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*Interesting, Profitable, and Challenging: Banking in India Today**

Raghuram G. Rajan

Thank you for inviting me to give this address to the FICCI-IBA Annual Global Banking Conference. Perhaps the most important issue on the minds of bankers, given the results season, is the Asset Quality Review initiated in early 2015-16. It has improved recognition of NPAs and provisioning in banks enormously, and many of you have fully imbibed the spirit of the review. Some banks have taken significant steps in recognising incipient stress early.

Now focus should move more to improving the operational efficiency of stressed assets, and creating the right capital structure so that all stakeholders can benefit. This implies simultaneous action on two fronts.

Where necessary, new project management teams have to be brought in, sometimes as owners, and where this is not possible, as managers. A creative search for new management teams, including the possible use of public sector firms or private sector agents, is necessary, as are well-structured performance incentives for non-owner teams such as bonuses for meeting cash flow/ profit benchmarks and stock options. Of course, if the existing promoters are capable and reliable, they should be retained.

Equally important, the capital structure should be tailored to what is reasonable, given the project's situation. If the loan is already an NPA, there is no limit to the kind of restructuring that is possible. If it is standard but the project is struggling, we have a variety of schemes by which a more sensible capital structure can be crafted for the project. These schemes include the 5/25, the SDR, and the S4A. A caveat is in order, though. Some of the current difficulties with stressed loans come from an unrealistic application by banks of a scheme so as to prevent a loan turning NPA, rather than because of a carefully analysed bank effort to effect management or capital structure change. RBI will continue monitoring to see that schemes are used as warranted, and targeted at promoters who are cooperative and able rather than misusing the system.

I am sure, though, that you want to look beyond stressed assets to growth. These are interesting, profitable, and challenging times for the financial sector. Interesting because the level of competition is going to increase manifold, both for customers as well as for talent, transforming even the sleepiest areas in financial services. Profitable because new technologies, information, and new techniques will open up vastly new business opportunities and customers. Challenging because competition and novelty constitute a particularly volatile mix in terms of risk. In this talk, I will speak about how we see these aspects at the central bank.

Interesting and Profitable

Over the next year, 17 new niche banks will begin business. In addition, licensing for universal banks is now on tap, so fit and proper applicants with innovative business plans and good track records will enter. Fintech will throw up a variety of new ways of accessing the customer and serving her, so new institutions that we have little awareness of today will soon be a source of competition. These will finally draw customer sectors, firms, and individuals without access today into the formal financial system. Those customers that are already being served will be spoiled for choice.

For the service provider, even though greater competition will tend to reduce spreads, access to new

* Address by Dr. Raghuram G. Rajan, Governor, Reserve Bank of India to the FICCI-IBA Annual Banking Conference, August 16, 2016, Mumbai.

customers and new needs will increase volumes. Moreover, risk and cost reduction through information technology and risk management techniques will tend to increase effective risk-adjusted spreads. In sum then, despite increased competition, profitability can increase. The comparative advantage of banks may lie in their access to lower cost deposit financing, the data they have on customers, the reach of their network, their ability to manage and warehouse risks, and their ability to access liquidity from the central bank. These should then be the basis for the products they focus on.

Perhaps a couple of examples may be useful. India will have enormous project financing needs in the coming days. Even though bankers are very risk averse today, and few projects are coming up for financing, this will change soon. What is in the pipeline is truly enormous – airports, railway lines, power plants, roads, manufacturing plants, *etc.* Bankers will remember the period of irrational exuberance in 2007-2008 when they lent without asking too many questions. I am hopeful that this time will be different.

Here are ways it can be different and risks lowered. First, significantly more in-house expertise can be brought to project evaluation, including understanding demand projections for the project's output, likely competition, and the expertise and reliability of the promoter. Bankers will have to develop industry knowledge in key areas since consultants can be biased.

Second, real risks have to be mitigated where possible, and shared where not. Real risk mitigation requires ensuring that key permissions for land acquisition and construction are in place up front, while key inputs and customers are tied up through purchase agreements. Where these risks cannot be mitigated, they should be shared contractually between the promoter and financiers, or a transparent arbitration system agreed upon. So, for instance, if demand falls below projections, perhaps an agreement among promoters and financier can indicate when new equity will be brought in and by whom.

This leads to the third element of project structuring – an appropriately flexible capital structure. The capital structure has to be related to residual risks of the project. The more the risks, the more the equity component should be (genuine promoter equity, not fake borrowed equity, of course), and the greater the flexibility in the debt structure. Promoters should be incentivised to deliver, with significant rewards for on-time execution and debt repayment. Where possible, corporate debt markets, either through direct issues or securitised project loan portfolios, should be used to absorb some of the initial project risk. More such arm's length debt should typically refinance bank debt when construction is over. Hopefully, some of the measures taken to strengthen corporate debt markets, including the new bankruptcy code, should make all this possible.

Fourth, financiers should put in a robust system of project monitoring and appraisal, including where possible, careful real-time monitoring of costs. For example, can project input costs be monitored and compared with comparable inputs elsewhere using IT, so that suspicious transactions suggesting over-invoicing are flagged?

And finally, the incentive structure for bankers should be worked out so that they evaluate, design, and monitor projects carefully, and get significant rewards if these work out. This means that even while committees may take the final loan decision, some senior banker ought to put her name on the proposal, taking responsibility for recommending the loan. IT systems within banks should be able to pull up overall performance records of loans recommended by individual bankers easily, and this should be an input into their promotion.

Note that none of this is really futuristic, but it requires a much stronger marriage between information technology and financial engineering, with an important role for practical industry knowledge and incentive design. There are also inputs to making profitable project loans – such as the availability of CASA deposits – that will accrue to the banks that build out their IT to access and serve the broader saver cheaply and effectively. Few banks have the in-house talent to do all this now, but preparation is imperative.

An area of more intensive use of IT and analysis is customer loans, which is my second example. It seems today that, having abandoned project loans, every bank is targeting the retail customer. Clearly, the risks in this herding will mount over time, as banks compete for less and less creditworthy customers. But some of this risk can be mitigated if they do sufficient due diligence.

New means of credit evaluation are emerging. For example, some lenders are examining not just credit histories from the credit bureau but mining their own data and also data from social media posts by the applicant to see how reliable they might be. Various forms of crowdfunding, intermediated by peer-to-peer lenders, also claim superior credit evaluation. Of course, much of the hoopla surrounding these new forms of lending has yet to be tested by a serious downturn, and it is unclear how responsibilities for recovery will devolve between intermediary and investor at such times.

Nevertheless, in this Information Age, not only are there more data with which to determine a loan applicant's creditworthiness, it is also possible to track their behavior for early warning signs of stress. Furthermore, in this interconnected world, a borrower's inability to hide adverse information such as default when tagged by a unique ID constitutes a big incentive to repay.

Importantly, banks no longer have a monopoly over all credit-related data; Some IT companies may do a better job in pulling together even the bank's data, in addition to trawling for other available data, and analysing it all to make better lending and monitoring decisions. Loan applications and decisions are now being made entirely online, without a borrower having to step into a branch. Alliances between IT companies and banks are likely to increase significantly.

The bottom line is that competition is increasing, and ways of delivering financial services are changing tremendously. Banks have to discover strategies to use their traditional, although eroding, advantages such as convenience, information, and trust to remain on the competitive frontier. Competition and innovation constitute a particularly volatile mix in terms of risk challenging banks' traditional risk management capabilities. They are also a challenge to the regulator, who wants the best for the customer (and therefore wants to encourage competition and experimentation), while maintaining systemic stability (and thus wants to understand risks before they get too large or widespread).

The Authorities' Dilemma

Before turning to how the banks should respond to these competitive and technological forces, let us ask how these forces affect the regulatory compact. Ideally, the authorities should ensure their actions are institution, ownership, and technology neutral so as to ensure that the most efficient customer-oriented solutions emerge through competition. However, if the authorities deliberately skew the playing field towards some category of institutions and away from others, competition may not produce the most efficient outcome.

Banks in India have been subject to the grand bargain, whereby they get the benefits of raising low cost insured deposits, liquidity support and close regulation by the central bank (I am sure some of you see this as a cost) in return for maintaining reserves with the central bank, holding government bonds to meet SLR requirements, and lending to the priority sector.

In addition, public sector banks are further subject to government mandates such as opening PMJDY accounts, or making MUDRA loans. They are also subject to hiring mandates, in particular the need to hire through open all-India exams rather than from specific campuses or from the local community, and to meet various government diversity mandates. In part compensation, public sector banks do get more government deposits and business, and are backed by the full faith and credit of the government. While it is unclear whether the cost of the mandates outweigh the benefits, they do skew the competitive landscape.

Authorities like the central bank and the Government should, over the medium term, reduce the differences in regulatory treatment between public sector banks and private sector banks, and more generally, between banks and other financial institutions.

Some of the differences between public sector banks and private banks can be mitigated if the government pays an adequate price for mandates. If, for example, when every direct benefit transfer is paid a remunerative price, all banks have an incentive to undertake the business and open basic customer accounts. The most efficient bank will garner more business, and the payment can be gradually reduced over time, commensurate with the accrued efficiencies.

Some of the mandates will also become less costly with new techniques. For example, banks are finding ways to make MSME loans more remunerative by decreasing transactions costs. Similar techniques could be brought to agricultural loans, especially as farm productivity increases. Wider use of credit information bureaus and collateral registries should also help improve credit evaluation and lower the cost of repossession. This should make it easier to meet priority sector norms. The cost has been further reduced through the introduction of tradeable priority sector lending certificates, whereby the most efficient lenders can sell their over-performance, while the inefficient ones can compensate for underperformance by buying certificates.

Nevertheless, over time, differences should be reduced further. This is why, for example, the Reserve Bank has been reducing SLR requirements steadily, and allowed over half of the SLR holdings to meet the Basel-mandated Liquidity Coverage Ratio. But we are also trying to shape mandates to new technologies and approaches. For example, it is mandated that a quarter of a bank's branches should be opened in underserved areas. But what exactly qualifies as a branch? Could we accept alternative definitions of a branch so long as they meet the needs of the population for a regular outlet for banking business? Of course, all villages would love to have a full service brick and mortar bank branch. However, if the cost is currently prohibitive, can we accept alternatives that do much of what is needed? An internal RBI committee is looking at these issues.

In sum, mandates should increasingly be paid for, and are becoming easier to achieve as the institutional and technological underpinnings of financial services improve. As competition increases, however, the authorities should ask how long mandates should continue, and keep targeting them better towards the truly underserved. They should also withdraw any preferential treatment, to the extent feasible, at a commensurate pace.

Let me now turn to how banks respond to the emerging competitive challenges. I will talk specifically about public sector banks, which perhaps face the greatest challenges.

Challenges Faced by Public Sector Banks

The most pressing task for public sector banks is to clean up their balance sheets, a process which is well under way and which I discussed earlier. A parallel task is to improve their governance and management. Equally important is to fill out the ranks of middle management that have been thinned out by retirements, and to recruit talent with expertise in project evaluation, risk management, and IT, including cyber security.

(i) Governance

The Bank Board Bureau (BBB), composed of eminent personalities with integrity and domain experience, has taken over part of the appointments process in public sector banks. There are two ways the Government still plays a role. First, the final decision on appointments is taken by the Appointments Committee of the Cabinet. Second, appointments of non-official directors onto bank boards still lie outside the BBB. As the BBB gains experience, it would make sense to allow these decisions also to be taken by it.

Over time, as the bank boards are professionalised, executive appointment decisions should devolve from the BBB to the boards themselves, while the BBB – as it transforms into the Bank Investment Company (BIC), the custodian for the Government's stake in banks – should focus only on appointing directors to represent the government stake on the bank boards. It is important that bank boards be freed to determine their strategies. Too much coaching by central authorities will lead to a sameness in public sector banks that successive Gyan Sangams have criticised.

Management efforts to tighten practices are also needed. Far too many loans are done without adequate due diligence and without adequate follow up. Collateral when offered is not perfected, assets given under personal guarantees not tracked, and post loan monitoring of the account can be lax. The lessons of the recent past should be taken seriously, and management practices tightened. A more stringent approach to evaluating and recovering large loans will give bank management the credibility when they go to their staff with plans for cost rationalisation.

(ii) Talent

The middle management ranks of public sector banks are being thinned by retirements. In addition, they need experts in specific areas like project evaluation and risk management. At the same time, banks have to reduce bloated cost structures. All public sector entities across the world tend to pay more than the private sector to lower level employees, and less than the private sector to higher level employees. This makes it hard for them to attract top talent, but makes it easier to attract good people at lower levels.

Rather than seeing these as difficulties, perhaps they can be opportunities. In the RBI, we find that our compensation packages enable us to attract very highly qualified applicants at the Class III level. Perhaps part of the solution is to enable such new hires, with technology and training, to do far more responsible work than they were given in the past, and give them a brighter prospect of movement up the officer ranks. Banks can also use the opportunity offered by retirements to reorient hiring towards the skills they need, and to offer attractive rapid career progression supported by strong training programs to new hires – with thinning middle management, the mix of experience and capabilities should shift towards capabilities.

And to get talent in specialised areas like project evaluation, risk management, and IT, they may have to hire laterally in small doses. While contractual hires are currently permitted, better personnel would be attracted only by a strong prospect of career progression internally. Banks will have to think about how to enable this.

One of the difficulties public sector banks have is court judgments that prohibit hiring from specific campuses. This leads to anomalies like the public-sector-bank-supported National Institute of Bank Management sending most of its high quality graduates to work for private sector banks. Public sector banks can petition the courts to allow some modicum of campus hire, especially when the campus chooses openly through a national exam. Another alternative is to make bank entrance exams much less onerous to take, with applications, tests, and results, wherever possible, available quickly and online. The banks then have an easier task of persuading students on elite campuses to take the exam. We are following this latter course at the RBI.

To have local information, be comfortable with local culture, be locally accepted, and be competitive in low-cost rural areas, PSBs will have to have more freedom to hire locally, and pay wages commensurate with the local labour market. Alternatively, they will have to be much more effective in using technology to reduce costs. Finally, as banks adopted differentiated strategies, they should move away from common compensation structures and common promotion schemes across all public sector banks.

While one of the strengths of the public sector sometimes is the absence of pay and promotion that is very sensitive to performance, too little sensitivity can also be a problem as high performers get demotivated, and the slothful are not penalised. An increased emphasis on performance evaluation, including identifying low performers with the intent of helping them improve, may be warranted. In addition, rewards like Employee Stock Ownership Plans (ESOPs) that give all employees a stake in the future of the bank may be helpful. With PSB shares trading at such low levels, a small allocation to employees today may be a strong source of motivation, and can be a large source of wealth as performance improves.

(iii) Customers

Public sector banks enjoy trust with customers. An emphasis on customer service and customer-centric advice may allow them to recapture low-cost customer deposits that are migrating elsewhere. Public sector banks should take the lead in emphasising the RBI's 5 point Charter of Consumer Rights. While it is understandable that with stressed balance sheets public sector banks do not want to make too many loans to stressed sectors, it is less clear why their deposit growth is faltering, for the low-cost deposit franchise will be the key to their future success.

(iv) Structure

Some banks may be best off focusing on local activity, and in effect, becoming small finance banks. Others may be best off merging with other banks so as to obtain scale and geographic diversification. As banks get cleaned up, and their boards are strengthened, their boards should focus on appropriate structure as part of an overall rethink on strategy.

None of these changes are easy, but they are also not impossible. It requires work with the unions, persuading them of the need for change that benefits all, especially the long term future of the bank. Since each bank has different challenges and probably different solutions, as these solutions emerge it may also be the occasion to rethink the collective bargaining approach across the public sector bank universe that now prevails.

Back to the Authorities

Today, a variety of authorities – Parliament, the Department of Financial Services, the Bank Board Bureau, the board of the bank, the vigilance authorities, and of course various regulators and supervisors including the RBI – monitor the performance of the public sector banks. With so many overlapping constituencies to satisfy, it is a wonder that bank management has time to devote to the management of the bank. It is important that we streamline and reduce the overlaps between the jurisdictions of the authorities, and specify clear triggers or situations where one authority's oversight is invoked.

In particular, we have to move much of the governance to the bank's board, with the Government exercising its control through its board representatives (chosen by the BBB), keeping in mind the best interests of the bank and the interests of minority shareholders. Wherever possible, public sector bank boards should be bound by the same rules as private sector bank boards – one reason why the RBI has recently withdrawn the Calendar of Reviews PSBs were asked to follow. Similarly, board membership of public sector banks should pay as well as private sector banks if they are to attract decent talent.

As boards take decisions, the Department of Financial Services could move to (i) a program role: for example, ensuring government programs such as PMJDY are well designed, appropriately remunerated to banks, and progress monitored (ii) a coordinating role: for example, ensuring financial institutions join a common KYC registry and (iii) a developmental role: revitalising institutions like the Debt Recovery Tribunals through appropriate legislation. RBI would perform a purely regulatory role, and withdraw its representatives on bank boards – this will require legislative change. Over time, RBI should also empower boards more, for instance offering broad guidelines on compensation to boards but not requiring every top compensation package be approved.

Given strong oversight from the bank's board, the CVC and CAG would get involved only in extraordinary situations where there is evidence of malfeasance, and not when legitimate business judgment has gone wrong.

I have focused on the challenges public sector banks face meeting the new competitive environment, as well as some possible solutions. These should be viewed as opening a discussion rather than the formal views of the RBI. That I have not discussed the challenges private banks will face is not because I think they are perfectly positioned but because they are not as constrained as the public sector banks. But before I end, let me emphasise an immediate area of action for all.

