.85	..
of which: Net RBI Credit to Government	-41.76	-1,156.32	1,747.89	1,500.06	1,849.69	..
b) Non-Bank Credit to Government	1,547.50	1,179.05	783.05	2,054.41	2,839.19	..
ii) External Financing	84.72	93.15	110.15	110.38	222.64	145.00
B. Instrument-wise (i+ii)	**2,314.32**	**1,991.11**	**4,671.35**	**6,083.32**	**6,197.68**	**6,198.10**
i) Domestic Financing (a to g)	2,229.60	1,897.96	4,561.20	5,972.94	5,975.04	6,053.10
a) Market Borrowings (net) @	1,278.58	1,845.25	3,510.16	5,070.19	4,396.39	4,944.84
b) Small Savings (net) &	637.46	-44.74	-1.38	374.62	619.40	583.50
c) State Provident Funds (net)	151.88	147.62	208.51	355.35	293.91	334.08
d) Reserve Funds	193.42	44.71	-130.56	-155.71	97.84	-67.69
e) Deposits and Advances	229.82	-24.47	117.37	175.68	185.59	65.86
f) Cash Balances ^	-160.78	-134.08	-89.61	76.97	316.85	-71.76
g) Others &&	-100.78	63.67	946.71	75.84	65.06	264.27
ii) External Financing	84.72	93.15	110.15	110.38	222.64	145.00
IV. I as per cent of GDP	**25.8**	**26.4**	**28.4**	**28.7**	**29.4**	**27.1**
V. II as per cent of GDP	**26.2**	**26.7**	**28.6**	**28.6**	**28.9**	**27.2**
VI. IIA as per cent of GDP	**20.4**	**21.3**	**19.8**	**18.7**	**20.9**	**19.5**
VII. IIA (i) as per cent of GDP	**16.9**	**17.6**	**16.5**	**15.2**	**16.1**	**16.3**
VIII. III as per cent of GDP	**5.4**	**4.0**	**8.3**	**9.4**	**8.1**	**7.0**

BE: Budget Estimates. RE: Revised Estimates. ++ : Represent compensation and assignments by States to local bodies and Panchayati Raj institutions.

@ : Borrowing through dated securities and 364-day Treasury Bills.

.. : Budget estimates are not available. ## : As per RBI records.

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

^ : Include Ways and Means Advances of the State governments.

&& : Includes Treasury Bills (excluding 364-day Treasury Bills), loans from financial institutions, insurance and pension funds, remittances, cash balance investment account *etc.*

(-) : Indicates Surplus / net outflow.

Notes : i) Total disbursements/receipts are net of repayments of the Central Government (including repayments to the NSSF) and State governments.

ii) Total receipts are net of variation in cash balances of the Central and State governments.

iii) Data pertaining to State Governments relate to budgets of 28 State Governments.

iv) In case of Union Government Finances for 2007-08 the figures for non- debt capital receipts includes `343.09 billion and development capital outlay includes an amount of `355.31 billion on account of transactions relating to transfer of RBI's stake in SBI to the Government.

Source : Budget Documents of Central and State Governments.

Notes on Tables

Table No. 1

(1) Annual data are averages of the months.

(2) Figures relate to last Friday of the month/year.

(3) Total of Rupee Securities held in Issue and Banking Departments.

(4) Relates to loans and advances only.

(5) Figures relate to the last Friday/last reporting Friday (in case of March).

(6) Total for Mumbai, Chennai, Kolkata and New Delhi only.

(7) Figures relate to last reporting Friday/March 31.

(8) Rates presented as low/high for the period indicated. The source of data prior to April 2000 issue of the Bulletin has been DFHI. The data from April 2000 issue of the Bulletin are not strictly comparable with that pertaining to earlier periods due to wider coverage of Call Market business.

(9) Relating to major banks.

(10) Base Rate relates to five major banks since July 1, 2010. Earlier figures relate to Benchmark Prime Lending Rate (BPLR).

(11) Annual data are averages of the months.

(12) Figures relate to the end of the month/year.

(13) Data relate to January – December.

(14) Cash Reserve Ratio of Scheduled Commercial Banks (excluding Regional Rural Banks).

Table No. 2

The gold reserves of Issue Department were valued at `84.39 per 10 grams up to October 16, 1990 and from October 17, 1990 they are valued close to international market prices.

(1) Includes Government of India one rupee notes issued from July 1940.

(2) Includes (i) Paid-up Capital of `0.05 billion (ii) Reserve Fund of `65 billion (iii) National Industrial Credit (Long-Term Operations): Fund of `0.16 billion and (iv) National Housing Credit (Long-Term Operations) Fund of `1.90 billion from the week ended November 30, 2007.

(3) Includes cash, short-term securities and fixed deposits. This also includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

(4) Includes temporary overdrafts to State Governments.

(5) Figures in bracket indicate the value of gold held under other assets.

Table Nos. 3 & 4

The expression 'Banking System' or 'Banks' means (a) State Bank of India and its associates (b) Nationalised Banks (c) Banking companies as defined in clause 'C' of Section 5 of the Banking Regulation Act, 1949 (d) Co-operative banks (as far as scheduled co-operative banks are concerned) (e) Regional Rural Banks and (f) any other financial institution notified by the Central Government in this regard.

(1) Excludes borrowings of any scheduled state co-operative bank from the State Government and any Reserve Fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank.

(2) Deposits of co-operative banks with scheduled state co-operative banks are excluded from this item but are included under 'Aggregate deposits'.

(3) Excludes borrowings of regional rural banks from their sponsor banks.

(4) Wherever it has not been possible to provide the data against the item 'Other demand and time liabilities' under 'Liabilities to the Banking System' separately, the same has been included in the item 'Other demand and time liabilities' under 'Liabilities to others'.

(5) Data reflect redemption of India Millennium Deposits (IMDs) on December 29, 2005.

(6) Other than from the Reserve Bank of India, NABARD and Export-Import Bank of India.

(7) Figures relating to scheduled banks' borrowings in India are those shown in the statement of affairs of the Reserve Bank of India. Borrowings against usance bills and/or promissory notes are under section 17(4) of the Reserve Bank of India Act, 1934.

(8) Includes borrowings by scheduled state co-operative banks under Section 17(4AA) of the Reserve Bank of India Act, 1934.

(9) As per the Statement of Affairs of the Reserve Bank of India.

(10) Advances granted by scheduled state co-operative banks to co-operative banks are excluded from this item but included under 'Loans, cash-credits and overdrafts'.

(11) At book value; it includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(12) Includes participation certificates (PCs) issued by scheduled commercial banks to other banks and financial institutions.

(13) Includes participation certificates (PCs) issued by scheduled commercial banks to others.

(14) Figures in brackets relate to advances of scheduled commercial banks for financing food procurement operations.

Table No. 6

(1) Total of demand and time deposits from 'Others'.

(2) Includes borrowings from the Industrial Development Bank of India and National Bank for Agriculture and Rural Development.

(3) At book value; includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(4) Total of 'Loans, cash credits and overdrafts' and 'Bills purchased and discounted'.

(5) Includes advances of scheduled state co-operative banks to central co-operative banks and primary co-operative banks.

Table No. 7

With a view to enable the banks to meet any unanticipated additional demand for liquidity in the context of the century date change, a 'Special Liquidity Support' (SLS) facility was made available to all scheduled commercial banks (excluding RRBs) for a temporary period from December 1, 1999 to January 31, 2000.

(1) With effect from April 13,1996, banks are provided export credit refinance against their rupee export credit and post-shipment export credit denominated in U.S. Dollars taken together.

(2) General Refinance Facility was replaced by Collateralised Lending Facility (CLF)/Additional Collateralised Facility (ACLF) effective April 21, 1999. ACLF was withdrawn with the introduction of Liquidity Adjustment Facility (LAF), effective June 5, 2000. CLF was withdrawn completely effective October 5, 2002.