With changes in technology, cyber security, both at the bank level and at the system level, has become very important. I think it would be overly complacent for anyone of us to say we are well prepared to meet all cyber threats. A chilling statement by an IT expert is 'We have all been hacked, the only question is whether you know it or you don't'. While the statement may be alarmist, it is an antidote to complacency. We all have to examine our security culture. Too many access points are left unmonitored, too many people share passwords or have easily penetrated passwords, too little surveillance is maintained of vendors and the software they create. RBI is working on upgrading the capabilities of its inspectors to undertake bank system audit as well as to detect vulnerabilities in them. RBI is also in the process of setting up an IT subsidiary, which will be able to recruit directly from industry, and will give the Reserve Bank better ability to manage and supervise technology. I would urge all of you to take a fresh look at your systems, and more important, of the cyber culture within your bank.

Conclusion

Let me end. We will be living in interesting times. Whether it is a blessing or a curse is up to us. I am confident that we will rise to the occasion.

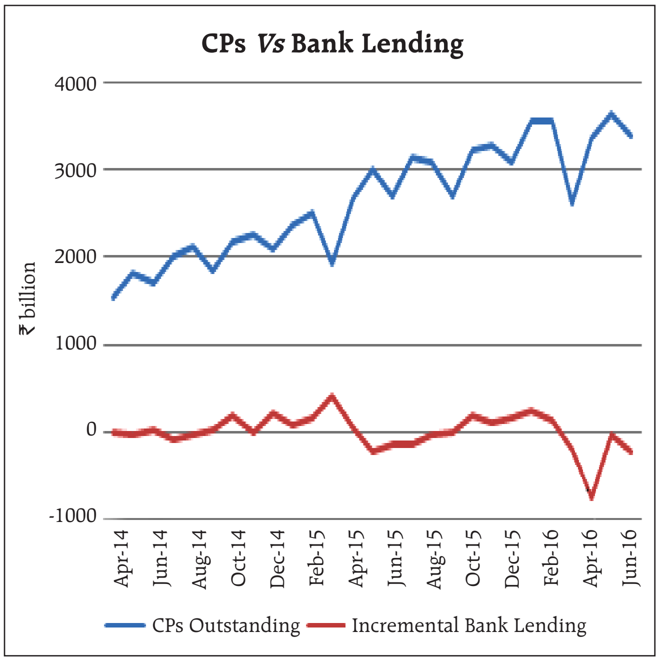
*Strengthening Our Debt Markets**

Raghuram G. Rajan

Thank you for inviting me to speak to Foreign Exchange Dealers' Association of India (FEDAI). In the last few weeks, in successive speeches, I have outlined the RBI's approach to inflation, distressed debt, financial inclusion, and banking sector reform. I want to speak today about debt markets and associated derivatives; why we need them to be deep and liquid, why, in addition to central and state governments, we need riskier firms and projects to be able to access the bond markets for funds, why we need to encourage product innovation, and finally the dilemmas that regulators like the RBI face. In the process, I hope to touch on some of our recent successes, as well as failures, and our ambitions for the future.

There are three important reasons why debt markets have become a lot more attractive in recent months. First, we finally have a framework that commits us to low and stable inflation. Yes, July's inflation reading was a high 6.07 per cent, but I have no doubt that inflation will fall in the months ahead. The key point is that market participants know that the Monetary Policy Committee has to maintain low and stable inflation, certainly over the next five years for which its remit has been set, and it will do what it takes. This lowers the inflation risk premium, and thus reduces the nominal fixed interest rate for everyone, from the government to the riskiest borrower. In this regard, I am confident that Dr. Urjit Patel, who has worked closely with me on monetary policy for the last three years, will ably guide the Monetary Policy Committee going forward in achieving our inflation objectives.

A second development has been the reluctance of public sector banks (PSBs) to lend, and together with



private sector banks, the reluctance to fully pass through past policy rate cuts into bank lending rates. Short term market rates, however, have seen full pass-through. No wonder highly rated firms are bypassing banks to borrow from the commercial paper (CP) markets, with outstanding commercial paper having more than doubled in the last two years to over 3 lakh crores (see chart above on CP outstanding juxtaposed against incremental bank lending).

But what of lower rated firms? Unfortunately, the difficulty of debt recovery in India has meant that credit spreads are wider than elsewhere. This is where the third notable development comes in. Recent reforms of the SARFAESI Act and Debt Recovery Tribunals in the short term, and the new Bankruptcy Code in the medium term, should help in enhancing the prospects of repayment, thus reducing credit spreads.

Given these developments, what should the objectives of fixed income market regulation?

The Objectives of Market Regulation

As a developing country regulator, the RBI is focused on enhancing growth while maintaining stability. In the past, this has meant that the RBI has moved cautiously on liberalising fixed income and

* Governor Dr. Raghuram G. Rajan's Annual Day Address to Foreign Exchange Dealers Association of India on August 26, 2016 at Mumbai.

derivatives markets. What is there about these markets for central banks to worry about?

Typically three issues. We have always worried that markets attract speculators, and that in thin markets, the speculative element can move market prices away from fundamentals. This is certainly a concern, but we should also remember that not all speculators think the same way. So long as there is no concerted move to manipulate markets (and this concerted manipulation can be prevented by regulation), the varied opinions of speculators can provide liquidity, which in turn can make the markets more immune to manipulation. In other words, excessive fear of speculation in markets is self-fulfilling – it renders markets illiquid and prone to manipulation.

Second, markets can be a source of competition for established institutional players. For instance, as I noted above, high quality corporate credits can migrate from banks to debt markets. This may push banks into higher risk lending. Once again, there is merit in these concerns. However, too much can also be made of them. After all, banks are supposed to lend to riskier clients that need monitoring and hand-holding, while markets are supposed to lend to clients who do not need such attention. Moreover, the problem in India is too much risk ends up on bank balance sheets, either directly or indirectly. For example, Non-Bank Finance Companies (NBFCs) are supposed to take on greater risk, such as loans to real estate developers, because their liabilities are longer term. In actuality, though, many have substantial borrowings from banks. It would be better from the perspective of systemic risk if they replaced bank debt with market borrowing. More generally, some of the very large single and group exposures of banks should be brought down by forcing large borrowers to raise more market financing.

Third, we worry about unbridled innovation that attempts to get around prudential and supervisory norms and ends up creating uncertain valuations and systemic risk. For instance, the fixed income products and derivatives structured around housing mortgage pools in the United States became hard to value as house prices turned down. This was a primary factor in the Global Financial Crisis. Once again, though, financial innovation has been useful in opening credit to the hitherto underserved – the unfortunately named 'junk' bonds have indeed facilitated the growth of a variety of enterprises and sectors, most recently shale oil. While regulators have to weigh carefully the benefits versus the systemic risks posed by every new product, we cannot simply ban all innovation just because it makes us feel safer.

The broader point is that a measured and well-signaled liberalisation of fixed income and derivative markets will probably allow us to reap the benefits of deeper and more liquid markets, while minimising the risks associated with speculation, competition, and innovation. Over the last few years, we have had to proceed somewhat cautiously on market development because we worried about creating vulnerabilities when global financial markets were fragile. But as macroeconomic stability has strengthened, the movement has always been forward. Yesterday's announcements were simply the next steps in steady, measured liberalisation. Let me explain.

Participation

Greater participation adds liquidity. Over the years, we have tried to enhance participation.

Most recently, even though retail investors form a small part of the global fixed income market, we are working to enhance their access to the institution-dominated screen-based NDS-OM market so that they can trade G-Secs, and also so that they can use their de-mat accounts to do so. However, in markets that require sophisticated understanding, such as complex derivatives, we continue to be careful about broadening retail access.

We can be more relaxed about institutional participation. Foreign Portfolio Investors (FPIs) will now have direct access to a variety of markets including NDS-OM, corporate bond trading and perhaps other market segments going forward.

One reason we limited institutional participation in the past was to prevent speculation. So, for example, we required participants to be long an underlying exchange asset, say dollars, in order for them to take a short position in financial markets, and vice-versa. But sometimes the volume of importers hedging prospective imports by buying dollars forward far outweighs the volume of exporters, who hedge future receipts by selling dollars forward. To satisfy the net demand for forward dollar hedging, typically banks have taken the other side. However, to ensure bank stability, we have limited the extent of open positions that banks can hold.

There is a cost to these limits. Every time the market gets imbalanced, exchange rates have to move substantially to equalise temporary imbalances between demand and supply, even if unwarranted by medium term fundamentals. This puts more pressure on the central bank to intervene.

We can certainly increase bank open position limits, and will do so over time, but it would not be prudent to place all the exchange risk on banks. A better option would be to allow more players to hold open positions without an underlying, with some limits so that we do not get excessive speculation or attempts at manipulation by single traders. This can rectify market imbalances, improving exchange market liquidity and depth, without imposing large demands on banks or on the RBI. The RBI took a fundamental step in this direction yesterday by allowing a moderate open position to all market participants. Based on experience, the RBI will decide further moves.

Finally, not all participation adds to liquidity and depth in Indian markets. For example, some foreign organisations have suggested allowing trading of domestically issued Indian securities abroad, only reporting the trades domestically. Unfortunately, this could subtract trading on Indian exchanges, and thereby diminish liquidity. We have suggested to such organisations that they either conduct their trades on the Indian exchanges, or that they direct their clients to Masala bonds. The former is still under discussion.

Innovation

Financial innovation is sometimes seen in a bleak light as a way to evade or avoid taxes and regulations. Properly done, however, financial innovation can slice and dice risks so that they are placed on the right shoulders. One example of such an instrument is interest rate futures, where after an overhaul in 2013-14, the last 12 months' average daily trading volume was close to ₹23 billion (despite falling in recent months). An investor, bank, or corporation can use the IRF market to gain or shed interest exposures as they desire. The key to the success of this market has been to allow the design of the relevant instrument to be governed by market participants, while ensuring regulatory concerns are satisfied. We are proceeding in a similar way with money market futures contracts.

Not all innovative instruments have been successful. Inflation Indexed Bonds (IIBs) tied to the Wholesale Price Index (WPI) have not been very popular because the RBI has moved away from a focus on the WPI to a focus on CPI. Even the market for CPI indexed IIBs has been lukewarm. The moderate investor interest perhaps reflects the disinflationary environment, where inflation protection is less sought after. Also, unlike the more tax-protected Gold Monetisation Bonds, the CPI indexed IIBs are not fully tax protected against inflation. Going forward, a level playing field on taxes is warranted for all instruments, so that instruments do not gain favor simply because they get better tax treatment.

The lesson from these examples is that financial innovation needs support, not to create tax or regulatory arbitrage, but so that appealing features are encouraged. Innovation also requires tinkering, to modify what does not work until something more appealing can be found – the first versions of Interest Rate Futures were not attractive, but later versions have succeeded. This is why the RBI has moved to a sandbox approach, where we are liberal towards early product innovations so long as they are not clearly problematic, regulating more carefully only when interest picks up and the product looks like it might become of systemic importance.

Finally, an important function for the regulator in encouraging financial innovation is to create the necessary infrastructure. For instance, a number of financial contracts are structured off benchmarks. The RBI has encouraged the setting up of the Financial Benchmarks India Pvt. Limited (FBIL) which is building a series of market benchmarks. I am hopeful that these will soon be used in innovative financial contracts.

Internationalisation

As a current account deficit country, India needs financing from abroad. Ideally, we would like to attract risk capital, which is in short supply in this country. This means encouraging Foreign Direct Investment (FDI), as well as equity investment. Foreign investors can also help deepen debt and derivative markets as they contribute to price discovery and liquidity.

Not all domestic entities should issue claims held by foreign investors. Ideally, of course, companies should be left to make decisions about what currency they borrow in, and how much they hedge, but given our weak bankruptcy system, there is moral hazard built into unhedged foreign borrowing – if the rupee appreciates, the promoter takes all the upside associated with paying the low dollar interest rate and the now-lower principal, if the rupee depreciates, the occasional unscrupulous promoter goes to his Indian bankers and asks them to bail him out. This is why the issuance of short term dollar or yen denominated debt by infrastructure companies, if left unhedged, could be severely problematic in case of rupee depreciation.

Therefore, we have encouraged companies that do not have foreign exchange earnings to either issue long term dollar bonds, fully hedged shorter term bonds, or rupee denominated Masala bonds abroad. The first issues recently of Masala Bonds reflect a coming of age of Indian debt that has been insufficiently remarked upon – for the first time in recent decades, the rupee's value is trusted enough in international markets that corporations can issue there in domestic currency. Going forward, we hope a more vibrant Masala bond market abroad will complement a vibrant domestic corporate bond market.

Even though FDI flows are enough to cover our current account deficit, we are also encouraging inflows into the debt markets to improve depth and liquidity. We have progressively expanded FPI limits in government debt, and recently specified how these limits will expand for the foreseeable future. We have also opened up investment in state government debt, and laid out the medium term plan for those limits also. In general, our aim is to liberalise steadily, but in a thoughtful way, continuously asking how further liberalisation will strengthen our domestic markets.

We have not been persuaded by every market plea. For example, a number of investment banks want a dollar denominated G-Sec issued internationally – ostensibly to create a benchmark dollar yield curve for Indian instruments. While I agree such an instrument would be attractive for investors in the yield-starved world, I am not persuaded it is useful for India. When much of the emerging world would love to move from issuing dollar debt to issuing in its own currency so as to avoid currency risk, I don't see why we should move the other way. Instead, let us build out an international quasi-sovereign rupee yield curve, so that rupee issuances can be priced easily. It is with this in mind that we have allowed banks to issue Masala bonds yesterday, with bank bonds being a good quasi-sovereign proxy.

Liquidity

Of course, not all parts of the rupee yield curve are liquid, even in the domestic G-Sec market. At the very short end, we are trying to bring more liquidity and better pricing through the auctioning of term repos. At the longer end, we have been trying to focus on more illiquid securities in our open market operations so that the term curve evens out. We are also proposing to encourage market making in specific G-Sec instruments by involving Primary Dealers.

One way to bring liquidity to corporate debt is to enable them to be used as collateral in repo transactions with the central bank, with appropriate haircuts, of course. As banks become able to borrow against their high quality corporate bonds, yields will fall, and more issuers will come to the market. With this in mind, we have initiated the process with the Government to amend the RBI Act to allow the RBI to conduct repos of corporate bonds with banks and other financial institutions.

Ratings, Contingent Support, and Supply

The ratings put out by credit rating agencies are important in assuring arm's length investors about corporate credit quality. In order for their ratings to be accurate, agencies need both up-to-date information, as well as good analysis. Agencies have asked the RBI to give them information about corporate bank borrowings. Since these are available from the Credit Information Bureaus (CIBs), the RBI has suggested the credit rating agencies become members of CIBs. Hopefully, incidents where a highly rated corporate bond plummets without warning into default will become increasingly rare as rating agencies exercise due diligence.

Some have argued that the easy access to bank cash credit keeps large corporations from going to the money and bond markets for funds. This phenomenon also raises bank exposures to single names or groups, increasing their risk concentration. While as suggested earlier, we are seeing some movement of corporations to the money and bond markets in this period of bank stress, we will nudge corporations further by imposing higher provisioning and capital requirements for banks on such corporate lending when exposures become large.

Many of the measures proposed so far will enhance the attractiveness of highly rated corporate bonds to investors. But infrastructure projects that need substantial amounts of financing may not start out highly rated. To enable such entities to issue, we have allowed banks to offer credit enhancement to such bonds. We have been careful to set the capital requirement for such credit enhancement commensurate with the risk banks are taking on so that there is no arbitrage. Yesterday's announced measures should make it easier for banks to offer appropriate amounts of credit enhancement.

One area that needs greater clarification is obligations of state governments as well as state-government guaranteed obligations. In order for state government obligations to have zero risk weight, and have the highest rating, it is important that there be no explicit or implicit default or restructuring of such obligations. While a restructuring may seem like a way to postpone obligations, its ramifications, not just for the yield the market will demand of the particular state government issuer in the future but also for the yields on obligations of other state governments, are large enough that such actions should continue to remain 'unthinkable'.

Regulations

We are conscious of the limitations placed on netting of derivative contracts, and thus the higher associated capital requirements on banks. The issue has been taken up with the Government, and we hope to amend the RBI Act to make such netting possible. As with the tax issues associated with securitisation, which have recently been addressed by the Government, resolving this issue should hopefully lead to substantial market activity.

Finally, while the RBI is a liberaliser, we have to be careful not to relax prudential regulations simply because an entity or activity is deemed of national importance. Dispensation on prudential regulation is the wrong instrument to favor such activities. A nationally important activity such as infrastructure may be very risky. To require lower provisions, or to allow higher leverage or ECBs against such activities, may increase systemic risk. In the long run, the activity may be damaged by the regulatory dispensation (too many infrastructure projects that do not have dollar earnings will be financed with dollar or yen loans and cannot repay) and stability may also be compromised. It is far better for the Government to directly subsidise such activities if it deems them important than for the RBI to sacrifice systemic stability on the altar of national importance.

Conclusion

Let me conclude. While the RBI has been cautious in reforming during the recent period of global market turmoil, it has not stood still. Market reforms have proceeded at a steady measured pace. Observers may be impatient, but my belief is that steady and irreversible reform and 'mini Bangs' like yesterday's rather than 'Big Bang' is the need of the hour. As global conditions become less uncertain, the pace of reform can pick up. The lessons we have learnt during this period on what works will be invaluable then.

Thank you.

*New paradigm in Banking : Banking is Necessary, Not Banks – Really?**

R. Gandhi

'Banking is necessary, but banks are not', I am quoting here Bill Gates, what he said as Chairman, Microsoft, way back in 1994. Today, after twenty two years, has his prediction or forewarning come true? I intend to explore this in today's discussion with you.

2. It is usual for many of us who lecture others to say 'We are at cross roads', 'The Paradigm shifts that are staring us' *etc.* That's because it takes time to discern the trends that are taking place in any sector and unless we pause to look carefully, the emerging patterns are easy to be missed, at great cost to many stakeholders. And when we do pause and observe, we can't but say 'We are at cross roads', 'The Paradigm Shifts that are staring us' *etc.*

3. In the PWC Report in July 2014 on 'The future shape of banking – Time for reformation of banking and banks?' they said that at the macro level, they had identified five global 'megatrends' whose impacts, intersections and collisions are re-shaping the business world. While these all are relevant to banking, they pointed out the most influential of the trends to be 'the demographic and social change, creating new customer demands and stakeholder expectations; and technological breakthroughs changing everything from customer relationships to business models'.

4. A Willis' research report published in Resilience in April 2015 said that the financial institutions industry – including banks, asset managers and financial technology companies – is currently faced with a paradigm shift caused by a number of key mega trends. It identified the regulatory capital requirements, digitalisation and technological advances, new market participants, demographic and behavioural changes in the new generation of customers as some of these trends.

5. A Report on 'Connecting the Dots of the New Paradigm Shift in Banking: Where Are We Now?' by Scope Ratings said in June 2016 'Looking at the current trends, we view the crossroads for banks being laid rather precariously at the intersection of three powerful winds of change: Technology, Regulations and Macro developments (mainly sluggish growth and low-for-long rates)'.

6. So what's common among all these researches? It is the emerging trends in technology, regulatory changes and consumer behaviour and expectations which are redefining banking and banks' role and even endangering banks' existence. Why do I say redefining banks' existence? That's because, as PWC did put it, if the banks were to not take full account of these trends and developments, they would risk emerging from the financial crisis 'recapitalised, restructured, reformed …. but irrelevant'. That's a profound statement in my opinion.

Technology, Consumers and Regulation

7. Banks today are forced to make rapid and irreversible changes due to the developments in technology, customer behaviour and regulation. Let us explore a bit more on these developments.

Technology

8. Channels – FinTechs – Apps-social media, are the buzz words.

9. Technological developments are changing the way the banks and their customers interact. These developments have created opportunities for new entrants, not necessarily new bankers, to disrupt traditional business models and penetrate new markets. The plethora of technological products and

* Valedictory speech delivered by Shri R. Gandhi, Deputy Governor, Reserve Bank of India at the FIBAC 2016 'New Horizons in Indian Banking' on Aug 17, 2016 at Mumbai.

services, such as the World Wide Web, mobile phones and Apps, have helped emergence of FinTech companies who offer lower cost services for traditional services, such as e-payments and online trading. Social media companies such as Facebook, Twitter and Google have a huge customer following and are entering into the financial sector, bringing new sources of competition.

Consumers

10. Millennials - instant gratification – No loyalty, these are the buzz words.

11. There is a new generation of young people (known as millennials). They have different expectations and their ways of interacting with banks are also different. They prefer not to come to banks for banking services. Rather they would prefer to avail the services through online and social media based platforms. They are using social media not just to connect and communicate among themselves, but also connect and communicate with banks. Even to complain, they prefer online and social media and they do not have traditional customer loyalties. If Millenials behave this way, the Mature customers and Older / Retirees are demanding improved returns from investments and demand greater transparency.

Regulation

12. Standards – Consumer protection – Ring fencing – Capital, are the buzz words.

13. Since the financial crisis, regulatory emphasis have focussed more on capital. This has led many banks to divest themselves of 'risky' or capital intensive assets, businesses and even markets; this has also brought a sea change in bankers' attitude towards risk and clearly marked the boundary between retail and wholesale banking. Banks have also been investing and recruiting heavily in compliance to meet new regulatory requirements.

14. Another offshoot of the stricter enforcement of regulations, is the increasing business and growth of non-banking financial institutions, the shadow banks that are not subjected to the same degree of intense regulation; they are offering competing services to bank clients, establishing specific funds or offering private equity.

15. Thus you will all readily agree that these three trends have clearly redefined banking and banks.

Banking and Banks – Redefinition

16. I also said these emerging trends are endangering banks' existence. Am I echoing Bill Gates?

17. From the time the concept of money was understood, the concepts of lending and borrowing came into existence. But the concept of banking wasn't there. However, the organised way of lending and borrowing happened when the prototypes of modern banks were established some 700 years ago. Banks undertook another service *i.e.,* the remittance service. Thus, what the banks did *viz.*, borrowing, lending and remittances, came to be known as banking. Banking is what a bank does. Or banks are those who do banking. Our Banking Regulation Act says so.

18. The mega trends that we discussed have redefined banking and banks. Actually it is not redefinition, but de-definition. Banking is no longer what a bank does; it is also what a non-bank does. Banks are no longer those entities who do banking exclusively; now others, the non-banks also do banking.

19. Chunking of banking is the norm; and for undertaking each of these chunks, there are some specialist entities who undertake only those chunks. Payment service providers, P2P services, P2B services, (SME financing), consumer retail financing, disintermediation, crowd funding, open ended mutual funds, money market mutual funds, deposit alternatives, trade financing, invoice financing, bill discounters, bill collectors, credit referrals, account aggregators, interest free products, syndicators, investment bankers, MFIs, co-ops, HFCs and credit raters are some of the entities

who chipped away chunk after chunk of banking. Is there an element of banking that remains the exclusive privilege of banks? Sadly no. That's why Bill Gates said what he said – 'Banking is necessary, but banks are not'.

20. How this happened? Admittedly, it is the technology and the customer expectations which chunked away or which enabled chunking away the different elements of banking.

Will banks really cease to exist?

21. That's a moot point. At least, as the PWC research report says 'While we are not looking at the end of banking, we are surely looking at the end of banking and banks as we currently know them'.

22. The chunking away of banking from the banks have given enormous business and growth for these non-banks. With their specialisation and focussed service rendering, they are able to offer that chosen service at greatest efficiency, speed and at very affordable cost to the consumers. This has stumbled the growth of banks today and has every potential to lead to de-growth and ultimately the decimation of banks in future.

23. As we know, unconventional policies are rampant in the world. First it was low interest; then it was near zero or zero interest. People thought that zero is the lower bound and one cannot breach it. Now the lower bound has been breached and negative interest has come on the scene. Jurisdiction after jurisdiction is ushering in negative interest rate regime. Is there any lower bound for negative interest?

Can banks survive if this trend persists?

24. Another set of questions are about the justification for banks to exist. Why the society should accord the privilege of banking to banks *i.e.,* why should there be a licensing for undertaking banking activity? Let us recall that the West no longer officially designate anybody as a bank; they have only a depository institution or a credit institution. Our FSLRC recommended Indian Financial Code also reflects similar thinking. The other day, Shri Mohandas Pai asked me, given the way the non-banks do banking, what is the justification for the banks to impose a cost in the form of the Net Interest Margin of 3 per cent on the society. In what way rendering banking services under one umbrella is relevant any longer?

25. Yet another challenge for the banks' existence is the reaction by the society to the financial crisis – the consumer distrust in banks. Remember the movement against Wall Street? The Dodd-Frank Act? The Liikanen and Vickers Reports? The ring fencing of wholesale and retail banking? Faced with the challenge of dramatically decreased consumer trust in the post-crisis financial services market, financial institutions are increasingly acknowledging the need for new perspectives and paradigms in financial services.

26. One more onslaught on banks existence is the net effect of regulatory requirements on capital and leverage and market and public expectations on their capability to leverage their capital. Banks by definition, as we know of all these days, are the highly levered institutions. However, if we go by these factors about which just now I mentioned – *viz.*, regulatory capital, market and public expectations – we should be dropping the definition of banks being 'highly levered' institutions. If we add the capital requirement as per TLAC prescriptions, bankers' usual cautionary additional capital, yet another add on as per the public expectation as a fallout of stress test assessments, I am afraid, we will end up banks having a debt equity ratio of about 4:1, which is not too different from highly levered corporates. That's one of the reasons why we are very cautious and hesitant about supporting TLAC whole hog.

27. Therefore, the clear prognosis is that either the banks will be dead or at least the banks of the future are not going to be the banks of yesterdays and todays.

What to do?

28. I regret that at the very end of these two days deliberations on future of banks, I have to paint such a dismal future for your existence as banks. My point is we have to recognise the realities of the day, the compulsions of the new driving forces that demand a new paradigm in banking and reflect on future course of action.

29. There are hopes. First is to take full advantage of the technological developments and enmesh in them to meet the customer expectations. The new consumer is addicted to connectivity, convenience and freedom. They want not just Value Added Services, but such services Anytime Anywhere Anyhow – so nicely said by Derrydean Dadzie the Chief Doer of DreamOval Ltd.

30. Another prescription by some like Hennie Bester, Jeremy Gray and David Saunders suggests that while banks may have the urgent need to identify new avenues for growth and the need to embrace new information-based technologies, what is of paramount importance is a positive shift towards increased recognition of the social responsibility of the financial services providers. They argue that, ultimately, balancing profitability with customer benefit must remain at the heart of any new paradigm.

31. Can you hear some ringing in the bell? The Priority Sector concept? The much touted, the much despised, the much maligned, yet rising like the Phoenix? May be yes. But I would think that this time around it is with a much larger perspective. In Financial Inclusion, Green financing, AML / CFT and even in anti-tax avoidance efforts, banks can play a much larger socially relevant role than any of the chunked away entities.

32. One big area, you vacated and / or let others to occupy by your lackluster attitude is there for your rightful reclaim, if only you make concerted and conscious effort. That is SME financing. Small and medium sized enterprises (SMEs) are a major, yet often overlooked sector by formal financial institutions. The SMEs reportedly account for more than half of the world's gross domestic product (GDP) and employ almost two-thirds of the global work force. However, they are the neglected lot world over. As reported by the International Financial Corporation (IFC), a 'funding gap' of more than $2 trillion exists for small businesses in emerging markets alone. I am not going into the reasons for this state of affair.

33. In recent years, the FinTech companies and the market place lending have entered into this vacuum and have become immensely and instantly successful and have become a powerful trend. This trend has the potential to become a game changer for small businesses. Because FinTech solutions are efficient and effective, the FinTech's disruptive power is good display. If only the banks can change their current reluctant attitude towards SME financing, they can be a good antidote for these risks and therefore will display their socially relevant role, which in turn can justify their existence for the future.

34. I can only conclude with the idea that if you make yourself socially relevant, not just relevant in economic sense alone, you can have hopes to exist.

35. Thank you for your patient attention.

*ABCD of MSME Credit**

S. S. Mundra

Thank you for inviting me to deliver the keynote address at this second edition of the Conference on MSME Funding. I compliment the Confederation of Indian Industry (CII) for having chosen a very relevant theme for the Conference 'Propelling MSME Growth through Enhanced Financial Access and Support'. The theme lays emphasis on two crucial pillars that are pertinent for the sector *i.e.*, enhancing financial access and ensuring adequate support to enable MSMEs to attain faster growth.

2. It is universally recognised that small businesses are the best vehicles to generate jobs. A IFC /Mckinsey Study has estimated worldwide MSME population at 420 to 510 million, of which 360 to 440 million alone, are in emerging markets. The report also estimates that the formal SMEs contribute up to 45 per cent of total employment and up to 33 per cent of national income (GDP) in emerging economies and these numbers could be significantly higher when informal SMEs are included. The Asia SME Finance Monitor 2014 published by the Asian Development Bank has estimated that 96 per cent of all enterprises in the Asian region fall under the MSME category, absorb close to 2/3rd of the working force and contribute to about 42 per cent of GDP.

3. According to MSME Ministry's Annual Report for 2015-16, MSME sector in India today is a network of 51 million enterprises providing employment to 117.1 million persons and contributing 37.5 per cent of India's GDP[1]. The development of this sector is, therefore, crucial in generating significant levels of employment across the country, more so since we have a large young and educated population which is on lookout for employment.

MSME – Significance beyond job creation

4. While job creation is certainly critical, small businesses play a far greater role than just providing employment. Let me state two key contributions of MSME sector here.

5. One, the MSME sector is a nursery for entrepreneurship and a school for innovation. Countless medium and large corporates in India have evolved out of being micro and small sometime in not so distant past. I am sure many in the audience here, who own fairly large businesses today, would have cut their teeth in business through the route of micro and small enterprises.

6. Secondly, MSME sector is crucial for the success of the national agenda of financial inclusion. Let me explain. Normally, when we talk about financial inclusion, we do so largely from the perspective of an individual or at best a household. However, to my mind, universal financial inclusion cannot be considered to have been achieved unless it is ensured that the micro and small businesses are financially included. Credits to these small family run or individual run entities from the formal financial channels would make these businesses sustainable and help them move out of poverty and propel them to a better quality of life.

7. The surmise that I am trying to drive at is that if this is the sector that is the bulwark for such critical developmental paradigms, there are compelling enough reasons for all stakeholders - be they the associations, the financial institutions, the regulators or the Government, to put all their might together in a convergent fashion so that the right environment is created to propel growth of MSMEs in our country.

8. For achieving this objective, there is a need to create an ecosystem which can facilitate handholding

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1 Annual Report, Ministry of MSME 2015-16.

and nurturing of MSME units particularly at the nascent stages. Also, there is a need to eliminate a host of impediments – of permits, of inspections, of red tape and provide a set of enablers – skill development, infrastructure, markets, technology *etc.* However, of all the enablers, probably none is more important than Credit. The IFC/Mckinsey has estimated the credit gap for formal and informal MSMEs worldwide at around $ 3.9 trillion globally, of which $2.1 to 2.6 trillion is in emerging markets.

The ABCD of Credit

9. As I said, credit is perhaps the most critical component for MSME entrepreneurs. Provision for credit is essentially dependent on four pivotal issues which I would call **'ABCD' of credit**. Let me take you through each of them and also explain what we are doing to iron out these issues.

a) The Á of Credit –Access/Availability

10. The 4th All India survey of MSMEs states that close to 90 per cent of MSMEs are dependent on informal sources, which by any standards is a worrisome figure. Since that survey, some headway must have been made in improving MSMEs' access to formal financial channels; however, it still remains a challenge. The public sector banks today have close to 3,000 specialised branches which specialise in lending to MSME units. Private sector banks have built up products and processes, which enable quick disbursal of loans. Most banks have switched over to centralised credit sanctioning, which enables better turnaround time. Many others have increased the credit limits to the field level functionaries. While these steps have improved access, there is still a huge unmet demand for credit for MSMEs[2]. *(There is a total finance requirement of ₹32.5 trillion ($650 billion) in the MSME sector, which comprises of ₹26 trillion ($ 520 Billion) of debt demand and ₹6.5 trillion ($130 Billion) of equity demand). As per provisional data for period ended March 2016, total outstanding loan of the banking system to MSME sector stood at around 11.1 trillion rupees in 20.6 million loan accounts. Contrast this to the estimated need of ₹26 trillion and number of MSMEs at 51 million.*

11. An important piece of the problem is adequacy of banking outlets. Small entrepreneurs are spread across remote locations in the country where physical bank branches are not available. Also, the banking correspondent mechanism is yet to mature to a level where they can play a key role in credit disbursal. Second and perhaps a more import dimension is availability of credit at a time when it is required by the entrepreneur. Ability of small entrepreneurs to withstand life cycle shocks is extremely limited and hence availability of timely credit becomes critical for their survival. The formal financial system, due to a variety of reasons, which may include cumbersome procedures, lack of understanding of the business model, inability of the entrepreneur to meet the requirements of the banks *etc.*, is unable to meet this immediate need of the entrepreneur.

b) 'B'- Banks and Business

12. '**B'** in the 'ABCD' paradigm of credit fundamentally refers to the information asymmetry between the two Bs – **Banks and Business**.

The United States Agency for International Development (2009) defines a financially literate SME owner/manager as 'someone who knows what are the most suitable financing and financial management options for his/her business at the various growth stages of his/her business; knows where to obtain the most suitable products and services; and interacts with confidence with the suppliers of these products and services. He/she is familiar with the legal and regulatory framework and his/her rights and recourse options.'

13. I don't think that majority of the MSME entrepreneurs in the country today meet the criterion.

[2] 'Micro, Small and Medium Enterprise Finance in India', IFC, World Bank Group, November 2012.

Financial literacy in the context of a MSME focuses on an individual's ability to translate financial literacy concepts to business needs. Financial literacy is essential for effective money management and low levels of financial literacy hinder the understanding of available financial products and services. MSE entrepreneurs are also constrained by lack of operational skills, accounting and finance acumen, business planning *etc.* which underscores a need for facilitation by banks/other agencies.