(3) Special Liquidity Support Facility which was introduced effective September 17, 1998 was available upto March 31, 1999.

(4) Post-shipment credit denominated in US dollars (PSCFC) scheme was withdrawn effective February 8, 1996 and the refinance facility thereagainst was withdrawn effective April 13, 1996. The scheme of government securities refinance was terminated effective July 6, 1996.

Table No. 8

(a) The data includes cheque clearing for both i.e. clearing houses managed by Reserve Bank of India and clearing houses managed by other banks. Paper based inter-bank clearing has been discontinued at all the centres since June, 2005.

The other MICR Centres are Agra, Allahabad, Amritsar, Aurangabad, Baroda, Belgaum, Bhavnagar, Bhilwara, Calicut, Coimbatore, Cuttak, Dehradun, Ernakulum, Erode, Gorakhpur, Gwalior, Hubli, Indore ,Jabalpur, Jalandhar, Jamshedpur, Jamnagar, Jodhpur, Kolhapur, Kozhikode, Kota, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panaji, Pondicherry, Pune, Raipur, Rajkot, Ranchi, Salem, Sholapur, Surat, Thiruchirapalli, Tirupur, Thrissur, Tirunelveli, Udaipur, Varanasi, Vijayawada and Vishakhapatnam.

(b) Graphs: The graphs 3 and 4 on Paper and Electronic payments - the Electronic Payment System data include Retail Electronic Payment Systems, RTGS (customer and inter-bank) and CCIL operated systems.

(c) Non MICR Data pertains to the Clearing Houses managed by 10 banks namely SBI, SBBJ, SB Indore, PNB, SBT, SBP, SBH, SBM, Jammu and Kashmir Bank and United Bank of India.

(d) The other MICR Centres includes 50 centres managed by 12 PSBs namely Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, State Bank of Hyderabad and Union Bank of India.

Table No. 9A

The data pertains to retail electronic payments.

Table No. 9B

The data pertains to Large Value Payment Systems. The figures for CCIL, insofar as the operations pertain to selected services, are taken from the CCIL published data.

Table No. 10

(a) For details of money stock measures according to the revised series, reference may be made to January 1977 issue of this Bulletin (pages 70-134).

(b) Banks include commercial and co-operative banks.

(c) Financial year data relate to March 31, except scheduled commercial banks' data which relate to the last reporting Friday of March. For details, see the note on page S 963 of October 1991 issue of this Bulletin.

(d) Data are provisional.

(1) Net of return of about `0.43 billion of Indian notes from Pakistan upto April 1985.

(2) Exclude balances held in IMF Account No.1, Reserve Bank of India Employees' Provident Fund, Pension Fund, Gratuity and Superannuation Fund and Co-operative Guarantee Fund, the amount collected under the Additional Emoluments (Compulsory Deposit) Act, 1974 and the Compulsory Deposit Scheme (Income-Tax Payers') Act.

(e) Revised in line with the new accounting standards and consistent with the Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Table Nos. 11 & 13

(a) On the establishment of National Bank for Agriculture and Rural Development (NABARD), on July 12, 1982, certain assets and liabilities of the Reserve Bank were transferred to NABARD, necessitating some reclassification of aggregates in the sources of money stock from that date.

(b) Please see item (c) of notes to Table 10.

(c) Data are provisional.

(1) Represents investments in bonds/shares of financial institutions, loans to them and holdings of internal bills purchased and discounted. Excludes since the establishment of NABARD, its refinance to banks.

(2) Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities.

Table No. 11A

The conceptual basis of the compilation of the Commercial Bank Survey are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998, which recommended changes in the reporting system of commercial banks and the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) Time Deposits of Residents : These do not reckon non-residents' foreign currency repatriable fixed deposits (such as FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs)) based on the residency criterion and exclude banks' pension and provident funds because they are in the nature of other liabilities and are included under 'other demand and time liabilities'.

(2) Short-term Time Deposits : Refers to contractual maturity of time deposits of up to and including one year. This is presently estimated at 45.0 per cent of total domestic time deposits.

(3) Domestic Credit : It includes investments of banks in non-SLR securities, comprising commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market, apart from investment in government and other approved securities and conventional bank credit (by way of loans, cash credit, overdrafts and bills purchased and discounted).

(4) Net Foreign Currency Assets of Commercial Banks : Represent their gross foreign currency assets netted for foreign currency liabilities to non-residents.

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) : It is the residual balancing the components and sources of the Commercial Banking Survey and includes scheduled commercial banks' other demand and time liabilities, net branch adjustments, net inter-bank liabilities etc.

Table No. 11B

The conceptual basis of the compilation of new monetary aggregates are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998. A link series between the old and present monetary series has been published in the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) NM_2 and NM_3: Based on the residency concept and hence does not directly reckon non-resident foreign currency repatriable fixed deposits in the form of FCNR(B) deposits.

(2) NM_2 This includes M_1 and residents' short-term time deposits (including and up to the contractual maturity of one year) with commercial banks.

(3) Domestic Credit : Consistent with the new definition of bank credit which includes investments of banks in non-SLR securities, comprising of commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market. The RBI's loans and advances to NABARD would be included in the RBI credit to commercial sector. Other components such as credit to Government, investments in other approved securities and conventional bank credit remain unchanged.

(4) Net Foreign Assets of The Banking Sector : It comprises the RBI's net foreign assets and scheduled commercial banks' net foreign currency assets (refer to note 4 of Table 11A).

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) of the Banking System : It is the residual balancing the components and sources of money stock, representing other demand and time liabilities etc. of the banking system.

Table No. 11C

The conceptual basis of the compilation of the Reserve Bank Survey is given in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998 and the article "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999. The components of reserve money (to be referred as M_0) remain unchanged. On the sources side, the RBI's refinance to the National Bank for Agriculture and Rural Development (NABARD), which was hitherto part of RBI's claims on banks has been classified as part of RBI credit to commercial sector. The Reserve Bank's net non-monetary liabilities are classified into capital account (comprising capital and reserves) and other items (net).

Table No. 12

Please see item (c) of notes to Table 10.

Table No. 26C

(a) Month-end yields for different integer valued residual maturities are estimated using interpolation technique on weighted average yields of select indicative securities derived from SGL transactions data on government securities observed during a select month-end day. Yield corresponding to each transaction in a security is calculated from the following Yield to Maturity (YTM) and price relationship.

$$P + \text{bpi} = \sum_{i=1}^{n} \frac{c/v}{(1+y/v)^{vt_i}} + \frac{F}{(1+y/v)^{vt_n}}$$

Where,

P = price of the bond
bpi = broken period interest
c = annual coupon payment
y = yield to maturity
v = number of coupon payments in a year
n = number of coupon payments till maturity
F = Redemption payment of the bond
t_i = time period in year till i^{th} coupon payment

(b) The weighted average yield corresponding to each traded security on that particular day is calculated from the yields of all transactions on that security using amount (Face Value) traded as the weights.

(c) Broken period (number of days) is based on day count convention of 30 days a month and 360 days a year.

Table Nos. 28 & 29

Table 28 presents Index Numbers of Industrial Production (Sectoral and Use-based Classification). Due to revision of the indices of the mining sector and also the deletion of four items, viz., radio receivers, photosensitised paper, chassis (assembly) for HCVs (bus, truck) and engines from the item–basket of the manufacturing sector, the IIP data have been revised from 1994-95 onwards. This has also resulted in the change in redistribution of weights in use-based classification of IIP. Table 29 contains data on manufacturing sector at two digit level of 17 groups along with general index and sectoral indices, viz., Mining and Quarrying, Manufacturing and Electricity.

Table No. 30

(a) Figures exclude data on private placement and offer for sale but include amounts raised by private financial institutions.