14. However, it is not a one way street. Large-scale retirements in banks in recent years have also adversely impacted the collective skill-sets available at the field level in understanding, appraising and monitoring the MSME loan portfolio. The poor underwriting skills leads to avoidable under or over financing, which can have a telling effect on the health of the MSME units, particularly in adverse life cycle situations.

c) 'C'- Collateral Requirements

15. The formal financial institutions particularly banks consider lending to MSMEs as highly risky since the entrepreneurs often do not possess adequate collateral to support the credit. Very often, the loans are rejected, despite the project prima facie, being feasible. While there are several dispensations to tide over the problem, the credit culture has not matured enough to a level existing in developed economies where lending is done against the assets of the firm including its movable assets. This also necessitates that we build up strong financial infrastructure, which would support the banks in lending to these sectors without worries and using all types of assets available to secure the loan. It is also pertinent for banks to realise that though the loan to the individual entities in the sector may be riskier on a solo basis, overall on a portfolio level, these are less vulnerable than loans to corporate.

d) 'D'- Documentation

16. Many of the MSMEs, particularly the Micro units, do not have adequate documentation to match the rigours of a formal financial system. Absence of documentation drives the small entrepreneurs to informal sources that are willing to provide credit with minimum documentation. Further, a vast majority of the MSMEs are informal, which brings down the credit score of the entrepreneur and hinders the ability of the formal financial system to lend to them. Banks, on their part will need to leverage on modern technology algorithms and big data so that they can differentiate between a good borrower and a not so good one even in the absence of conventional documentation.

17. Having analysed various impediments in finance to the sector let me dwell on some of the steps taken by the RBI, Government of India and other Apex institutions in bridging these gaps.

(i) Access/ Availability

The RBI has initiated several measures to improve the availability of banking services, especially in the rural and far-flung areas where access to formal finance is arduous.

18. **New institutions:** As you are aware, two new universal banks have started operations while in-principle approval has been granted to 10 entities to set up Small Finance Banks that would primarily focus on lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities. These small finance banks have been mandated to extend 75 per cent of its Adjusted Net Bank Credit (ANBC) to the sectors eligible for classification as priority sector lending (PSL) by the Reserve Bank. At least 50 per cent of its loan portfolio should constitute loans and advances of up to ₹25 lakh. Many of the SFBs have prior experience of working with small businesses as MFIs/NBFCs and we believe that they will be able to bring in technology backed innovative last mile practices to serve their customers.

19. **Increased branch penetration/ Specialised branches:** RBI has advised banks to set up 'brick and

mortar' branches in villages with population of more than 5,000 in a phased manner. Coupled with a more mature Banking Correspondent mechanism, this would give considerable fillip in meeting the banking needs of the MSMEs particularly in rural areas. Besides, creating presence of physical branch, there is also a need to have large number of bank officials with appropriate skill sets and knowledge to handle the life cycle needs of the small businesses. Already, Public Sector banks have established specialised MSME branches in every district to cater to the needs of the small businesses. We are already working towards improving the skill sets and entrepreneurial sensitivity of the field level functionaries.

20. **P2P lending:** *New* players have entered the MSME lending landscape in form of P2P companies. These entities use an online platform to match lenders with borrowers to provide unsecured loans and mostly for receivables financing. P2P lending has great potential as an alternative form of low-cost finance as it can reach to the needy where formal sources are unable to reach or unwilling to lend. The RBI has been mindful of a need to regulate these entities without stifling their ability to innovate and is currently in the process of issuing final guidelines on P2P lending.

21. **Policy intervention for life cycle issues:** We have advised the banks to keep a provision for additional credit limits (Standby Credit Facility for term loans and an additional provision within the overall working capital limits) in order to provide timely financial support to Micro and Small enterprises facing financial difficulties during their lifecycle. Banks have also been advised to carry out mid-term review of regular working capital limits and fix up timelines for credit decisions. I am happy to say that most banks have put in place similar provisions in the last one year or so.

22. **Co-origination of loans:** While several steps have been taken to address the problems related to accessibility, there are certain structural problems which would take their own sweet time in getting sorted out. One of this is the issue of reaching the last mile. Much as we have encouraged the banks to establish brick and mortar branches across remote villages, we must be conscious that they would always be driven by viability assessments/ cost considerations. One possible solution for this problem could be convergence of efforts between banks on one hand and the NBFCs, MFIs on the other, who have 'feet on the ground' in such locations, better understanding of the local conditions and business viability, better knowledge about the credit worthiness of individuals, their repayment capabilities *etc.* Could we envisage a framework for **co-origination of loans by banks and the NBFCs/MFIs with risk participation?** While it would ensure skin in the game for both parties, it would benefit the entrepreneurs in terms of cost of credit, which on account of blending could be substantially lower. This could probably be the most ideal structure to serve the micro enterprises who are the most deprived in terms of availability of credit.

(ii) Banks and Business

23. Let me now turn my focus to steps for bridging the information asymmetry between the banks and the businesses. As I mentioned earlier, this is not a one-way street. Not only are the small entrepreneurs often ignorant about banking products and practices, several bankers have little understanding of the lifecycle credit needs of small businesses. Towards covering this base, RBI has started a capacity building initiative called the National Mission for Capacity Building of Bankers for financing MSME Sector (NAMCABS) in a mission mode. The field level functionaries must appreciate the importance of two critical pillars of financing MSME sector *viz.*, timeliness and adequacy of credit. I am happy to state that close to 3,300 officials of the banks have undergone this programme in the last one year.

24. **Credit Counsellors** : For bridging the information asymmetry on the MSME borrowers side, the RBI is

initiating a process for putting in place a framework for accreditation of credit counsellors who are expected to serve as facilitators and enablers for micro and small entrepreneurs. Since MSMEs are typically enterprises with little credit histories and with inadequate expertise in preparing financial statements, credit counsellors will assist the borrowers in preparing their project reports and also help banks make better informed credit decisions.

25. **Revival and Rehabilitation of MSMEs**: *Another key step in the direction of supporting the firms in distress is the issuance of guidelines on the Framework on Revival and Rehabilitation of MSMEs,* which provides an institutionalised framework for rehabilitation of enterprises which are potentially viable, but are under temporary duress. The Framework provides for a structured mechanism, which could be triggered either by the banker or by the entrepreneur at the first signs of stress. The problem resolution is scaled up to a committee with a time bound schedule. I see this as a very powerful tool and urge upon the bankers to get this process rolling at the earliest.

(iii) The difficult 'C's - Credit and Collateral

26. The issue of finding the right balance in securing a loan without pushing the borrower to informal sector has been a bugbear for the banking system. This is sought to be addressed through creation and development of right institutional structures. Let me delve upon some of these efforts:

27. **Movable Asset Registry**[3]: Movable assets, as opposed to fixed assets such as land or buildings, often account for most of the capital stock of private firms and comprise an especially large share for micro, small and medium-size enterprises. Hence, movable assets are the main type of securities that firms can pledge to obtain bank financing. I am happy to state that CERSAI, in active coordination with Government of India and Reserve Bank has established the movable asset registry, which when mature would have a multiplier effect in lending to the sector.

28. **TReDS**: In order to solve the problem of delayed payment to MSMEs, the RBI has licensed three entities for operating the Trade Receivables Discounting System (TReDS). The system would facilitate the financing of trade receivables of MSME enterprises from corporate and other buyers, including government departments and public sector undertakings (PSUs) through multiple financiers. The objective is to create Electronic Bill Factoring Exchanges which could electronically accept and settle bills so that MSMEs could encash their receivables without delay. It is expected that the TReDS will commence operations within this current fiscal. **It would be important that the use of TReDS is made mandatory for, to begin with corporate and PSUs and later for the Government departments. I would urge the Chambers and the MSME Ministry to proactively examine this aspect as success of TReDS initiative can be a game changer for the sector.**

29. **Utility of the Credit Guarantee Scheme**: Realising the problems of small borrowers in posting collaterals, RBI has asked the banks not to insist on collateral in case of loans up to ₹10 lakh extended to units in the MSE sector. Also, Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has been set up to encourage the Member Lending Institutions to extend credit based on the viability of the proposal rather than insisting on security or surety. Based on practical experience however, I tend to believe that these provisions have not led to desired outcomes. Let me elaborate.

30. On one hand, the guideline on collateral-free loans has led banks to at times devise ways of denying credit to the MSMEs borrowers, while on the other extreme, the provision for credit guarantee has potential to cause deterioration in quality of credit appraisal and due diligence, consequently straining the resources of the

3 http://blogs.worldbank.org/allaboutfinance/does-introduction-movable-collateral-registries-increase-firms-access-finance.

CGTMSE. Clearly, both outcomes are undesirable. **I would rather advocate that borrower is compensated by way of a better pricing in loan for the availability of collateral. Further, I would also like to see the CGTMSE to evolve a framework for making the pricing risk-based rather than having a uniform risk premium related to the past performance and quality of individual portfolios. Eventually, this activity should also move to an open market system.**

(iv) The Cumbersome 'D'- Documentation

31. The absence of credit history and the need for documentation often pushes the micro entrepreneur away from conventional banking channels to the more informal sectors. This has to be addressed through a constant process of simplification of procedures and more importantly by leveraging technology.

32. **Udyami Mitra portal** set up by SIDBI leverages IT architecture of Stand-Up Mitra portal and aims at instilling ease of access to MSMEs' financial and non-financial service needs. The Portal, as a virtual market place endeavours to provide 'End to End' solutions not only for credit delivery but also for the host of credit-plus services by way of hand holding support, application tracking, multiple interface with stakeholders (*i.e.,* banks, service providers, applicants). We could see development of more such technological interfaces in the coming days making it easier for MSME entrepreneurs to borrow from the banking system. RBI is committed to support such initiatives with appropriate safeguards and consumer protection measures.

33. **Role of Associations:** The entrepreneur and industry bodies have a significant role to play in linking, maintaining and sustaining the borrower-banker relationship. This could be in handholding, enabling and capacity building of the new entrepreneurs. As you are aware, the BCSBI has formulated a Code of Bank's Commitment to Micro and Small Enterprises for voluntary adherence by the banks. The industry associations must also spread awareness about various facilities available/guidelines issued by the regulators to bridge the information asymmetry.

Conclusion

34. Let me conclude by going back to the theme of propelling growth of MSMEs. In using the term 'propel' you have underlined the sense of urgency that is required in this area. Our demographics compel us to push forward this agenda and make quantum jumps so that entrepreneur can start and drive businesses without worrying about finance. We are committed to this paradigm shift and the slew of measures that are being taken by the RBI, other apex institutions and stakeholders signify this. I call upon CII and other industry bodies to also join this effort as enablers.

Thank you!

*Banking Sector Reforms: A Journey, Not a Destination**

S. S. Mundra

Dignitaries on the dais; colleagues from the banking and financial sector; members of the print and electronic media; ladies and gentlemen! At the outset I thank the Management of the Governance Now, one of the country's leading publications shaping the public opinion on governance and public policy, for inviting me to deliver the inaugural address at this India Banking Reforms Conclave 2016. I feel this conclave comes at a very important juncture for the economy and more particularly, for the banking sector.

The title of my speech today is 'Banking Sector Reforms: A Journey, Not A Destination.' Why do I say so? It would be relevant here to peep into some history. Though some of the issues cut across the banking industry, the emphasis here is predominantly on public sector banks (PSBs).

- PSBs came into existence with nationalisation in the year 1969/1980. How was the banking scenario in the next couple of decades?
    - Highly regulated credit flow (selective credit control, credit authorisation scheme, no consumption credit & so on)
    - Militant unionised atmosphere- resistance to technology
    - Stiff branch authorisation norms, loan melas, opaque income recognition & asset classification (IRAC) norms ….Just to name a few.
- Post-reform years (after 1991) saw several far-reaching reforms in banking industry also. A few of these include:
    - Deregulation of credit processes and interest rate structures
    - Introduction of prudential IRAC norms
    - Licensing of banks in the private sector/part divestment in PSBs
    - Migration to CBS
    - VRS(year 2001)
    - Gradual reduction in pre-emptions.
- Resultantly by the year 2008, banks' balance sheets were much stronger/growth was strong/ NPAs had come down from the peak of around 12 per cent to slightly over 2 per cent
- Then two developments took place:
    - Global Financial Crisis
    - Introduction of PPP model in Infrastructure building
- Banks were enthusiastic, rather major partners, in this newly opened field supported by accommodative fiscal and easy monetary policies. However, the process got plagued by:
    - Weak governance, lax underwriting, high corporate leverage, several policy logjams
    - Resultant consequences are well known

* Special Address by Shri S.S.Mundra, Deputy Governor, Reserve Bank of India at India Banking Reforms Conclave 2016 organised by Governance Now in Mumbai on August 24,2016.

Fast Forward to June 2016

Asset Quality									
Bank Group	Gross NPAs to Gross Advances (per cent)			Restructured Std Adv to Gross Advances (per cent)			Stressed Advances (GNPAs+RestStdAdv) to Gross Advances (per cent)		
	Mar-15	Mar-16	Jun-16	Mar-15	Mar-16	Jun-16	Mar-15	Mar-16	Jun-16
PSBs	5.4	9.8	11.3	7.8	4.6	4.1	13.2	14.4	15.4
Pvt. SBs	2.2	2.7	2.8	2.4	1.8	1.6	4.6	4.5	4.4
FBs	3.2	4.2	3.7	0.1	0.3	0.3	3.3	4.5	4.0
All SCBs	4.6	7.8	8.7	6.3	3.7	3.3	10.9	11.4	12.0

Profitability (In ₹ Crore)								
Bank Group	Return on Total Assets (annualised)		Earning Before Provisions & Taxes (EBPT) FY		Provisions for NPAs during the year		Net Profit/Loss (PAT)	
	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16
PSBs	0.43	(0.26)	127,419	124,810	57,842	1,44,608	30,869	(20,006)
Pvt. SBs	1.65	1.54	66,208	79,858	12,953	20,099	35,832	39,672
FBs	1.82	1.67	25,192	25,160	3,092	5,923	12,764	12,619
All SCBs	0.78	0.29	218,819	229,829	73,887	1,70,630	79,465	32,285

Source: OSMOS returns, Domestic Operations
Figures for Jun-16 are provisional.

- To be fair to the sector, some of the events were external & hence, not in control of the Bank management. But the important lesson is unambiguous:

  'In absence of strong structural and Governance reforms, consistency of the performance would always remain susceptible to such events'

- Such reforms in private sector banks have to be focussed on misaligned incentives/compensations.
- Agenda for PSBs is much larger, however, the immediate and overriding priority is to complete the clean-up of the banks' balance sheets which is underway.
- Resultant provisioning needs coupled with meeting Basel III norms/migration to IFRS & to capture due market share in growth funding would entail recapitalisation of most of these banks. Seeking this capital externally at this stage may be difficult as also value eroding for the majority owner.
- Simultaneously process has to continue to bestow greater 'Governance Autonomy' to these banks. My sense is that the Government ownership of these banks has resulted in crucial stability and resilience in trying times. Immediate roadmap should, therefore, be towards complete 'managerial autonomy'. If Government remains the largest shareholder, not necessarily majority shareholder, it still serves the intended purpose. At the same time, it releases these banks from multi-institutional oversights and overlapping controls.
- HR autonomy would naturally flow from the above. Banks would be able to move towards competitive compensation, flexible hiring and move away from the 'collective bargaining' – just to quote a few from many possible outcomes.

- There could be a reasonable apprehension that such measures can adversely impact the objectives of inclusive growth being attempted through several national missions and schemes. I would argue that advent of several new institutions (as recently licensed by the RBI), new processes, digital advancements and competition would ensure that these objectives are well supported.
- Similarly, some of the reforms are driven by a global reform structure. These pertain to capital, liquidity and disclosure standards under the Basel III package. Some such other measures are TLAC, SIBs, Misconduct rules, *etc.* Few other measures are currently under discussion, such as, imposing risk weight on sovereign exposure and new standardised approach for credit and operational risk.

Having dealt with the framework of macro reforms, let me now briefly touch upon nuts and bolts of the reform process.

Governance in Banks

- Some action already taken – Setting up of Bank Board Bureau (BBB), post of CMD split into a non-executive Chairman and a CEO, Selection process made more objective
- Going forward, BBB should also cover selection of other Board members
- Continuity of Top Management is crucial, hence reasonably longer tenure for CEO (say 5 years) is necessary. Initial appointment could be for 3 years with certain set milestones, which if achieved , should earn automatic extension for next 2 years
- An orderly succession plan is crucial to ensure no abrupt changes in key direction of the organisation.

Apart from the whole gamut of credit risk, which is already discussed extensively several times and at several places, the following are the other areas needing prior attention of the Boards.

Operational Risks

- Fraud cases – Recurrent failure of internal control machinery noticed, delayed recognition and laxity in follow up leads to cold trails, Need to bring fraudsters as also errant valuers, accountants, lawyers to book to stop them from duping the system in future
- The Fraud Registry and a Quick Response Team set up at the RBI to facilitate information –sharing and for closely tracking high-value fraud cases
- KYC/AML compliance failures – Stricter enforcement action a global norm now, Strong centralised processing and surveillance needed as branches do not have the capability to handle such areas effectively.

Customer service

- Charter of customer Rights – RBI's observance period now over, implementation monitoring a priority
- Mis-selling- Risk of silent customer simply moving away as account number portability is now a real possibility.

Technology: Cyber/Digital

- Digitisation/Fintech driving new possibilities in the field of finance
- Technology, a double edged sword – instances of cyber-attacks, identity thefts, ATM frauds *etc.* Bangladesh Bank case and other near-misses.