(b) Equity shares exclude bonus shares.

(c) Preference shares include cumulative convertible preference shares and equi-preference shares.

(d) Debentures include bonds.

(e) Convertible debentures include partly convertible debentures.

(f) Non-convertible debentures include secured premium notes and secured deep discount bonds.

(g) Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Table No. 34

The ban on forward trading in gold and silver, effective November 14, 1962 and January 10, 1963, has been lifted with effect from April 1, 2003.

(1) In case Friday is a holiday, prices relate to the preceding working day.

Table No. 35

Annual data relate to average of the months April to March.

(1) The new series of index numbers with base 2001=100 was introduced from January 2006 and with that the compilation of the index numbers with the base year 1982 was discontinued. The linking factor can be used to work out the index numbers with the base year 2001 for data from January 2006 onwards.

(2) Based on indices relating to 78 centres.

Table No. 36

Annual data relate to average of the months April to March. The new series of index numbers with base 1984-85=100 was introduced from November 1987.

(1) Based on indices relating to 59 centres.

As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, this Table will not be updated henceforth.

Table No. 37

Annual data relate to the average of the months July to June.

(1) With respect to base: July 1960-June 1961=100.

(2) The new series of index numbers with base : July 1986 to June 1987 = 100 was introduced from November 1995 and with that the compilation of index numbers with base : July 1960 to June 1961

was discontinued. The linking factor given in this column can be used to work out the index numbers with old base (i.e., 1960-61 = 100) for November 1995 and subsequent months.

(3) In the case of Assam, the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region viz. Assam, Manipur, Meghalaya and Tripura while the index of the new series (i.e., with base 1986-87 = 100) has been compiled for each of the constituent States separately. The index for Assam region on old base can be estimated from the corresponding indices of the new series as under :

$I^A_O = 5.89\ [\ (0.8126 \text{ X } I^A_N) + (0.0491 \text{ X } I^{Ma}_N) + (0.0645 \text{ X } I^{Me}_N) + (0.0738 \text{ X } I^T_N)]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts A, Ma, Me and T indicate Assam, Manipur, Meghalaya and Tripura, respectively.

(4) Similarly, in the case of Punjab, where the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region, viz., Punjab, Haryana and Himachal Pradesh, the index for the Punjab region on old base can be estimated as under :

$I^P_O = 6.36\ [(0.6123 \text{ X } I^P_N) + (0.3677 \text{ X } I^{Ha}_N) + (0.0200 \text{ X } I^{Hi}_N)]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts P, Ha and Hi indicate Punjab, Haryana and Himachal Pradesh, respectively.

(5) Indices for the State compiled for the first time from November, 1995.

(6) Consumer Price Index for Rural Labourers (including agricultural labourers) are compiled from November 1995 only.

(7) Average of 8 months (November 1995 - June 1996).

Table Nos. 38

The new series of index numbers with base 2004-05=100 was introduced in September 2010 and was first published in the October 2010 issue of the Bulletin. An article giving the details regarding the scope and coverage of new series is published in October 2010 issue of the Bulletin. As per the press release dated October 19, 2009 of the Cabinet Committee of Economic Affairs (CCEA), Government of India, the weekly release of WPI will cover only the 'Primary Articles' and the 'Fuel, Power, Light & Lubricants' groups. Now on, the WPI for 'All commodities' and 'Manufactured Products' will be released only on a monthly basis.

Table No. 39

(a) The foreign trade data relate to total sea, air and land trade, on private and government accounts. Exports are on f.o.b. basis and imports are on c.i.f. basis. Exports include re-exports of foreign merchandise previously imported to India and imports relate to foreign merchandise whether intended for home consumption, bonding or re-exportation. Direct transit trade, transshipment trade, passengers baggage, ship's stores, defence goods and transactions in treasure i.e. gold and current coins and notes, diplomatic goods, "proscribed substances" under Atomic Energy Act, 1962, are excluded from the trade data, while indirect transit trade, transactions in silver (other than current coins) and in notes and coins not yet in circulation or withdrawn from circulation are included.

Table Nos. 40 & 41

(1) Data up to 1980-81 are final, subsequent data are preliminary actuals.

(2) Interest accrued during the year and credited to NRI deposits has been treated as notional outflow under invisible payments and added as reinvestment in NRI deposits under Banking Capital – NRD.

(3) The item "Non-monetary Gold Movement" has been deleted from Invisibles in conformity with the IMF Manual on BOP (5 th edition) from May 1993 onwards; these entries have been included under merchandise.

(4) Since 1990-91 the value of defence related imports are recorded under imports (merchandise debit) with credits financing such imports shown under "Loans (External commercial Borrowings to India)" in the capital account. Interest payments on defence debt owed to the General Currency Area (GCA) are recorded under Investment Income debit and principal repayments under debit to "Loans (External commercial Borrowings to India)". In the case of the Rupee Payment Area (RPA), interest payment on and principal repayment of debt is clubbed together and shown separately under the item "Rupee Debt Service" in the capital account. This is in line with the recommendations of the High Level Committee on Balance of Payments (Chairman : Dr. C. Rangarajan).

(5) In accordance with the provisions of IMF's Balance of Payments Manual (5^{th} Edition), gold purchased from the Government of India by the RBI has been excluded from the BOP statistics. Data from the earlier years have, therefore, been amended by making suitable adjustments in "Other Capital Receipts" and "Foreign Exchange Reserves". Similarly, item "SDR Allocation" has been deleted from the table.

(6) In accordance with the recommendations of the Report of the Technical Group on Reconciling of Balance of Payments and DGCI & S Data on Merchandise Trade, data on gold and silver brought in by the Indians returning from abroad have been included under import payments with contra entry under Private Transfer Receipts since 1992-93.

(7) In accordance with the IMF's Balance of Payments Manual (5^{th} edition), 'compensation of employees' has been shown under head, "income" with effect from 1997-98; earlier, 'compensation of employees' was recorded under the head "Services – miscellaneous".

(8) Since April 1998, the sales and purchases of foreign currency by the Full Fledged Money Changers (FFMC) are included under "travel" in services.

(9) Exchange Rates : Foreign currency transactions have been converted into rupees at the par/central rates up to June 1972 and on the basis of average of the Bank's spot buying and selling rates for sterling and the monthly averages of cross rates of non-sterling currencies based on London market thereafter. Effective March 1993, conversion is made by crossing average spot buying and selling rate for US dollar in the forex market and the monthly averages of cross rates of non-dollar currencies based on the London market.

Explanatory Notes

Balance of payments is a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.

Merchandise credit relate to export of goods while ***merchandise debit*** represent import of goods.

Travel covers expenditure incurred by non-resident travellers during their stay in the country and expenditure incurred by resident travellers abroad.

Transportation covers receipts and payments on account of international transportation services. **Insurance** comprises receipts and payments relating to all types of insurance services as well as reinsurance.

Government not included elsewhere (G.n.i.e.) relates to receipts and payments on government account not included elsewhere as well as receipts and payments on account of maintenance of embassies and diplomatic missions and offices of international institutions.

Miscellaneous covers receipts and payments in respect of all other services such as communication services, construction services, software services, technical know-how, royalties etc.

Transfers (official, private) represent receipts and payments without a quid pro quo.

Investment Income transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. Investment income receipts comprise interest received on loans to non-residents, dividend/profit received by Indians on foreign investment, reinvested earnings of Indian FDI companies abroad, interest received on debentures, floating rate notes (FRNs), Commercial Papers (CPs), fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds, payment of taxes by nonresidents/ refunds of taxes by foreign governments, interest/discount earnings on RBI investment etc. Investment income payments comprise payment of interest on non-resident deposits, payment of interest on loans from non-residents, payment of dividend/profit to non-resident share holders, reinvested earnings of the FDI companies, payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities, charges on Special Drawing Rights (SDRs) etc.