Hence, Bank Boards would do well to focus on the following governance issues:

- Strategy and Risk Management are two most important and least focussed items
- Boards should set the ' Risk Appetite' and ensure adherence- Importance of 3 lines of defence- Business verticals themselves/ Risk Management Department and Compliance / Internal Audit
- Hiring/Grooming/Retention of frontline staff... e-learning for capacity building
- Instil organisational culture (what you do when no one is watching)
- Put an enabling mechanism to ensure that voice of middle/lower level functionaries reaches the Top quickly (G-30 Report)
- Bad news should travel faster

Conclusion

- Reform measures especially on governance have achieved traction and attained a certain degree of maturity. Need now is to accelerate this process on the lines as covered in various preceding points.
- Thank the Governance Now management for inviting me to this event and providing me an opportunity to share my thoughts with this intelligent audience.

Thanks!

ARTICLES

Position of Order Books, Inventories and Capacity Utilisation
for the Quarters April 2015 to March 2016

Consumer Confidence Survey – Q2:2015-16 to Q1: 2016-17

Private Corporate Investment: Growth in 2015-16
and Prospects for 2016-17

Monthly Seasonal Factors of Select Economic Time Series, 2015-16

*Position of Order Books, Inventories and Capacity Utilisation for the Quarters April 2015 to March 2016**

This annual article, fourth in the series[1], presents the findings of quarterly Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of manufacturing sector companies, conducted during April 2015 to March 2016 (covering 30th to 33rd rounds). The year-on-year growth in average new orders of sample companies was marginally positive till Q3:2015-16 but it contracted in Q4:2015-16. No significant accumulation to the inventory levels of the sample companies was observed during FY:2015-16. Level of capacity utilisation (CU) in the Indian manufacturing industry continued to be in the lower trajectory in FY:2015-16. CU recorded a seasonal pick-up in Q4:2015-16 and stood at 74.1 per cent, similar to the level recorded in Q4:2014-15.

I. Introduction:

The Reserve Bank of India has been conducting Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of Indian manufacturing companies on a quarterly basis since 2008. Results of the survey rounds are regularly disseminated on the RBI website. The sampling method used for OBICUS is purposive (non-random). The survey schedule is canvassed among a fixed panel of 2,500 manufacturing companies with a good mix of size and nature of activity. However, responding to the survey is voluntary and it has not been possible to obtain responses from all the companies in all the quarters.

The information collected in the survey includes quantitative data on new orders received during the reference quarter, backlog orders at the beginning of the quarter, pending orders at the end of the quarter, total inventories with breakup of work-in-progress (WiP) and finished goods (FG) inventories at the end of the quarter and item-wise production in terms of quantity and value during the quarter *vis-à-vis* the installed capacity from the targeted group. The level of capacity utilisation (CU) is estimated from the above data.

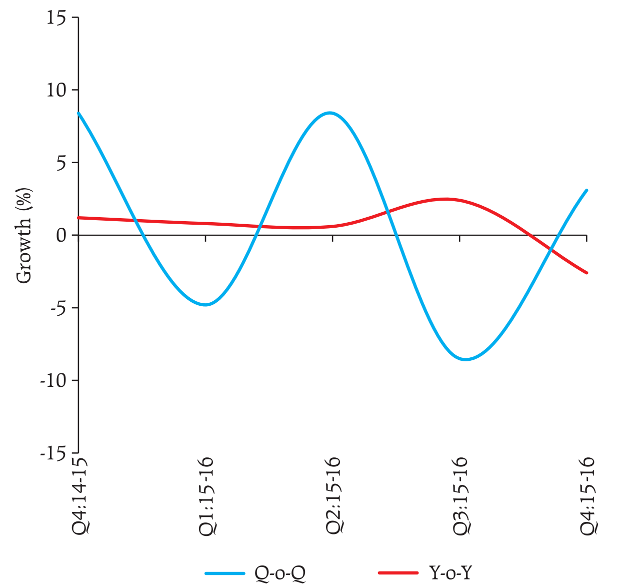
In this article, position of order books, inventories and capacity utilisation of Indian manufacturing sector during the financial year 2015-16 is discussed. The latest estimates available for the respective quarters through different rounds are presented in **Annex.**

II. Findings of Survey:

II.1 Order Books Growth

The year-on-year (y-o-y) growth in average new orders of sample companies picked up in Q4:2014-15 and remained marginally positive till Q3:2015-16. However, it contracted again in Q4:2015-16. On a quarter-on-quarter (q-o-q) basis, new orders growth fluctuated between contraction and expansion in FY:2015-16. The q-o-q growth moved into the positive territory in Q4:2015-16 (Chart 1).

Chart 1: Growth in New Orders



* Prepared in the Division of Enterprise Surveys of Department of Statistics and Information Management, Reserve Bank of India, which is based on the findings of 30th to 33rd round of OBICUS survey. The summary tables are provided in the Annex. The survey findings (data release) of individual survey rounds are available on the website of the Bank..

[1] The previous article *"Position of Order Books, Inventories and Capacity Utilisation for the Quarters October 2013 to March 2015"* was published in September 2015 issue of the RBI Monthly Bulletin. The survey results are based on the replies of the respondents and are not necessarily shared by the Reserve Bank of India.

Chart 2: FG Inventory and RM Inventory to Sales Ratio

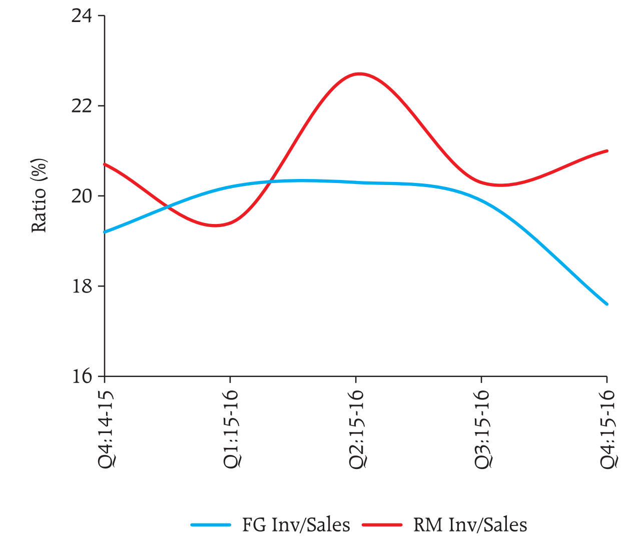
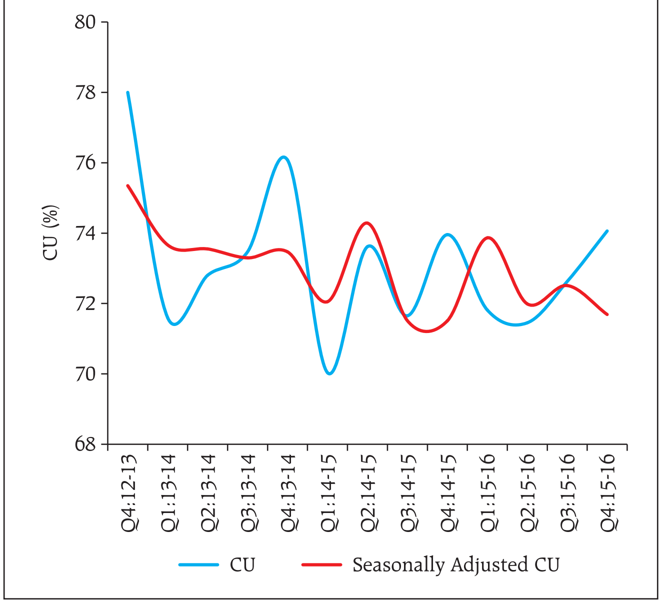


Chart 3: Seasonally Adjusted CU



II.2 Inventory to Sales Ratio

There was no significant accumulation in the inventory levels during the year 2015-16. During the period under reference, the average raw material (RM) inventory to sales ratio fluctuated in the range of 19-23 per cent. Moreover, it remained lower in most of the quarters as compared to the position a year ago. The average finished goods inventory to sales ratio hovered around 20 per cent till Q3:2015-16 and then dropped in the last quarter. The ratio stood at a lower level in Q4:2015-16, as compared to the position a year ago (Chart 2).

II.3 Capacity Utilisation

Capacity utilisation in the Indian manufacturing industry continued to be in the lower trajectory in 2015-16. However, on a quarterly basis, the CU levels in FY:2015-16 were marginally higher to the levels in FY:2014-15, except in Q2:2015-16. The CU recorded seasonal pick-up in Q4:2015-16 and stood at 74.1 per cent, similar to the level recorded in Q4:2014-15. However, after adjusting for seasonality, the CU was marginally lower in Q4:2015-16 from Q3:2015-16 (Chart 3).

The movements in CU remained broadly in line with the movements in the de-trended IIP for manufacturing sector (Chart 4).

A further disaggregated analysis of CU in terms of use-based categories indicates that the basic goods and intermediate goods categories continued to witness higher levels of CU throughout the year 2015-16.

Chart 4: Capacity Utilisation and De-trended IIP (Manufacturing)

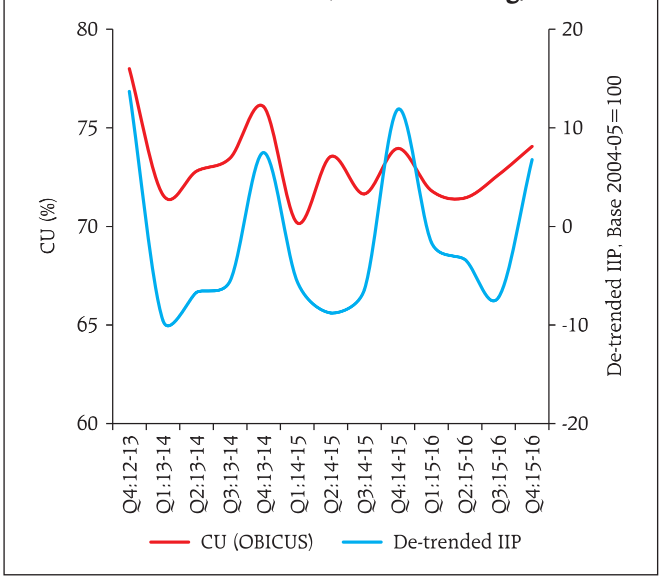
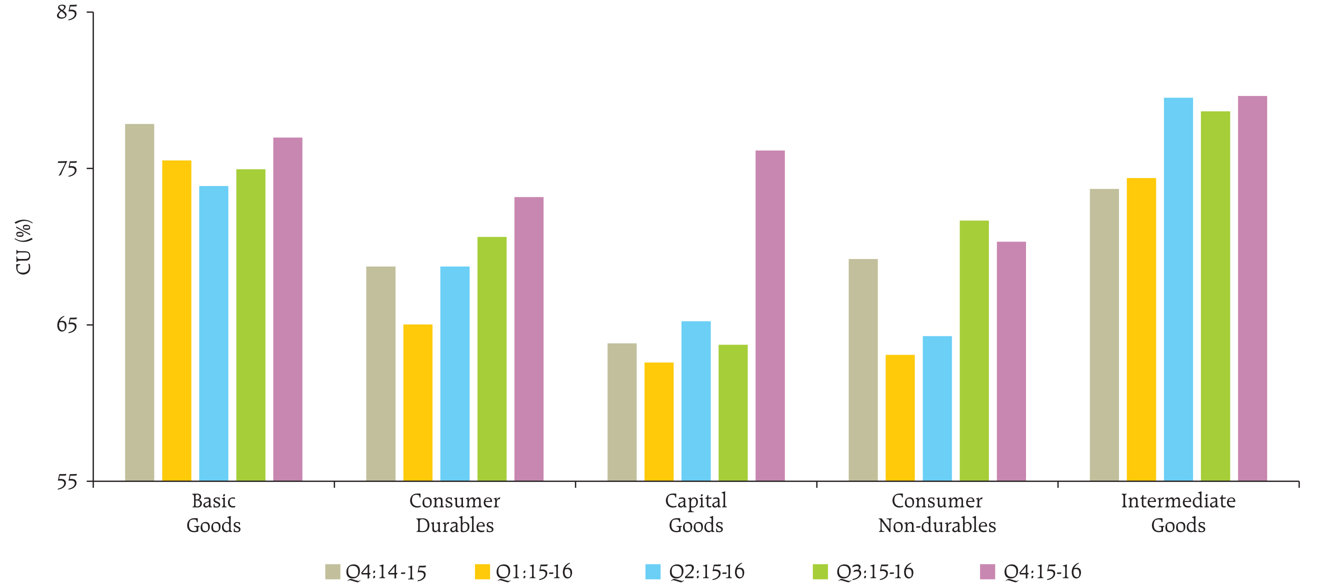


Chart 5: CU for Use-based Categories



Q4:2015-16 witnessed sharp rise in CU level in the capital goods category (63.7 per cent to 76.1 per cent). This is followed by the consumer durables (70.6 per cent to 73.2 per cent) and the basic goods (75.0 per cent to 77.0 per cent) segments. In contrast, the CU level in the consumer non-durables declined in Q4:2015-16 (Chart 5).

III. Validation of results of different rounds of Surveys (Round 30 to Round 33):

The survey indicators undergo some changes from one round to another due to changes in the constituent sample of companies[2] (ranges are indicated in respective tables). However, the above changes may not pose much problem as long as the trend observed in earlier rounds is retained. Overall, it is observed that there were some variations in the key indicators due to change in the constituent set of companies but the broad trend remained similar.

IV. Concluding Observations:

The demand conditions in the Indian manufacturing sector continued to remain subdued, as can be reflected from the trajectory of capacity utilisation. The latest round of the survey indicates a seasonal pick-up in the capacity utilisation in Q4:2015-16, which is largely driven by the surge in the capital goods followed by basic goods and consumer durables. The year-on-year growth in average new orders of sample companies was marginally positive till Q3:2015-16 but it contracted in Q4:2015-16.

Overall, Indian manufacturing sector did not appear to witness any turnaround, as indicated by the survey results.

[2] For the purpose of analysis, a common sample of companies for 5 quarters (including the reference quarter) is considered so that q-o-q and y-o-y growths can be compared. In this process, estimates of each business indicator (*viz.*, new orders growth, inventory ratios and CU) can be obtained from 5 successive rounds of survey.

Annex - Data Tables

Table 1: Final Estimates for Order Books Y-o-Y growth

Quarter	Based on	No. of companies	Order Books Y-o-Y growth (%)	Range#
Q1:2014-15	Round 30	508	10.2	NA
Q2:2014-15	Round 31	373	12.6	(10.3,12.6)
Q3:2014-15	Round 32	366	-8.9	(-8.9,-3.9)
Q4:2014-15	Round 33	305	1.2	(-1.8,1.2)
Q1:2015-16	Round 33	305	0.8*	(0.8,4.7)
Q2:2015-16	Round 33	305	0.6*	(0.1,0.6)
Q3:2015-16	Round 33	305	2.4*	(2.4,4.6)
Q4:2015-16	Round 33	305	-2.6*	NA

*These growth figures are provisional estimates from Round 33.
#Range indicates the high and the low of the indicator in various rounds.

Table 2: Final Estimates for Finished Goods (FG) Inventories to Sales Ratio (%)

Quarter	Based on	No. of companies	FG Inv/Sales (%)	Range#
Q1:2014-15	Round 30	1070	17.3	NA
Q2:2014-15	Round 31	723	19.6	(19.2,19.6)
Q3:2014-15	Round 32	743	17.9	(17.8,17.9)
Q4:2014-15	Round 33	615	19.2	(18.9,19.3)
Q1:2015-16	Round 33	615	20.2*	(20.2,20.4)
Q2:2015-16	Round 33	615	20.3*	(20.3,20.5)
Q3:2015-16	Round 33	615	19.9*	(19.9,20.2)
Q4:2015-16	Round 33	615	17.6*	NA

*These ratios are provisional estimates from Round 33.
Range indicates the high and the low of the indicator in various rounds.

Table 3: Final Estimates for Capacity Utilisation (CU)

Quarter	Based on	No. of companies	CU level (%)	Range#
Q1:2014-15	Round 30	1233	70.2	NA
Q2:2014-15	Round 31	949	73.6	(73.6,73.6)
Q3:2014-15	Round 32	941	71.7	(70.7,71.7)
Q4:2014-15	Round 33	901	74.0	(73.5,74.1)
Q1:2015-16	Round 33	901	71.8*	(71.3,71.8)
Q2:2015-16	Round 33	901	71.4*	(70.6,71.4)
Q3:2015-16	Round 33	901	72.6*	(72.5,72.6)
Q4:2015-16	Round 33	901	74.1*	NA

*These CU levels are provisional estimates from Round 33.
Range indicates the high and the low of the indicator in various rounds.

*Consumer Confidence Survey – Q2:2015-16 to Q1:2016-17**

1. Introduction

The Reserve Bank has been conducting Consumer Confidence Survey (CCS) of households on a quarterly basis since June 2010. The survey captures qualitative responses on several questions *inter alia* those pertaining to economic conditions, income, spending, prices, and employment prospects of the households. ***The survey results are based on the views of the respondents and are not necessarily shared by the Reserve Bank of India.*** *The responses are obtained for two reference points, viz., current situation as compared with a year ago and expectations for a year ahead.* The quarterly survey results of CCS are released regularly on the RBI website. This article presents analysis of survey results covering a longer time period, with particular focus on the latest four quarterly rounds (Q2: 2015-16 to Q1:2016-17) of the survey.

2. Sample Coverage and Survey Questionnaire

The survey is conducted in six metropolitan cities *viz.,* Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi. In each round of survey, 5,400 respondents are selected (900 respondents from each city), using a hybrid two stage sampling design. At the first stage in a city, the polling booths are selected by systematic random sampling after arranging all polling booths according to their constituencies. In order to ensure wide geographical coverage, 45 polling booths spread over the entire city are selected. In second stage, from each selected polling booth area, 20 respondents are selected following the right hand rule. From Q4:2014-15 onwards, information relating to expenditure on essential and non-essential items, and households' current financial situation are also being collected.