Foreign investment has two components, namely, foreign direct investment and portfolio investment.

Foreign direct investment (FDI) to and by India up to 1999-2000 comprise mainly equity capital. In line with international best practices, the coverage of FDI has been expanded since 2000-01 to include, besides equity capital reinvested earnings (retained earnings of FDI companies) and 'other direct capital' (intercorporate debt transactions between related entities). Data on equity capital include equity of unincorporated entities (mainly foreign bank branches in India and Indian bank branches operating abroad) besides equity of incorporated bodies. Data on reinvested earnings for the latest year are estimated as average of the previous two years as these data are available with a time lag of one year. In view of the above revision, FDI data are not comparable with similar data for the previous years. In terms of standard practice of BoP compilation, the above revision of FDI data would not affect India's overall BoP position as the accretion to the foreign exchange reserves would not undergo any change. The composition of BoP, however, would undergo changes. These changes relate to investment income, external commercial borrowings and errors and omissions. In case of reinvested earnings, there would be a contra entry (debit) of equal magnitude under investment income in the current account. 'Other Capital' reported as part of FDI inflow has been carved out from the figure reported under external commercial borrowings by the same amount. 'Other Capital' by Indian companies abroad and equity capital of unincorporated entities have been adjusted against the errors and omissions for 2000-01 and 2001-02.

Portfolio investment mainly includes FIIs' investment, funds raised through ADRs/GDRs by Indian companies and through offshore funds. Data on investment abroad, hitherto reported, have been split into equity capital and portfolio investment since 2000-01.

External assistance by India denotes aid extended by India to other foreign Governments under various agreements and repayment of such loans. External Assistance to India denotes multilateral and bilateral loans received under the agreements between Government of India and other Governments/International institutions and repayments of such loans by India, except loan repayment to erstwhile "Rupee area" countries that are covered under the Rupee Debt Service.

Commercial borrowings covers all medium/long term loans. Commercial Borrowings by India denote loans extended by the Export Import Bank of India (EXIM bank) to various countries and repayment of such loans. Commercial Borrowings to India denote drawals/repayment of loans including buyers' credit, suppliers' credit, floating rate notes (FRNs), commercial paper (CP), bonds, foreign currency convertible bonds (FCCBs) issued abroad by the Indian corporate etc. It also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs).

Short term loans denotes drawals in respect of loans, utilized and repayments with a maturity of less than one year.

Banking capital comprises of three components : a) foreign assets of commercial banks (ADs), b) foreign liabilities of commercial banks (ADs), and c) others. 'Foreign assets' of commercial banks consist of (i) foreign currency holdings, and (ii) rupee overdrafts to non-resident banks. 'Foreign liabilities' of commercial banks consists of (i) Non-resident deposits, which comprises receipt and redemption of various nonresident deposit schemes, and (ii) liabilities other than non-resident deposits which comprises rupee and foreign currency liabilities to non-resident banks and official and semi-official institutions. 'Others' under banking capital include movement in balances of foreign central banks and international institutions like IBRD, IDA, ADB, IFC, IFAD etc. maintained with RBI as well as movement in balances held abroad by the embassies of India in London and Tokyo.

Rupee debt service includes principal repayments on account of civilian and non-civilian debt in respect of Rupee Payment Area (RPA) and interest payment thereof.

Other capital comprises mainly the leads and lags in export receipts (difference between the custom data and the banking channel data). Besides this, other items included are funds held abroad, India's subscription to international institutions, quota payments to IMF, remittances towards recouping the losses of branches/subsidiaries and residual item of other capital transactions not included elsewhere.

Movement in reserves comprises changes in the foreign currency assets held by the RBI and SDR balances held by the Government of India. These are recorded after excluding changes on account of valuation. Valuation changes arise because foreign currency assets are expressed in US dollar terms and they include the effect of appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen) held in reserves.

As recommended by the Working Group on balance of Payments Manual for India (Chairman: Shri Deepak Mohanty), BoP data for India is being compiled in the new format of standard presentation of BoP as suggested by the IMF's balance of payments Manual (Sixth Edition), i.e., BPM6 since April-June 2009. A correspondence between earlier format and new format of Balance of payments is published in the RBI Monthly bulletin August 2011 page 1311.

Table No. 42

1. Gold is valued at average London market price during the month.
2. Conversion of SDRs into US dollars is done at exchange rates released by the International Monetary Fund (IMF).
3. Conversion of foreign currency assets into US dollars is done at week-end (for week-end figures) and month-end (for month-end figures) New York closing exchange rates.
4. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI Holding rates.
5. Reserve Tranche Position (RTP) in IMF has been included in foreign exchange reserves from April 2, 2004 to match the international best practices. Foreign exchange reserves figures have accordingly been revised for 2002-03 and 2003-04 to include RTP position in the IMF.

Table No. 49

The 5-country indices of REER/NEER were replaced with new 6-currency indices in December 2005. The RBI Bulletin December 2005 carried a detailed article on the rationale and methodology for the replacement. A revision has now been undertaken in the construction of the 6-currency REER indices. This revision was necessitated by a sudden spurt in Chinese inflation indices during April-May, 2006. It may be mentioned that Chinese inflation indices are not readily available in the public domain. The National Bureau of Statistics provides only point-to-point inflation rates on a monthly basis in the public domain. In view of this, inflation indices were constructed taking into account the inflation rates with 1993-94 as the base year. It may be further mentioned that the period from January 1993 to December 1995 was marked by continuous double digit inflation rates in China. This lent an upward bias to the Chinese inflation indices (base: 1993-94=100) leading to a sharp fall in the value of 6-currency REER in April 2006. In order to remove the distortion in REER on account of sudden spurt in Chinese inflation numbers, a new series of Chinese inflation indices has been constructed taking 1990 as the base year (a year with much less volatility in inflation rates). Subsequently, the base year of the new series of Chinese inflation indices has been changed from 1990 to 1993-94 through splicing to facilitate the construction of the 6-currency REER (base 1993-94=100).

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3. Weekly Statistical Supplement to RBI Monthly Bulletin	` 11 per copy, (inclusive of postage) ` 475 (one-year subscription), ` 1,425 (three-year subscription)	US $ 30 (one-year subscription) US $ 90 (three-year subscription)
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24. Handbook of Instructions Basic Statistical Returns 1 and 2 Seventh Edition March 2008	` 40 per copy inclusive of postage	–
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2) The Reserve Bank of India History 1935-1981 (3 Volumes) is available at leading book stores in India.

3) All other publications are available from the Sales Section, Division of Reports and Knowledge Dissemination, Department of Economic and Policy Research, Reserve Bank of India, Amar Building (First Floor), P.M. Road, Fort, Mumbai-400001. The Contact number of Sales Section is 022-2260 3000 Extn.: 4002.

4) Concessional price is available **only at RBI counters** for research students, full time teachers in economics, statistics, commerce and business management, academic/education institutions and public libraries in india provided the request is forwarded through the head of the institution every year.