* Prepared in the Monitoring and Research Unit Department of Statistics and Information Management, Reserve Bank of India, New Delhi. The latest round (June 2016) of the survey data was released on August 09, 2016 along with Monetary Policy Statement on the RBI Website. The previous annual article on the subject was published in September 2015 issue of the RBI Bulletin.

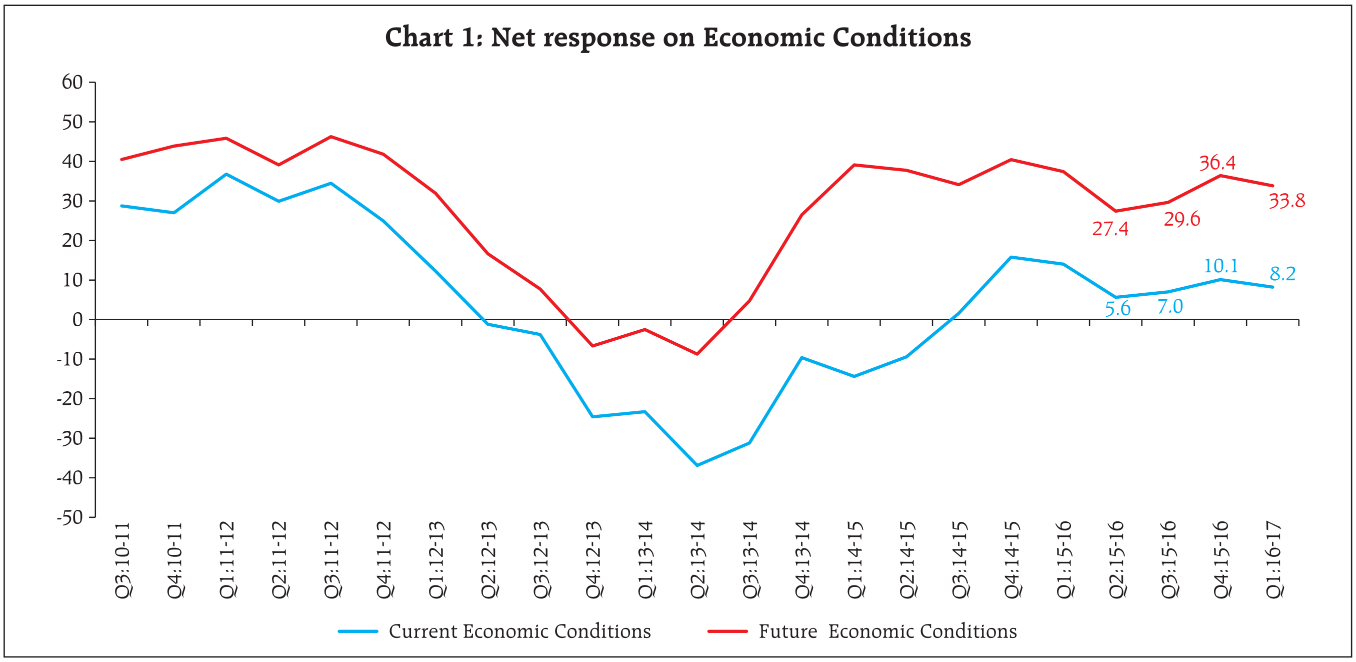
3. Survey Results

The survey results are analysed for each variable based on net response (difference between positive and negative perceptions). Net responses on selected variables are combined to create two summary indices *viz.,* Current Situation Index and Future Expectations Index. In this article, *current* is used for current situation as compared with one year ago and *future* is used for expectations for one year ahead period.

3.1 Economic Conditions

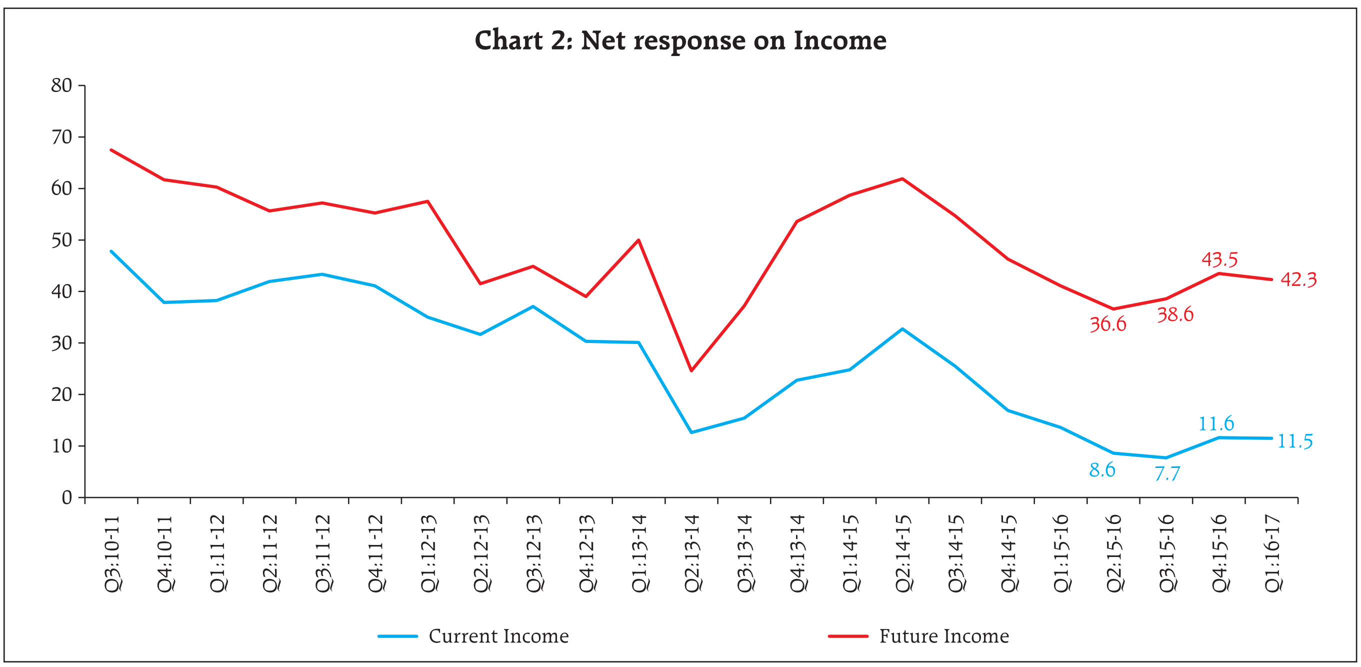
Perceptions of respondents on current economic conditions after showing gradual improvement during the financial year (FY) 2014-15 (April to March), dipped sharply in Q2:2015-16. Net response on current economic conditions improved marginally thereafter. The proportion of respondents who reported improvement in current economic conditions increased gradually over the last four quarters and reached 40.2 per cent in Q1:2016-17 (Table 1).

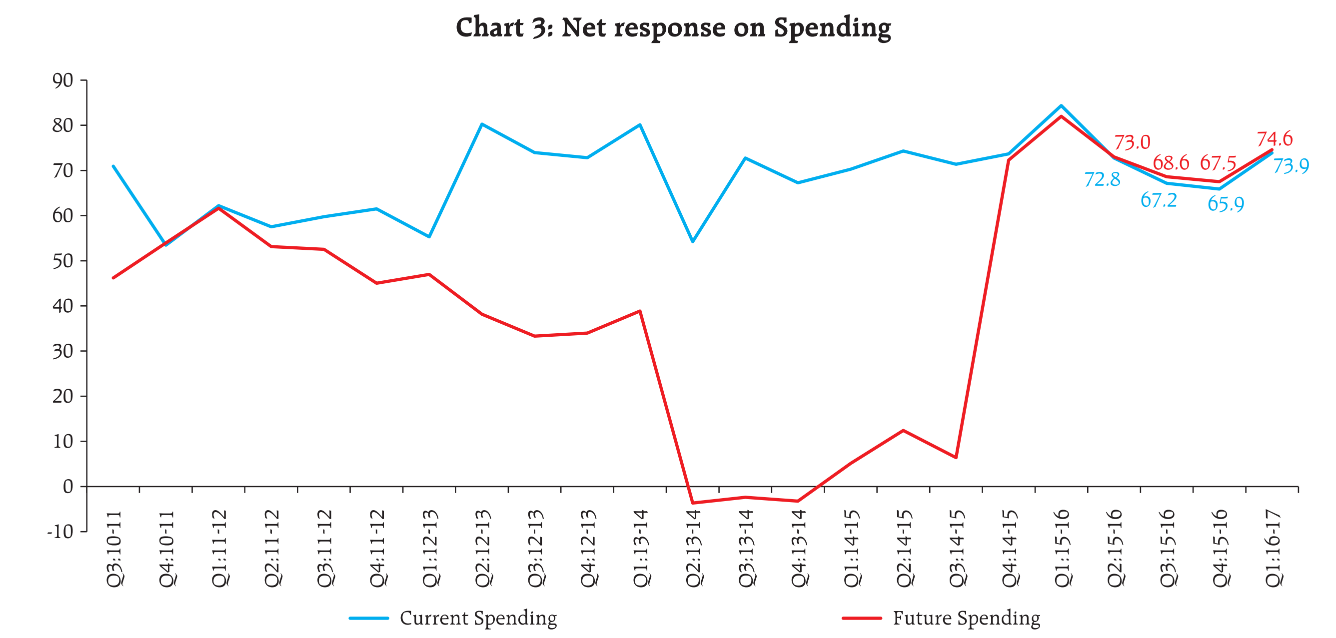
Outlook of respondents on future economic condition broadly followed the same trend. The optimism regarding future economic conditions has consistently been higher than that pertaining to the current economic conditions (Chart 1).



3.2 Income

Respondents' perceptions on current income, deteriorated since the second half of financial year 2014-15. However, some improvement was observed since Q4: 2015-16. Similar trend was observed in the outlook for future income. Proportion of respondents expecting higher income in next one year, increased from 47.1 per cent in Q2:2015-16 to 51.2 per cent in Q1:2016-17 (Table 2). Current income perceptions remain consistently lower as compared to those on future income and the gap between the two has widened over the quarters (Chart 2).





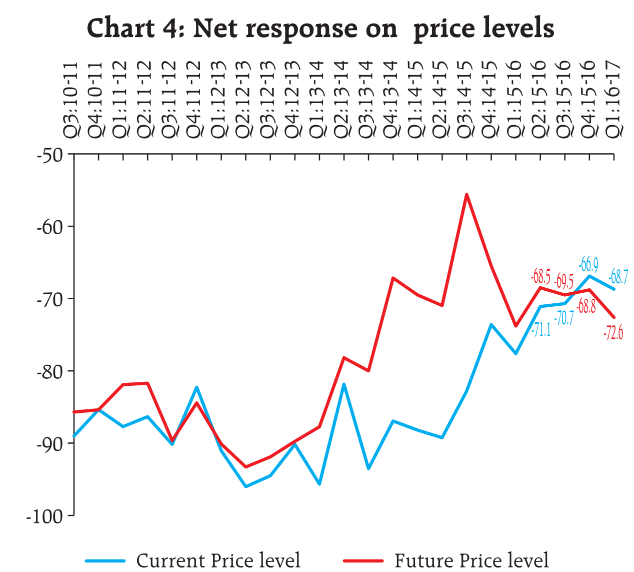
3.3 Spending

Consumers' sentiment on spending has remained quite upbeat in the recent period. However, the net response for higher spending in the 'current' quarter declined from 72.8 per cent in Q2: 15-16 to 65.9 per cent in Q4:15-16, but resumed the upward trend to reach 73.9 per cent in Q1:2016-17. The sentiments on future spending remained almost similar to that on current spending since its sharp rise in Q4:2014-15 (Table 3 and Chart 3).

Categorisation of spending into essential and non-essential items since Q4:2014-15 revealed that the response on essential spending was broadly the same as that on overall spending (Table 4). More interestingly, sentiment on non-essential items has gradually improved during the last four quarters except in Q4:2015-16 (Table 5). It may be noted that higher spending could also result from increase in the price of consumer goods and services.

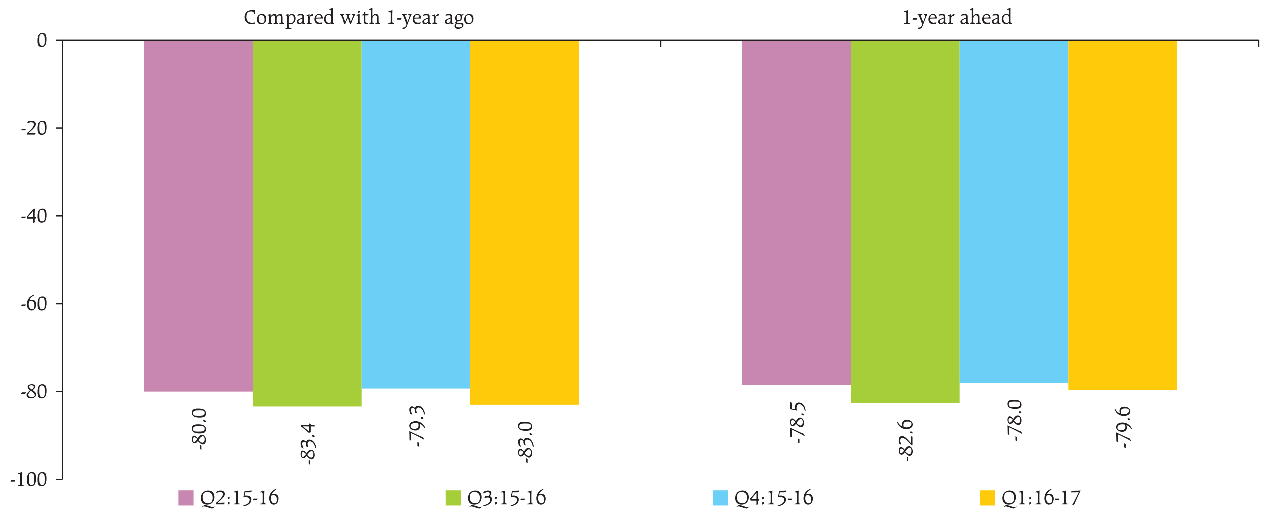
3.4 Perceptions on Price Levels and Inflation

Consumers' perceptions on price level have remained negative throughout in line with rising prices in successive periods. However, proportion of respondents reporting rise in prices as compared to one-year ago decreased from above 90 per cent in Q2:2014-15 to 78.1 per cent during Q1:2016-17 (Table 6). Correspondingly, net response on current price level remained in the zone of pessimism but the extent was relatively lower since Q2: 2014-15 (Chart 4). Outlook



Note: Perceptions of increase/decrease in prices is considered to be negative/ positive sentiments.

Chart 5: Net response on rate of change in price levels



Note: Perceptions of increase/decrease in prices is considered to be negative/positive sentiments.

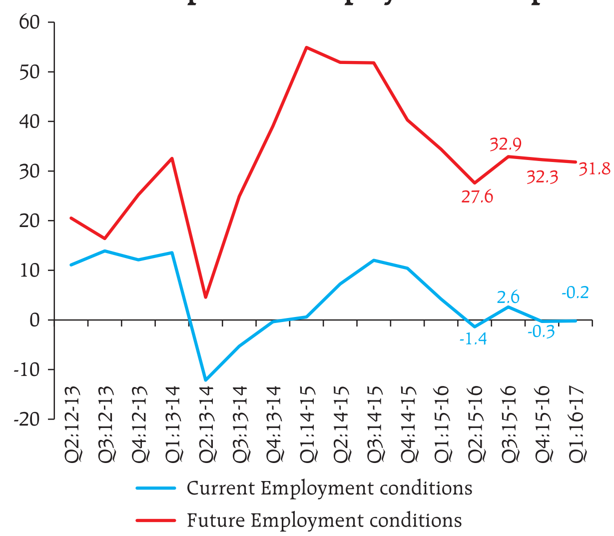
for one-year ahead price level did not show any sustained improvement since Q3:2014-15; about 80 per cent of the respondents expected prices to rise year-on-year as revealed from the survey rounds between Q2:2015-16 and Q1:2016-17. The differences in sentiments on current and future price levels have narrowed down since Q1:2015-16.

The respondents who reported/expected increase in price levels were further asked about their assessment (outlook) on rate of price rise (*i.e.*, inflation) in the current (one-year ahead) period as compared to one-year ago (the current quarter). It is observed that the vast majority of the respondents assessed that inflation in 2015-16 was higher than the corresponding period of the previous year (Table 7, Chart 5). Similarly, households do not expect inflation to come down significantly in different quarters of 2016-17 from the corresponding quarter of 2015-16.

3.5 Employment

Sentiment on employment deteriorated since Q3:2014-15 both for the current and the future period. (Table 8). The respondents were almost equally divided in their assessment (improved/unchanged/ worsened) on current employment situation in the survey rounds between Q2:2015-16 and Q1:2016-17 that resulted in net response close to zero (indicating status quo). They had more optimistic outlook regarding employment a year ahead, which also

Chart 6: Net response on Employment Perceptions



Note: The response on current employment perceptions was collected from Q2:2012-13 onward.

improved to some extent since Q3:2015-16 (Chart 6). However, the steep difference between current perception and future outlook observed in the first half of 2014-15 has come down subsequently.