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				150 **		
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				225 *		
				150 **		
xviii) 2005-06			2007	280	35 □	
				300 *		
				210 ***		
				235 **		
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				425 *		
				300 ***		
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	(b) CD-ROM			150 170 * 115 *** 135 **	6 □	

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					450 *		
					300 ***		
					350 **		
	xi)2008-09	(a) Print Version		2009	175		
					240 *		
					130 ***		
					190 **		
		(b) CD-ROM			185		
					210 *		
					140 ***		
					160 **		
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					285 *		
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					90 **		
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					90 **		
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	(English £ & Hindi)				90 **		
	iv) 2002-03			2003	110 *	20	
					90 **		
	v) 2003-04			2004	100		
					125 *	15 *	
					90 **	12 *	
	vi) 2004-05			2005	120		
	(English & Hindi)				150 *	15 □	
					100 **		
	vii) 2005-06			2006	170	15 *	
	(English & Hindi)				200 *		
					130 **		
	viii) 2006-07			2007	200	20*	
	(English & Hindi)				230 *		
					150 ***		
					175 **		
	ix) 2007-08			2008	320		
					350 *	30 □	
					250 ***		
					280 **		
	x) 2008-09			2009	215		
	(English & Hindi)				245 *	29 □	
					160 ***		
					190 **		
	xi) 2009-10				300		
					350 *		
					225 ***		
					275 **		

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				140 *	10 *	
				90 **		
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	(a) Print version			130	20 *	
				155 *		
				120 **		
	(b) CD ROM			100	15 *	
				90 **		
				120 *		
	(c) Print version along with CD ROM			200	25 *	
				250 *		
				190 **		
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	(Formerly Banking Statistics (BSR) till March 1999 Vol. 28 issue)	DSIM				
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	ii) June 79 to Dec. 79 Vol. 9	as DESACS)	1984	150 * £		
	iii) June 80 to June 81 Vol. 10		1986	125 * £		
	iv) March 1990 - Vol. 19		1992	210	65	
	v) March 1994 - Vol. 23		1997	220 *	70	
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	xiii) March 2001 - Vol. 30 (Hindi English)		2002	220 *	70	
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	xv) March 2003 - Vol. 32 (Print Version)		2004	210	55 ☐	
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	(a) CD-ROM			180	55 ☐	
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	xviii) March 2006 - Vol. 35 (Print Version)		2007	280	60 ☐	
				320 *	25 *	
	xix) March 2007 - Vol. 36 (Print Version)		2008	280	60 ☐	
				320 *	25 *	
	xx) March 2008 - Vol. 37 (Print Version)		2009	300	60 ☐	
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	xxi) March 2009 - Vol. 38 (Print Version)		2010	315	60 ☐	
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	1	2	3	4	5	6
2.	Basic Statistical Return 1 & 2	DSIM				
	i) Handbook of Instructions (English)		1996	20 * £		
	ii) Handbook of Instructions (Hindi)		1996	20 * £		
	iii) Basic Statistical Returns 1 and 2 Handbook of Instructions		2002	35 *		
3.	i) Form A-1 (Revised)		1996	2 £		13
	ii) Form A-2 (Revised)		1996	3 £		38
	iii) BSR-1 A forms (1 pad contains 25 sheets)		1996	14 £		200 19
	iv) BSR-1 B forms (1 pad contains 25 sheets) (Revised)		1996	14 £		
	v) BSR-2 forms (1 pad contains 25 Sheets) (Revised)		1996	14 £		200 19
	(The Regional Rural Banks from Western region may please contact DESACS, RBI, B.K. Complex, Bandra (E), Mumbai 400 051 for BSR-1A, BSR-1B & BSR-2 forms.)					
4.	Banking Statistics Basic Statistical Returns 1 & 2	DSIM	2004	420	59 □	
	Vol. 1 to 31, 1972 to 2002 DISC 1 & 2			475 *	27 *	
5.	Banking Statistics-Summary Tables,	DSIM				
	i) March 1995		1997	25 *		
	ii) March 1996		1998	25 *		
	iii) March 1997		1999	25 *		
	iv) March 1998	1999	25 *			
	v) March 1999	2000	25 *			
	vi) March 2000	2001	25 *			
6.	Banking Statistics - Quarterly Handout #	DSIM				
	i) 1990 (4 Issues)		1990	40 * £		
	ii) March 1991	1991	10 * £			
	iii) June 1991		1991	12 * £		
	iv) September 1991		1991	15 * £		
	v) December 1991		1991	12 * £		
	vi) 1992 (3 Issues)		1992	75 *		
	vii) 1993 (4 Issues)		1993	120 *		
	viii) 1994 (4 Issues)		1994	120 *		
	ix) 1995 (4 Issues)		1995	120 *		
	x) 1996 (4 Issues)		1996	120 *		
	xi) 1997 (4 Issues)		1997	100 *		
	xii) 1998 (4 Issues)		1998	100 *		
	xiii) 1999 (4 Issues)		1999	100 *		
	xiv) 2000 (4 Issues)		2000	100 *		
	xv) 2001 (4 Issues)		2001	100 *		
	xvi) 2002 (4 Issues)		2002	100 *		
	xvii) 2003 (4 Issues)		2003	100 *		
	xviii) 2004 (4 Issues)		2004	140 *		
	xix) 2005 (4 Issues)		2005	140 *		
	xx) 2006 (4 Issues)		2006	140 *		
	xxi) 2007 (4 Issues)		2007	140 *		
	xxii) 2008 (4 Issues)		2008	140 *		
	xxiii) 2009 (4 Issues)		2009	240 *		
	Name changed w.e.f. Sept. 2003 issue as Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks.					
	xxiv) 2010 (4 Issues)		2010	240 *		
7.	Banking Statistics - Bank Credit	DSIM				
	i) June 1987		1989	20 * £		
	ii) December 1987 - June 1988		1989	40 * £		
	iii) December 1988		1989	20 * £		
	iv) June 1989		1989	25 * £		
8.	Banking Statistics 1972-95	DSIM	1998	120 *		
9.	Branch Banking Statistics - Vol. 1 March 1999	DSIM	1999	130 *	40	

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10.	Branch Banking Statistics - Vol. 2 March 2001		DSIM	2001	130 * 50 **	40	
11.	Branch Banking Statistics - Vol. 3 March 2002 (On CD-ROM)		DSIM	2003	300 *	40	
12.	Branch Banking Statistics - Vol. 3 March 2002		DSIM	2003	185 *	40	
13.	Statistical Tables Relating to Banks in India		DSIM				
	i) 1988-89			1993	106 £ 123 *	12	
	ii) 1990-91			1999	130 180 *	 50	
	iii) 1992-93			1998	135 £ 200 *	50	
	iv) 1994-95			1997	125 185 *	45	
	v) 1995-96			1998	125 185 *	45	
	vi) 1996-97			1999	130 180 *	50	
	vii) 1997-98			1999	130 180 *	50	
	viii) 1998-99			1999	130 180 *	50	
	ix) 1999-00			2000	175 225 *	50	
	x) 2000-01	(a) Print version		2001	150 200 *	50	
		(b) CD-ROM		2001	150 225 *	50	
	xi) 2001-02	(a) Print version		2002	150 200 *	50	
		(b) CD-ROM		2002	100 150 *	 50	
	xii) 2002-03	(a) Print version		2003	200 250 *	50 *	
		(b) CD-ROM		2003	200 250 *	50 *	
	xiii) 2003-04	(a) Print version		2004	230 280 *	25 □ 15 *	
		(b) CD-ROM		2004	175 225 *	25 □ 15 *	
	xiv) 2004-05	(a) Print version		2005	190 240 *	55 □ 20*	
		(b) CD-ROM			200 250 *	55 □ 20*	
	xv) 2005-06	(a) Print version		2006	250 300 *	55 □ 20*	
		(b) CD-ROM			200 250 *	55 □ 20*	
	xvi) 2006-07	(a) Print version		2007	180 230 *	55 □ 20*	
		(b) CD-ROM			150 200 *	55 □ 20*	
	xvii) 2007-08	(a) Print version		2008	200 250 *	80 □ 20*	
		(b) CD-ROM			225 250 *	15 □ 45*	
	xviii) 2008-09	(a) Print version		2009	200 250 *	80 □ 20*	
		(b) CD-ROM			225 250 *	45 □ 15*	
	xviii) 2009-10	(a) Print version		2010	200 250 *	80 □ 20*	
		(b) CD-ROM			225 275 *	46 □ 16*	