3.6 Income *vs.* Spending and Inflation *vs.* Spending

About one-fourth of respondents reported increase in current spending and increase in current income across the four quarters. Further, proportion of respondents reporting increase in current spending but decrease in current income, declined over the last four quarters. Similarly, about 40-43 per cent respondents expected higher future spending as well as increase in future income. However, the share of those expecting higher future spending but lower future income, varied between 6.6 per cent and 7.7 per cent (Table 9).

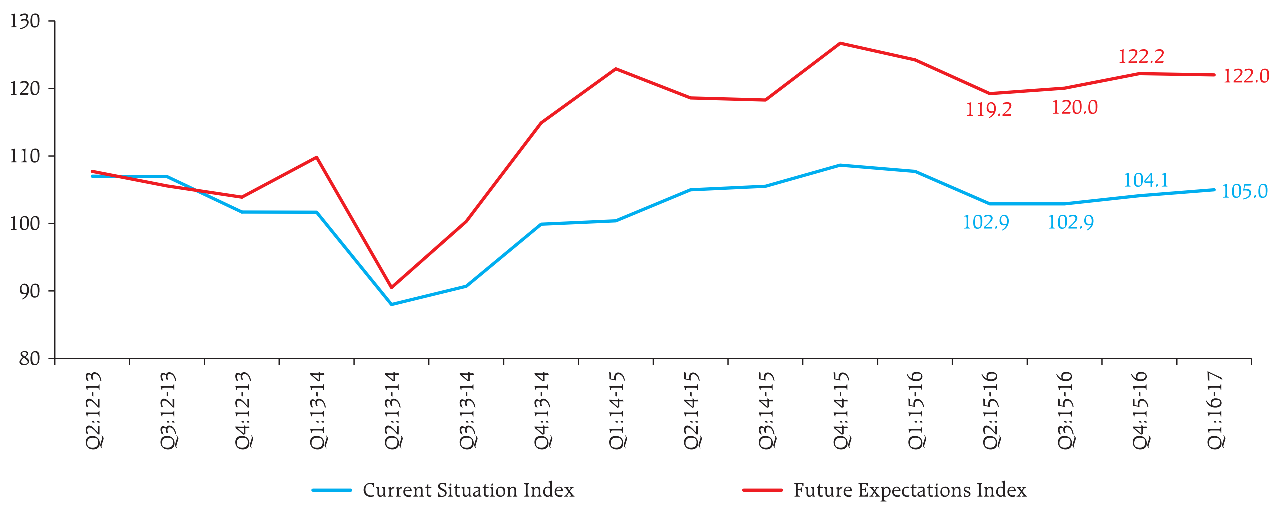
To obtain further insights on spending perceptions, cross tabulation of responses on inflation and spending for the last four rounds are computed. The analyses of these responses revealed that about 74-79 per cent of the respondents who reported higher current spending also assessed higher current inflation. Similarly, 72-77 per cent of the respondents expected increase in future spending and increase in expected inflation (Table 10).

3.7 Consumer Confidence Index

3.7.1 Current Situation Index (CSI) and Future Expectations Index (FEI)

A summary measure of consumer confidence is calculated using net responses on economic conditions, income, spending, employment conditions and price levels (Methodology in Annex). The Current Situation Index (CSI) and Future Expectations Index (FEI) peaked in Q4:2014-15 in the post slowdown period and declined thereafter till Q2:2015-16. Since then, both the indices showed slight improvement. It is observed that between Q4:2014-15 and Q1:2016-17 the decline in CSI was contributed by deterioration in three factors *viz.*, general economic condition, income and employment, while the price situation improved. The decline in FEI in the same period was contributed by all the parameters except spending (Chart 7).

Chart 7: Current Situation Index and Future Expectation Index



Note: Before Q2:2012-13, CSI was based on economic conditions, income, spending, and price level. Perception on employment scenario for current period was not collected before Q2:2012-13. The CSI and FEI have been recalculated for comparable dataand may not match with data published earlier.

3.7.2 Quality of Estimates

The confidence intervals for CSI and FEI have been estimated using bootstrap methodology. Based on 10,000 re-samples selected through simple random sampling with replacement (SRSWR), the 99 per cent bootstrap confidence intervals for CSI and FEI are given in Table 12. The narrow confidence intervals (varied from 1.8 to 2.0) indicate robustness of the estimates of CSI and FEI.

3.8 Summary

Sentiments on economic conditions improved in the second half of 2015-16 along with those on income and employment. On the other hand, in case of spending, the positive sentiment declined in the second half of 2015-16 but improved in Q1:2016-17. It is also observed that responses on higher spending were closely associated with those on higher inflation. As regards the price level, sentiment for the current period improved since second half of 2014-15. However, this improvement is not reflected in the case of future expectations. The level of optimism in future economic conditions, income and employment scenario, as in the past, were consistently higher than those relating to current situation. Combining the above, it was observed that both the current situation index and future expectation index after attaining a high in Q4:2014-15 declined during the first half of 2015-16 but showed signs of improvement thereafter.

Annex 1 – Data Tables

Table 1: Opinion on Economic Conditions

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Improve	36.5	38.0	39.9	40.2	47.7	51.0	54.6	54.2
Remain same	32.7	30.9	30.3	27.9	32.1	27.6	27.2	25.5
Worsen	30.9	31.1	29.8	31.9	20.3	21.4	18.2	20.4
Net Response	**5.6**	**7.0**	**10.1**	**8.2**	**27.4**	**29.6**	**36.4**	**33.8**

Table 2: Perceptions on Income

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Increase	29.1	28.7	31.3	29.9	47.1	49.1	52.1	51.2
Remain same	50.4	50.2	48.9	51.8	42.4	40.4	39.3	39.9
Decrease	20.5	21.1	19.8	18.4	10.5	10.5	8.6	8.9
Net Response	**8.6**	**7.7**	**11.6**	**11.5**	**36.6**	**38.6**	**43.5**	**42.3**

Table 3: Perceptions on Spending

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Increase	81.0	78.7	78.0	82.7	80.9	79.3	78.5	82.2
Remain same	10.7	9.8	9.9	8.4	11.2	10.1	10.6	10.2
Decrease	8.2	11.5	12.1	8.8	7.9	10.6	11.0	7.6
Net Response	**72.8**	**67.2**	**65.9**	**73.9**	**73.0**	**68.6**	**67.5**	**74.6**

Table 4: Perceptions on Spending-Essential Items

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Increase	82.0	81.4	79.6	83.0	80.1	81.5	78.6	81.1
Remain same	9.7	9.0	9.3	8.2	11.6	9.4	11.9	10.6
Decrease	8.4	9.6	11.1	8.8	8.3	9.1	9.6	8.3
Net Response	**73.6**	**71.8**	**68.5**	**74.3**	**71.9**	**72.4**	**69.0**	**72.8**

Table 5: Perceptions on Spending-Non-Essential Items

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Increase	41.2	45.3	37.7	43.9	44.0	49.2	44.7	51.2
Remain same	35.0	28.9	31.7	32.3	34.2	28.6	33.2	30.3
Decrease	23.8	25.8	30.6	23.8	21.8	22.2	22.1	18.5
Net Response	**17.4**	**19.5**	**7.1**	**20.1**	**22.2**	**27.1**	**22.6**	**32.7**

Table 6: Perceptions on price level

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Increase	80.9	79.5	77.3	78.1	78.0	78.9	78.6	80.5
Remain same	9.4	10.9	12.4	12.5	12.4	11.7	11.7	11.5
Decrease	9.8	9.6	10.4	9.4	9.5	9.4	9.7	8.0
Net Response	**-71.1**	**-70.0**	**-66.9**	**-68.7**	**-68.5**	**-69.5**	**-68.8**	**-72.6**

Note: Perceptions of increase/decrease in prices is considered to be negative/positive sentiments.

Table 7: Perceptions on rate of change in price levels (Inflation)

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Increase	82.7	86.3	82.7	85.3	81.1	85.4	82.4	83.3
Remain Same	14.6	10.8	13.9	12.4	16.3	11.7	13.2	13.0
Decrease	2.7	2.9	3.4	2.3	2.6	2.8	4.4	3.7
Net Response	**-80.0**	**-83.4**	**-79.3**	**-83.0**	**-78.5**	**-82.6**	**-78.0**	**-79.6**

Note: Perceptions of increase/decrease in inflations is considered to be negative/positive sentiments.

Table 8: Current and Future perceptions on Employment

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17	Q2:15-16	Q3:15-16	Q4:15-16	Q1:16-17
Improve	31.9	34.0	34.3	35.6	47.1	51.6	50.4	51.1
Remain Same	34.8	34.7	31.1	28.7	33.4	29.8	31.4	29.6
Worsen	33.3	31.3	34.6	35.7	19.5	18.7	18.1	19.3
Net Response	**-1.4**	**2.6**	**-0.3**	**-0.2**	**27.6**	**32.9**	**32.3**	**31.8**

Note: The response on current employment perceptions was collected from Q2: 2012-13 onward.

Table 9: Cross-tabulation of Income and Spending

(Percentage responses)

Income \ Spending		Current Income Vs. Current Spending			Future Income Vs. Future Spending		
		Increase	Remain same	Decrease	Increase	Remain same	Decrease
Q2: 2015-16	Increase	25.2	2.5	1.4	40.1	3.9	3.1
	Remain same	39.8	6.1	4.6	33.1	6.0	3.3
	Decrease	16.0	2.2	2.2	7.7	1.2	1.5
Q3: 2015-16	Increase	23.9	2.3	2.5	40.7	3.7	4.8
	Remain same	38.9	5.8	5.5	31.1	5.4	3.8
	Decrease	15.9	1.7	3.5	7.4	1.0	2.1
Q4: 2015-16	Increase	25.3	2.3	3.8	43.0	3.7	5.4
	Remain same	37.9	5.8	5.2	28.8	6.3	4.2
	Decrease	14.9	1.8	3.2	6.7	0.6	1.3
Q1: 2016-17	Increase	25.8	2.3	1.8	43.6	4.2	3.4
	Remain same	42.3	5.1	4.3	32.0	4.9	3.0
	Decrease	14.6	1.0	2.7	6.6	1.1	1.2

Table 10: Cross-tabulation of Inflation and Spending

(Percentage responses)

Inflation \ Spending		Current Inflation Vs. Current Spending			Future Inflation Vs. Future Spending		
		Increase	Remain same	Decrease	Increase	Remain same	Decrease
Q2: 2015-16	Increase	74.5	6.2	2.0	72.3	6.9	1.9
	Remain same	12.0	2.2	0.4	13.7	1.8	0.8
	Decrease	2.1	0.3	0.3	2.1	0.3	0.2
Q3: 2015-16	Increase	76.5	6.7	3.1	76.2	6.1	3.2
	Remain same	9.1	1.3	0.4	9.8	1.6	0.4
	Decrease	1.9	0.3	0.6	2.0	0.4	0.5
Q4: 2015-16	Increase	74.0	6.3	2.4	73.7	7.0	1.7
	Remain same	12.0	1.6	0.2	11.5	1.3	0.4
	Decrease	2.6	0.5	0.4	3.2	0.3	0.9
Q1: 2016-17	Increase	79.1	5.0	1.2	76.4	5.8	1.1
	Remain same	10.8	1.4	0.3	11.3	1.4	0.3
	Decrease	1.8	0.3	0.1	2.9	0.5	0.4

Note: Row totals do not match with those in the table on spending (Table 3) as the response on inflation was sought only from those respondents whose assessment/ expectation indicated prices have risen/will rise in current/future period.

Table 11: Current and Future Expectations Index

	Q2: 12-13	Q3: 12-13	Q4: 12-13	Q1: 13-14	Q2: 13-14	Q3: 13-14	Q4: 13-14	Q1: 14-15	Q2: 14-15	Q3: 14-15	Q4: 14-15	Q1: 15-16	Q2: 15-16	Q3: 15-16	Q4: 15-16	Q1: 16-17
CSI	105.2	105.3	100.1	101.0	87.2	91.6	98.6	98.6	103.1	105.5	108.6	107.7	102.9	102.9	104.1	105.0
FEI	104.7	102.1	100.4	106.2	87.7	96.9	109.7	117.7	118.6	118.3	126.7	124.2	119.2	120.0	122.2	122.0

Note: Before Q2:2012-13 CSI was based on economic conditions, income, spending, and price level. Perception on employment scenario for current period was not collected before Q2:2012-13. The CSI and FEI have been recalculated for comparable data and may not match with data published earlier.

Table 12: 99% Bootstrap Confidence Intervals (BCI) Based on 10,000 Resamples

Survey Quarter	CSI		FEI	
	99% BCI for estimate	Interval width	99% BCI for estimate	Interval width
Q2:15-16	(101.9, 103.9)	1.9	(118.3, 120.2)	1.9
Q3:15-16	(101.9, 103.9)	2.0	(119.0, 121.0)	2.0
Q4:15-16	(103.1, 105.0)	1.9	(121.3, 123.1)	1.8
Q1:16-17	(104.0, 105.9)	1.9	(121.0, 122.9)	1.9

Annex 2: Methodology

Current Situation Index & Future Expectations Index

In standard opinion surveys, respondents generally have three reply options such as up/same/down; or above-normal/normal/ below-normal; or increase/ remain-same/decrease. Because of the difficulty of interpreting all three percentages, the survey results are normally converted into a single quantitative number. One of the most common way of doing this is to use 'Net-Responses' (also called 'Balances' or 'Net Balances'). It is defined as the percentage of the respondents reporting a decrease (negative), subtracted from the percentage reporting an increase (positive). Net Responses can take values from –100 to +100. In this survey, Net Response is used to analyse the Consumer Confidence Survey results. To combine the consumer confidence perceptions on various factors, two indices are worked out. These are Current Situation Index for reflecting current situation as compared to one year ago and Future Expectations Index to reflect the expectations one year ahead. For calculating the index, the following formula has been used.

Overall Index = 100 + Average (Net Response of selected factors)

Where Net Response = Positive perceptions (%) – Negative perception (%)

The average net responses on the current perception on various factors, *viz.*, economic conditions income, spending, price level and employment are used for the calculation of the Current Situation Index.

The average net responses on the future perceptions on various factors, *viz.*, economic conditions, income, spending, price level and employment are used for the calculation of the Future Expectations Index.

[1] From Q2:2012-13 to Q3:2014-15 rounds, Consumer confidence indices (CSI and FEI) were based on the net responses in respect of economic conditions, household circumstances, income, spending, employment conditions and price levels.

[2] Pre Q2:2012-13 rounds, the CSI was based on the net responses on economic conditions, household circumstances, income, spending and price levels; and FEI was based on the net responses on economic conditions, income, spending, employment conditions and price levels.

*Private Corporate Investment: Growth in 2015-16 and Prospects for 2016-17**

*This article analyses the trend in investment intentions of private companies and joint business sectors, which provide a measure of short - term changes in business sentiments. The investment intention is gauged on the basis of cost of private corporate projects financed by select banks/Financial Institutions (FIs)**, through External Commercial Borrowings (ECBs) /Foreign Currency Convertible Bonds (FCCBs) or Initial Public Offerings (IPOs). Project financed by select banks / Financial Institutions in 2015-16 signalled marginal improvement in investment sentiment in comparison with 2014-15 but funds raised through ECBs/FCCBs declined. In 2015-16, altogether, 706 companies made investment plans in projects with an aggregate cost of ₹1,387 billion, as compared with (revised) investment intentions in 828 such projects at an aggregate cost of ₹1,456 billion in 2014-15.*

Private corporate projects financed by banks / FIs in 2015-16 were mainly in the infrastructure industries such as 'Power', 'Roads, Bridges & Waterways', 'Ports & Airports' and 'Storage & Pipelines'. Such investments were also made in 'Textiles', 'Transport Equipment & Parts' and 'Mining & Quarrying' industries. On the other hand, 'Telecommunication' industry had dominated share in the projects supported by ECBs/FCCBs. Mega projects (₹50 billion and above) assisted by banks/FIs have fallen continuously - its share in total cost of such projects declined from 57.5 per cent in 2009 -10 to a low of 5.7 per cent in 2015-16.

The Capital Expenditure(CapEx) likely to be incurred in any year can be estimated from the time phasing plans of the projects sanctioned financial assistance in that year or any earlier year. Investments of the private corporate sector financed by banks/FIs, ECBs/FCCBs or IPOs have been falling since 2011-12, however, the same have increasingly been supported through private placement of debt and Foreign Direct Investment (FDI) routes. CapEx by the private corporate sector, estimated at ₹1,512 billion in 2015-16 was 24.7 per cent lower than the revised estimate for 2014-15. Further, in order to maintain even this lower level of aggregate CapEx in 2016-17, an amount of ₹838 billion needs to be spent from the new projects to be sanctioned financial assistance in 2016-17.

1. Introduction

Investment is considered as a key to enhance the productive capacity of an economy. Sustainable economic growth takes place when the Capital Expenditure (CapEx) is undertaken for new projects, or for expansion, modernisation or diversification of business activity. CapEx is incurred when a business entity either buys fixed assets or adds value to existing fixed assets with a useful life that extends beyond an accounting year. Information on CapEx investment intentions of the companies in private and joint business sector helps to assess the likely short-term changes in business sentiment.

This article captures investment intentions of companies in private and joint business sector based on the financing details of such investments. The phasing plans furnished by companies indicate the likely level of CapEx that would have been made during 2015-16. The CapEx of pipeline projects is also estimated for the following year (2016-17).