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14. Selected Banking Indicators, 1947-1997 (Print Version)	DSIM	1998	45 £	15 105 *	
(a) CD -ROM		1998	50		
15. Selected Banking Indicators 1981 to 2002	do	2003	320 460 *	75	
16. Selected Banking Indicators 1981 to 2002 (On CD-ROM)	do	2003	250 300 *	75	
17. Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks 1981-2003 (on CD-ROM)	do	2004	185 240 *	55 □ 20 *	
18. Annual Accounts of Scheduled Commercial Banks (Including Regional Rural Banks) 1989-90 to 2000-01 (on CD-ROM)	do	2002	200 250 *	50	
19. Annual Accounts of Scheduled Commercial Bank (Including Regional Rural Banks 1979-2004) CD-Rom		2004	85 £ 135	25	
20. Directory of Commercial Bank Offices in India Vol. 1-0 December 2000 (on CD-ROM)	do	2000	500 * £	100	
21. Directory of Commercial Bank offices in India Vol. 2 September 2003 (On CD-ROM)	do	2003	200 * £	40 *	
22. All-India Debt and Investment Survey 1981-82	do				
i) Assets and liabilities of households as on 30th June 1981		1987	75 85 * 60 **	15	
ii) Statistical tables relating to capital expenditure and capital formation of households during the year ended 30th June 1982		1987	125 £ 135 * 100 **	25	
iii) Statistical tables relating to cash borrowings and repayments of households during July 1981 to June 1982 and cash dues outstanding as on 30th June 1982		1990	100 £ 110 * 80 **	32	
23. A Profile of Banks					
i) 2004-05	DSIM	2005	100 130 *	20 *	
ii) 2005-06		2006	90 120 *	55 □ 20 *	
iii) 2006-07		2007	90 120 *	55 □ 20 *	
iv) 2007-08		2008	40 70 *	5 * 45 □	
v) 2008-09		2009	60 90 *	5 * 45 □	
v) 2009-10		2010	50 80 *	5 * 60 □	
C. Public/Private Limited Companies					
1. Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries) on CD-ROM	DSIM	2001	350 *	70	
2. Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries)	do				
1974-75 To 1982-1983 Vol.I		2001	700 *	140	1700
1982-83 To 1990-1991 Vol.II		2001			1500
1990-91 To 1999-2000 Vol.III		2001			2000
(` 700 for three volums)					
3. Selected financial and other ratios-public limited companies	do				
1980-81 to 1987-88 Vol.I		1990	45 £	15	
Vol.II		1990	60 £	20	
1988-89 to 1990-91 (Part I)		1996	90 £	50	
4. Selected financial & other ratios-private limited companies 1988-89 to 1990-91 (Part II)	do	1996	80	45	

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5.	Private Corporate Business Sector in India Selected Financial Statistics from 1950-51 to 1997-98 (All-Industries) (Print Version)	DSIM	2000	300 *	60 *		
	(a) CD-ROM			500 *	100 *		
D.	**Reports of Committees/Working Groups**						
1.	Study group on deployment of resources by State and Central co-operative banks (Hate committee report)	UBD	1982	25 * £			
2.	Capital formation and savings in India 1950-51 to 1979-80 Report of the working group on savings (Raj committee report)	DEPR	1982	18 £		400	21
3.	Report of the working group to consider feasibility of introducing MICR/ OCR technology for cheque processing (Damle committee report)	DBOD	1983	7 £ (Amt. rounded off)		200	19
4.	Report of the committee to review the working of the monetary system (Sukhamoy Chakravarty committee report)	DEPR	1985	35 £ 25 **	10		
5.	Report of the committee to consider final accounts of banks (Ghosh committee report)	DBOD	1985	56 £		500	22
6.	Report of the committee on agricultural productivity in Eastern India	DEPR					
	(Sen Committee Report) Vol. I		1985	70 * £	15		
	(Hard Bound) Vol. II		1985	85 * £	20		
7.	Report of the working group on the money market (Vaghul committee report)	MPD	1987	15 *			
8.	Report of the committee to review the working of credit authorisation scheme (Marathe committee report)	IECD (Old)	1988	10 *	10		
9.	Co-ordination between term lending institutions and commercial banks (Bucher committee report)	do	1988	10 *	1		
10.	Report of the working group to review the system of cash credit (Chore committee report)	do	1988	12 * £			
11.	Report of the study group to frame guidelines for follow-up of bank credit (Tandon committee report)	do	1988	16 * £			
12.	Report of the study group for examining introduction of factoring services in India (Kalyansundaram committee report)	do	1989	30 *			
13.	Report of the committee on computerization in banks (Rangarajan committee report)	DSIM	1989	40 £		500	22
14.	Report of the Committee on Financial System (Narasimham Committee Report)	DBOD	1991 (Reprint)	60 £		170	19
15.	Report of the working group on financial companies (Shah committee report)	DFC	1992	30 £		300	20
16.	Report of the task force on money market mutual funds (Basu committee report)	MPD	1992	10 * £	5		
17.	Report of the committee on the licensing of new urban co-operative banks (Marathe committee report) (Hindi Edition)	UBD	1992	40		400	21
18.	Report of the committee to examine the legal and other difficulties faced by banks and financial institutions in rehabilitation of sick industrial undertakings and suggestremedial measures including changes in the law (Tiwari committee report)	IECD (Old)	1993 (Reprint)	90 £		500	22
19.	Report of the committee on structure of export credit (Sundaram committee report) (English & Hindi Edition)	do	1993	36	25	200	19
20.	Report of the committee to review the system of lending under consortium arrangement (Shetty committee report)	do	1993	50 £			
21.	Report of the committee to examine the adequacy of institutional credit to the SSI sector & related aspects (Nayak committee report)	RPCD	1993 (Reprint)	55	9	300	20
22.	Review of the agricultural credit system in India (Khusro committee report)	do	1993 (Reprint)	270 £ 315 *	80		
23.	Report of the committee to enquire into securities transactions of banks and financial institutions (Jankiraman committee report)	DOC	1994	85 £ 100 *			
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26.	Report of the working group for examining the schemes and incentives available to NRIs for investment in India (Sodhani Committee Report)	FED	1995	50 *£	10		
27.	Report of the expert group for designing a supervisory framework for non-banking financial companies (Khanna Committee Report)	DBOD	1996	35		307	21
28.	Report of the committee for proposing legislation on electronic funds transfer and other electronic payments (Shere Committee Report)	DIT	1996	150	15	333	21
29.	Report of the Committee on Capital Account Convertibility (Tarapore Committee Report)	DEIO	1997	100 *	35		
30.	Money Supply : Analystics and Methodology of Compilation-Report of the working group (Reddy Committee Report)	DEPR	1998	35 £	20		
31.	Report of the high level Committee on agricultural credit through commercial banks(Gupta Committee Report)	RPCD	1998	30 £		200	19
32.	Report of the high level Committee on credit to SSI (Kapur Committee Report)	do	1998	50 £	10	277	20
33.	Report of the Technical Committee on external debt (Nair Committee Report)	DEPR	1998	20 *£	15		
34.	Report of the Committee on Banking Sector Reforms (Narasimham Committee Report)	DBOD	1998	32 £		244	20
35.	Report of the Working Group on Euro (Subramanyam Committee Report)	DEIO	1998	100 £	30		
36.	Report of the Committee on Hedging through International Commodity Exchange (Gupta Committee Report)	FED	1998	100 *	50		
37.	Report of the Committee on Tecnnology Upgradation in the Banking Sector (Vasudevan Committee Report)	DIT	1999	100 *	25		
38.	Report of the High Power Committee on Urban Co-operative Banks (Madhava Rao Committee Report)	UBD	1999	80		490	22
39.	Report of the Advisory Group on Payment and Settlement System Part (I) June 2000	MPD	2000	40 * 30 **	15		
40.	Report of the Advisory Group on Payment and Settlement System (Part II)	do	2000	20 * 15 **	10		
41.	Report of the Advisory Group on Payment and Settlement System (Part III)	do	2001	20 * 15 **	10		
42.	Report of the Advisory Group on "Transparency in Monetary and Financial Policies".	do	2001	45 * 35 **	20		
43.	Report of the Advisory Group on Corporate Governance	do	2001	40 * 30 **	15		
44.	Report of the Advisory Group on Fiscal Transperency	do	2001	30 * 20 **	15		
45.	Report of the Advisory Group on Data Dissemination	do	2001	35 * 25 **	20		
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48.	Report of the Advisory group on Bankruptcy Laws (Volume-I & II)	do	2001	90 * 75 **	45		
49 .	Report of the Advisory Group on Insurance Regulation	do	2001	35 * 25 **	20		
50	Report of the Advisory group on Accounting & Auditing	do	2001	40 *	20		
51.	Report of the Technical Group on Market Integrity	do	2002	65 * 50 **	20		
52	Standing Committee on International Financial Standards and Codes on CD-ROM	do	2002	200 * 150 **	60		

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53.	Report of the Standing Committee on International Financial Standards and Codes	MPD	2002	65 * 50 **	20		
54.	The Standing Advisory Committee for Urban Co-operative Banks	UBD					
	i) First meeting		1983	5		200	19
	ii) Second meeting		1984	6 £		200	19
	iii) Third meeting		1985	6		200	19
	iv) Fourth meeting		1985	9		300	20
	v) Fifth meeting		1986	9 £		200	19
	vi) Sixth meeting		1988	12 £		200	19
	vii) Seventh meeting		1989	12		200	19
	viii) Eighth meeting		1990	21		300	20
	ix) Ninth meeting (Bilingual edition)		1992	24		200	19
	x) Tenth meeting		1994	95		300	20
	xi) Eleventh meeting		1995	90		300	20
	xii) Twelfth meeting		1996	52		100	18
E.	**Manuals**						
1.	Manual for urban co-operative banks	UBD	1984	15 £		400	21
2.	Manual on costing exercise in commercial banks	MSD	1987	5 £		200	19
3.	Manual on costing exercises in private sector and urban banks (Reprint)	do	1989	27 £		200	19
4.	RBI-Exchange Control Manual- (Reprint of 1993 edition) (Vol.I & II) (updated upto July, 1998)	FED	1998	400 £		2200	39
	i)RBI - Exchange Control Manual on floppy Disc - size 3.5 (Upadated upto June, 1999)		1999	400 £			
	ii) RBI - Exchange Control Manual - on C.D. Rom (updated upto 31st May, 2000)		1999	400 £			
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1.	i) Compendium of A.D. (M.A. Series) circulars No. 1	FED	1997	75 £			
	ii) Compendium of A.D. (M.A. Series) circulars No. 2		1998	120 £			
	iii) Compendium of A.D. (M.A. Series) circulars No. 3		1999	200			
2.	A. D. (M.A. Series) Circular No. 11 Foreign Exchange Management Act 1999	do	2000	185		900	26
3.	MPD Circulars						
	i) August 1970 to December 1981 - Vol. I	MPD	1989	75 *			
	ii) January 1982 to March 1989 - Vol.II		1989	75 *			
	iii) April 1989 to April 1995 Vol.III		1996	200		1530	33
4.	i) Circulars on Monetary and Credit Policy Vol. 4 (From May 1995 to April 1997)		2002	165 * 130 **	50		
	ii) Circular on Monetary and Credit Policy Vol. No. 5 (From May 1997 to March 1999)		2002	235 422 * 372 ** 185 ***	70		
	iii) Circulars on Monetary and Credit Policy Vol. No. 6. Part I & II (from April 1999 to March 2003) (English & Hindi)						
	a) Print Version (A set of four books)		2003	900 1300 * 1100 ** 700 ***	170		
	b) CD-ROM			400 * 300 **	80		
	iv) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (English & Hindi)						
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	b) CD-ROM			180 200 * 140 **	5 □ 12 *		

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v) Circulars on Monetary and Credit Policy Vol. No. 8 (from April 2004 to March 2005) (a) Print Version (Billingual)	MPD	2005	375 400 * 280 **	30 *		
(b) CD-ROM			180 200 * 140 **	15 *		
vi) Compendium of MPD Circulars - Vol. No. 9 (April 2005 - March 2006) (Billingual)		2006	480 500 * 375 **	35 *		
vii) Circulars on Monetary Policy Vol. No. 10 (April 2006 to March 2007) Billingual		2007	600 620 * 450 **	40		
viii) Circulars on Monetary Policy Vol. No. 11 (CD-ROM) (April 2007 to March 2008)		2008	210 230 * 160 *** 180 **	8 *		
ix) Circulars on Monetary and Credit Policy Vol. No. 12 (CD-ROM) (from April 2008 to March 2009)		2009	335 355 * 275 *** 255 **	9 * 43 □		
5. IECD circulars	IECD (Old)					
i) July 1978 to June 1986 bilingual (Vol.I & II)		1993	250	10	2114	39
ii) 1986-89		1990	70		1325	31
iii) 1989-94 (Vol. I&II)		1995	250 £		2295	40
iv) 1994-95		1995	80		700	24
v) 1995-96		1996	55		380	21
vi) 1996-97		1997	65		445	22
6. Rural Planning and Credit Department (RPCD) Circulars (Bilingual edition)	RPCD					
i) July 1994 to June 1995 (Vol. X)		1998	180 200 *			
ii) July 1995 to June 1996 (Vol. XI)			180 £ 200 *			
iii) July 1996 to June 1997 (Vol. XII)		1999	180 200 *			
iv) July 1997 to June 1998 (Vol. XIII)		1999	180 200 *			
v) July 1998 to June 1999 (Vol. XIV)		2000	180 200 *			
vii) July 1999 to June 2000 (Vo. XV)		2001	210 240 *			
7. Compendium of Circulars on Small Scale Industries	do	2000	120 150 *	25		
8. RPCD Circular (on CD-ROM) (1st July 1982 to 31 March 2004)	do	2004	120 150 *			
9. RPCD Circulars on Small Scale Industries (upto 30-09-2004) on CD-ROM	do	2004	120 150 *			
10. Compendium of Circulars on Small Scale Industries (January 2000 - March 2004)	do	2004	140 170 *			
11. UBD circulars	UBD					
i) June 1985		1986	115		274	20
ii) 1985-1992 (Vol.I & II)		1995	250		3195	49
iii) 1992-1994		1995	165		1792	35
iv) 1995-96		1997	55		735	25

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12.	i) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (July 1996-December 1997)	UBD	2000	85 £		742	25
	ii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 1998-December 1999)		2003	100 £		1032	68
	iii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 2000-December 2001)		2003	120 £		1300	68
G.	**Memorandum**						
1.	Memorandum of Exchange Control Manual, 1993 containing detailed procedural instructions	FED					
	a) Relating to general insurance in India (GIM)		1994	20		70	19
	b) Relating to channeling transactions through Asian Clearing Union (ACM)		1996	20		70	19
	c) Relating to co-operative/commercial banks (other than authorised dealers) authorised to maintain non-resident rupee accounts (ABM)		1994	20 £			
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	f) Memorandum of Instruction on project & service exports (PEM)		1997	40 £		280	20
2.	Memorandum of Exchange Control Regulations Relating to general insurance in India (GIM)	do	2002	30			26
3.	Memorandum of instructions to Authorised Money Changers (AMC)	do	2002	30			
4.	Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) Memorandum ACM	do	2003	30			21
5.	Memorandum of Instructions on Project and Service Exports (PEM)	do	2003	40			
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	v) (Combined issue June-September, 1997)			70 * @	50 @		
	vi) 1998 (Yearly four issues)			40 * @	25 @		
	vii) 1999 (Yearly 3 issues)			50 * @	30 @		
	viii) 2000 (Yearly 2 issues) Summer - Vol. 21 No. 1			80 * @	45 @		
	ix) (Monsoon & Winter Combined Issue) - Vol. 21 No. 2 & 3			80 * @	45 @		
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	xii) 2003 Vol. 24 No. 3 (Winter)			80 * @	45 * @		
	xiii) 2004 Vol. 25 No. 1, 2 & 3 (Summer, Monsoon & Winter Combined Issue)			80 * @ £	45 * @		
	xiv) 2006 Vol. 27 No.1 and 2 (Summer and Monsoon Combined Issue)			80 * @	45 * @		
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	xviii) 2009 Vol. 30 (Yearly Three Issues)			80 * @	45 * @		
	xix) 2010 Vol. 31 (Yearly Three Issues)			120 * @	17 * @		
I.	**Others Important Publications**						
1.	Small Scale Industries-Policy & Guidelines	RPCD	1997	20		200	19
2.	Regulatory Framework for Non-Banking Financial Companies	DNBS	1998	40 £		365	21
3.	Question/Answer New NBFC Policy	do	1998	10 £		50	18
4.	Payment Systems in India	DIT	1998	60 * 150 *	10		
5.	Mechanised Cheque Processing Using MICR Technology Procedural Guidelines	do	1999	50 *£			
6.	Mechanised Cheque Processing using MICR Technology Procedural Guidelines. (Second Edition)	do	2002	50 *			
7.	Indian Financial Network Banking Applications Message Formats (INFINET)	do	2000	100 *			
8.	Indian Financial Network (INFINET) Banking Applications Messages Formats Vol. II	do	2002	100 *			
9.	Balance of Payments compilation	DEPR	1987	45 *	30		

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Reserve Bank of India Publications

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Readers' Views on the Monthly Bulletin

Dear Reader,

With a view to improving the format and content of RBI Bulletin, we approach you with the following questionnaire. We greatly appreciate your sparing time to answer the questionnaire and mail it to the address given below:

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RBI Bulletin,
Division of Reports and Knowledge Dissemination,
Department of Economic and Policy Research,
Reserve Bank of India,
Amar Building, 6th Floor,
P.M. Road, Fort,
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Please tick-mark (✓) the appropriate box/boxes.

(1) Please tell us about yourself – your occupation/ your activity-association:

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(2) Please indicate the items in the Bulletin that you find useful:

- Studies/Articles on various aspects of banking, corporate sector, Government finances, etc. ☐
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- RBI Press Release ☐
- Current Statistics ☐

Readers' Views on the Monthly Bulletin

(3) Please indicate, with reference to the answer given for (2) above, your suggestions for improvements in regard to items other than the 'Current Statistics' portion of the Bulletin.

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(4) What in your opinion, should be done to improve the get up or coverage of the "Current Statistics" portion ?

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(5) Do you think it would be advisable to separate 'Current Statistics' portion from the rest of the Bulletin and have 'Monthly Statistics' separately brought out ?

Yes ☐ No ☐

(6) If the answer to Q.(5) is Yes, do you think it would be sufficient to have a Quarterly Bulletin of articles, speeches, and policy measures ?

Yes ☐ No ☐

(7) Are you a user of our web site (http://www.rbi.org.in) ? Yes ☐ No ☐

Thank you very much for your cooperation.

Editor

Reserve Bank of India Websites

To facilitate quicker access to RBI documents available on the RBI Website (URL: www.rbi.org.in), frequently accessed documents have been given a special URL. By keying-in the URL which can also be saved in 'Favourites', the visitor can directly reach the desired document on the RBI site.

Advance release calenders relating to data categories pertaining to: (i) analytical accounts of the banking sector, (ii) analytical accounts of the central bank, (iii) share price index, (iv) balance of payments, (v) international reserves, and (vi) exchange rates under the Special Data Dissemination Standards (SDDS) of the IMF are also posted on the RBI Website (http://www.rbi.org.in).

The documents available on special URL are:

- Weekly Statistical Supplement: www.wss.rbi.org.in
- RBI Bulletin: www.bulletin.rbi.org.in
- Monetary and Credit Policy: www.cpolicy.rbi.org.in
- 8.5% Government of India Relief Bonds: www.goirb.rbi.org.in
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- Y2K: www.y2k.rbi.org.in
- Data base on Indian Economy: http://dbie.rbi.org.in

– Editor

RBI provides Web based Access to its Database on Indian Economy

The Reserve Bank of India has released a number of long time series data on several aspects of Indian economy covering key macro economic aggregates to the public in user-friendly manner through dynamic web based application.

Objective : The Database on Indian Economy is built for the convenience of researchers, analysts and other users. It is created to provide the public with an access to the published data series, with additional details on some series as available in the Reserve Bank of India's enterprise wide data warehouse.

Coverage : Data available on published time series, can be accessed through a completely browser based software include data on:

- financial sector,
- real sector,
- financial market,
- external sector,
- public finance and
- corporate finance

Features :

- All the data series are accompanied with data definitions, i.e. metadata, which allow the user to view the definitions/concepts of the underlying variables;
- The data definitions provides search feature;
- Extract data through standard reports which allows the users to select and view the preformatted reports or
- Dynamic 'data query', which enables user to define list of data series and allows the user to choose the time period for data extraction.
- Data files can be downloaded in the form of CSV / pdf format.

Access : The data can be accessed from the home page of the RBI website (www.rbi.org.in) through the static headline 'Database on Indian Economy' List of data series available on the site is available on the homepage of the site, i.e. Database on Indian Economy.

This list will be proggressively enlarged on the basis of feedback received and availability of relevant data series in the RBI data warehouse. Feedback may please be sent to dbiehelpdesk@rbi.org.in or through the feedback option on the home page of the website.

– Editor

India's Financial Sector – An Assessment

A comprehensive assessment of India's financial sector by the **Committee on Financial Sector Assessment (CFSA)**, constituted by the Government of India and the Reserve Bank of India, evaluating financial sector stability and development, identifying gaps in compliance with various international financial standards and codes, and suggesting corrective policy measures. The Report contains six volumes. Volume III – VI contain independent reports by the four Advisory Panels assisting the CFSA as follows:

- **Financial Stability Assessment and Stress Testing**, covering macro-prudential analysis, stability assessment and stress-testing of the financial sector **(Volume III).**

- **Financial Regulation and Supervision**, covering assessment of standards pertaining to banking regulation and supervision, securities market regulation and insurance regulation **(Volume IV).**

- **Institutions and Market Structure**, covering assessment of financial infrastructure including legal, regulatory and liquidity management aspects and standards regarding accounting and auditing, corporate governance, payment and settlement systems and effective insolvency and creditor rights systems **(Volume V).**

- **Transparency Standards**, covering assessments of standards regarding transparency in monetary and financial policies, fiscal transparency and data dissemination **(Volume VI).**

The Overview Report **(Volume II)** of the CFSA draws on the assessments and recommendations of the Advisory Panel reports. **Volume I** is an Executive Summary of the assessments and recommendations.

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Price: ₹2000 (Volumes I to VI)

Price: ₹500 (Volume I and II)

Perspectives on Central Banking: Governors Speak

2009-10 marks the Platinum Jubilee of the Reserve Bank of India. On this occasion, the Reserve Bank has brought out a book entitled **Perspectives on Central Banking: Governors Speak**, which is a compendium of landmark speeches by its Governors.

The compendium provides a glimpse into the ideas, issues and concerns that shaped the institution over the years. The array of themes covered in the speeches - monetary policy, external sector management, issues in the financial sector and the real economy, regulation and supervision of banks, poverty and financial inclusion and the policy challenges in a globalised environment - is a reflection of the broad mandate of the Reserve Bank and its enduring concern for the larger public good.