The rest of the article is organised in five sections. Section 2 briefly presents the approach including

* Prepared in the Corporate Studies Division of the Department of Statistics and Information Management, Reserve Bank of India. The previous study titled 'Corporate Investment: Growth in 2014-15 and Prospects for 2015-16' was published in the September 2015 issue of the Reserve Bank of India Bulletin.

** All public sector banks, major private sector and foreign banks, those who deploy a sizable portion of their credit limits for the purpose of funding of projects of private corporate sector and FIs who are actively involved in project financing namely Infrastructure Development Finance Company (IDFC), Industrial Financial Corporation of India (IFCI), Life Insurance Corporation (LIC), Power Finance Corporation (PFC), Rural Electrification Corporation Of India (REC) and Export-Import Bank of India.

methodology, coverage and the limitations. Section 3 sketches the nature of new projects planned by the corporates in 2015-16. It covers all projects where funds have been raised through banks/ Financial Institutions (FIs), External Commercial Borrowings (ECBs) /Foreign Currency Convertible Bonds (FCCBs) or Initial Public Offerings (IPOs). However, due to the paucity of detailed data, analysis at disaggregated levels according to size-class, industrial sector, location/ State and purpose have been made only for institutionally assisted projects. Section 4 deals with estimates of CapEx envisaged by the corporate sector during 2015-16 and in the subsequent years. Section 5 looks into the trends in other sources of financing of corporate investment in projects such as private placement of debt and Foreign Direct Investment (FDI). Finally, section 6 presents an outlook for corporate investment for the year 2016-17 based on current economic scenario.

2. The Approach – Methodology, Coverage and Limitations

The approach followed in this article is based on a methodology proposed by Dr. C. Rangarajan in his article titled 'Forecasting CapEx in the Corporate Sector' published in the December 13, 1970 issue of the "Economic and Political Weekly" and subsequent studies published by various authors in this direction. The details of investment (*i.e.*, CapEx) intentions of the companies in a year along with phasing details also obtained from responding banks / FIs. This information is analysed to capture the CapEx that would be made in various years during the implementation of such projects and is juxtaposed with the CapEx envisaged from pipeline projects captured in previous years. From this, the likely level of CapEx in any year is calculated.

Projects financed through other sources such as ECBs / FCCBs / IPOs are also considered. Sufficient care is taken to include the project only once, even if it is financed through more than one channel. The data for projects financed through ECBs / FCCBs is obtained from Form - 83 submitted to the Reserve Bank of India (RBI) by companies and information on funds raised by companies through IPOs is obtained from the Securities and Exchange Board of India (SEBI). Projects not financed through any of the above mentioned channels or size lower than ₹100 million are not covered in this study. Moreover, projects where the private ownership is 51 per cent or above are only considered and projects undertaken by Trusts, Central & State Governments, Educational Institutions, and Financial Institutions *etc.* are not included.

The estimate of CapEx made in this study is largely based on projects in the Private Corporate Sector that were financially assisted by banks/FIs. Such data are obtained from Banks/ FIs, which include various components such as 'Total Project Cost', 'Phasing Details' together with information on 'Purpose', 'Industry' and 'Location' of the project. However, the assessment of corporate investment is based on the assumption that the companies would largely stick to their plans of envisaged expenditure outlined in their proposals. It may also be noted that estimates of corporate investment presented in this article are *ex ante* and differ in scope and methodology from the *ex-post* estimates of corporate fixed investment available in National Accounts Statistics (NAS).

3. Projects Planned during 2015-16

During the financial year 2015-16, 41 banks and FIs, who are actively involved in project finance, reported sanctioning of financial assistance for 352 projects with aggregate project cost of ₹954 billion. In addition, 314 companies contracted ECBs/FCCBs in 2015-16 to the extent of ₹388 billion and 40 companies proposed raising an investment of ₹45 billion by issue of domestic equity during 2015-16, which did not avail

Table 1: Spending Pattern of Projects Sanctioned by Banks/FIs in 2014-15 and 2015-16

(in ₹ billion)

Envisaged CapExin the Year →	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
	1	2	3	4	5	6	7	8	9	10
Projects Sanctioned in 2014-15	Number of Projects : 326									
	1 (0.1)	148 (17.0)	346 (39.6)	258 (29.5)	95 (10.9)	12 (1.4)	2 (0.2)	10 (1.2)	- -	873 (100.0)
Projects Sanctioned in 2015-16	Number of Projects: 352									
	- -	38 (4.0)	78 (8.2)	397 (41.6)	295 (31.0)	82 (8.6)	50 (5.2)	12 (1.2)	2 (0.2)	954 (100.0)

- : Nil/Negligible.
Note: Figures in the brackets denote percent share in the total cost of project.

of finances from the responding banks/FIs. Thus, altogether, 706 companies made investment plans in 2015-16 aggregating ₹1,387 billion as against the investment intentions of 830 companies totalling ₹1,459 billion in 2014-15 (which stands revised to ₹1,456 billion by 828 companies, due to cancellation / revision).

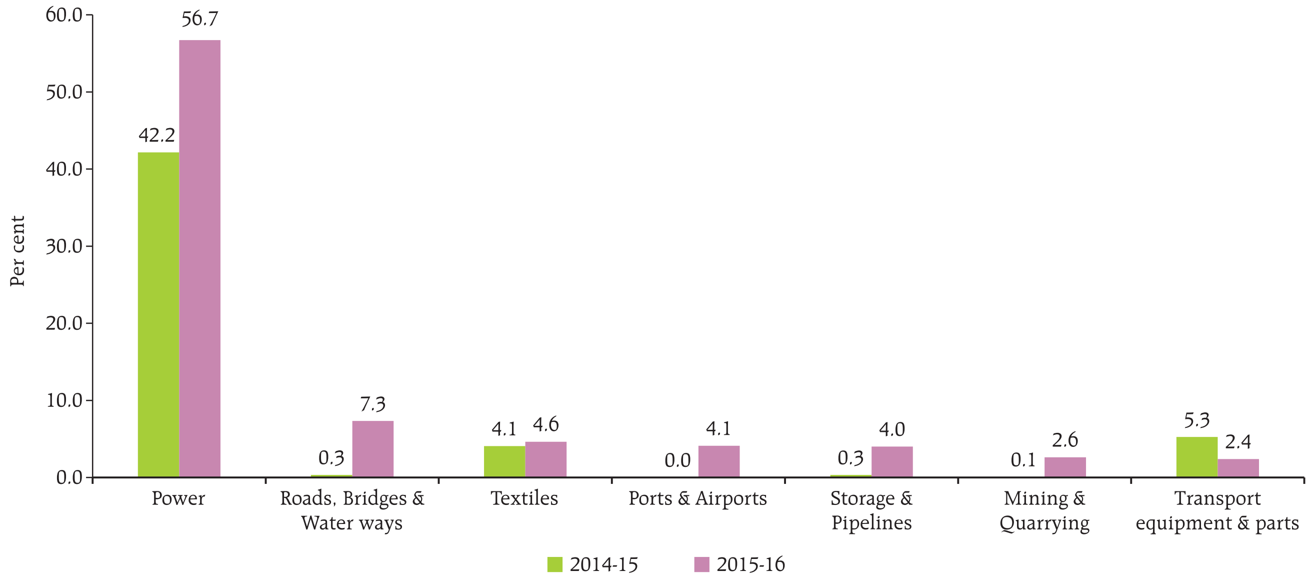
3.1 Project finance by banks and FIs went up

Investment scenario looked a tad better in 2015-16 considering the aggregate cost of projects that received financial sanction from banks and FIs. In the year 2015-16, 352 projects were financed through Banks and FIs with an aggregate investment intention of ₹954 billion in comparison with 326 projects worth ₹873 billion in 2014-15. The phasing details of fresh sanctions in 2015-16 indicated that around 41.6 per cent (₹397 billion) of the total proposed expenditure was planned to be incurred in the year of sanction, and another 30.9 per cent (₹295 billion) was to be spent in the next year (2016-17). The data submitted by banks revealed that an amount of ₹146 billion (15.3 per cent) was proposed to be spent beyond the year 2016-17. In the previous year's study, an amount equivalent to 13.7 per cent was proposed to be spent cumulatively beyond two years from the period of sanction. Around 12 per cent of total project cost which received financial sanction in 2015-16 was already spent in the previous years, *i.e.,* in 2013-14 and 2014-15 (Table1).

3.1.1 Industrial Pattern of Projects – uptick in the share of infrastructure projects

An analysis of the industrial pattern of projects revealed that 'Power' sector continued to dominate the investment scenario with a share of 56.7 per cent in the total cost of projects. Sectors such as 'Roads, Bridges & Waterways', 'Ports & Airports' and 'Mining & Quarrying' also recorded a rise in their share in 2015-16, while other major industries such as 'Metals', 'Cement', 'Construction' and 'Hotel & Restaurants' contributed less compared with the previous year. It may be noted that the share of 'Roads, Bridges & Waterways' sector has grown to approximately 7.3 per cent of the total project cost in 2015-16 from a negligible share in 2014-15. Likewise, the share of 'Storage & Pipelines' sector rose to 4.0 per cent from 0.3 per cent share in the previous year. The infrastructure sector (comprising of 'Power', 'Roads, Bridges & Waterways', 'Ports & Airports', and 'Storage & Pipelines') accounted for 72.7 per cent of the total project cost in 2015-16, which was higher as compared with the previous year. The year 2015-16 also witnessed an upsurge in the number of infrastructure projects at 114, compared with 73 projects in the previous year (Chart 1 and Annex - I).

Chart 1: Share of major Industries in Aggregate Cost of Institutionally Assisted Projects



3.1.2 Size-wise Pattern of Projects – high value projects dwindled in 2015-16

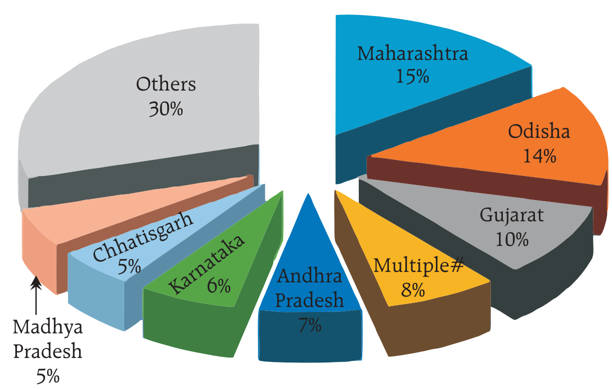
Although, overall cost of projects in 2015-16 has grown by 9.5 per cent over the previous year, the growth has come only from small value projects, with cost less than ₹10 billion each. The share of high value projects (₹10 billion and above) in 2015-16 has reduced with a share of 44.5 per cent in the total project cost as against 59.8 per cent in the previous year. It is also observed that share of mega projects (more than ₹50 billion) has fallen since 2009 -10 and reached a low of 5.7 per cent in 2015-16 (Annex-II).

3.1.3 State-wise Pattern of Projects – Reflecting industry preference

Location of projects changes from year to year depending on various factors such as accessibility of raw material, nature of project, availability of skilled labour, adequate infrastructure, market size, growth prospects, suppliers and demand for the products *etc.* Projects which have been distributed over a number of states were captured in the category of 'multi states' projects in this article. The spatial pattern of investment data for last five years *i.e.*, 2011-12 to 2015-16, showed that over 50 per cent of the aggregate project cost during the period has been destined to Maharashtra, Odisha, Gujarat, Andhra Pradesh and Karnataka (Chart 2a).

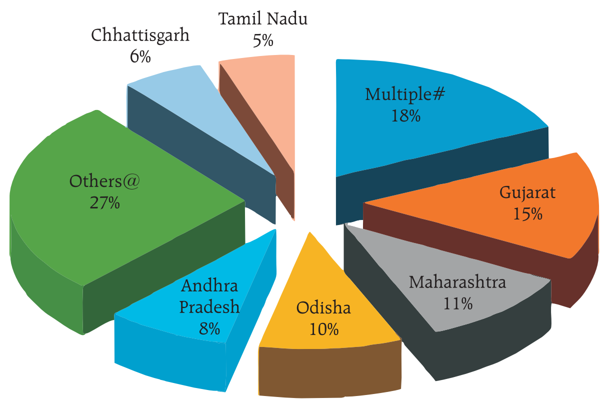
Comparing with the pattern for the previous five year period *i.e.* 2006-07 to 2010-11, it is observed that the share of 'multi states' projects was more in that

Chart 2a: State-wise distribution of institutionally assisted projects during 2011-12 to 2015-16



#: Projects distributed in'multi states'.

Chart 2b: State-wise distribution of institutionally assisted projects during 2006-07 to 2010-11



#: Projects distributed in'multi states'.

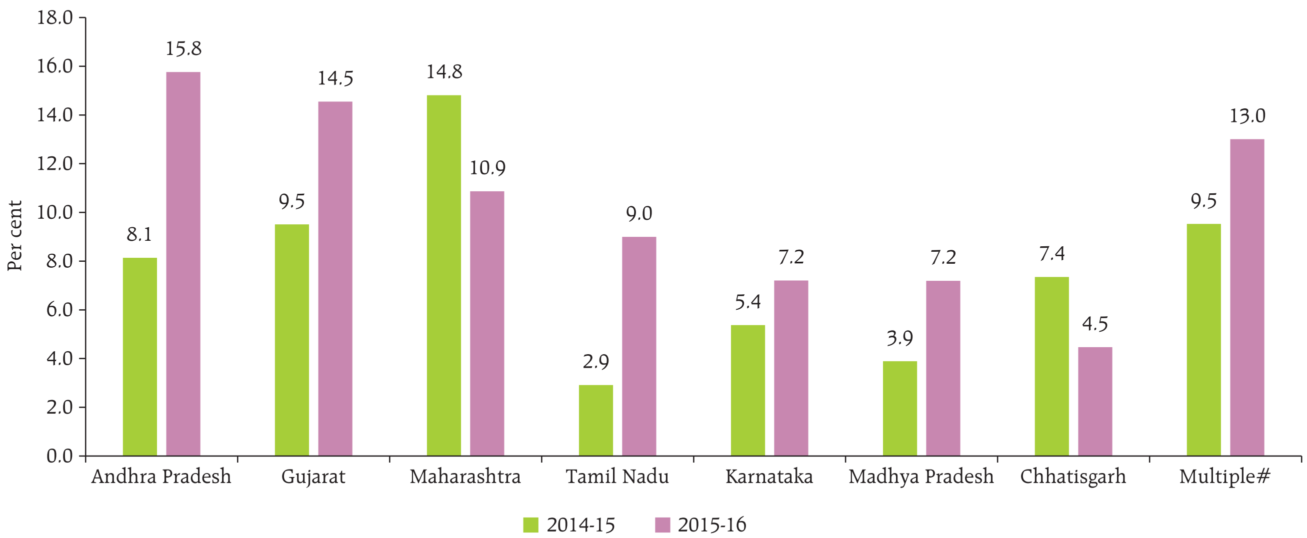
period. Further, the top four states remained the same with a change in the ordering in terms of their share (Chart 2b).

Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu, Karnataka and Madhya Pradesh together accounted for 64.6 per cent of cost of institutionally assisted projects in 2015-16. 'Power' projects dominated in all these states except in Maharashtra, where expansion and modernisation of 'Ports & Airports' topped the list of projects followed by 'Power'. 'Multi states' projects were also mostly in the 'Power' sector. Besides, projects in 'Textiles' sector were taken up primarily in Gujarat and Tamil Nadu; 'Roads, Bridges & Water ways' were undertaken in Madhya Pradesh and Karnataka and 'Transport equipment' and 'Coke & Petroleum products' have been taken up in the states of Maharashtra and Chhattisgarh respectively (Chart 3).

3.1.4 Purpose - wise Pattern of Projects: Investments in new projects improved

The purpose of the projects is classified into four groups such as 'New', 'Expansion/Modernisation', 'Diversification' and 'Others'. A substantial improvement has been noticed 2015-16 with respect to 'New' projects which accounted for the largest share at 74.6 per cent of the total cost of projects in 2015-16, as against 39.7 percent share in 2014-15. Though the number of projects in the group of 'Expansion and Modernisation' slackened to 64 in 2015-16 as against 92 in the previous year, their share of the project cost remained at similar level (Annex - IV).

Chart 3: Share of Major States in Aggregate Cost of Institutionally Assisted Projects



#: Projects distributed in'multi states'.

3.2 Project funding through ECBs (including FCCBs) declined in 2015-16

In addition to the projects which received financial assistance from banks/FIs, 314 private sector companies raised funds through ECBs/FCCBs for the purpose of CapEx, in 2015-16. These companies mobilised funds amounting to ₹388 billion to be spent on their projects. The corresponding figure for 2014-15 was higher at 478 and ₹572 billion respectively (Table 3). Major share (33.6 per cent) of the total amount mobilised was accounted for by 'Telecommunication' services compared with 8.6 per cent in the previous year.

3.3 Contribution of IPOs/FPOs/ Rights Issues improved positively

During the financial year 2015-16, amount raised through IPOs for CapEx purpose has climbed over the previous year, along with the number of companies raising funds through IPOs. 40 non-government non-financial companies raised ₹45 billion through public/ rights issues to fund their CapEx, in comparison with ₹11 billion raised by 24 companies in 2014-15. These projects did not receive assistance from banks/FIs/ECBs/ FCCBs (Table 4).

4. Envisaged CapEx during 2015-16

4.1 Envisaged CapEx on projects financed by banks/ FIs declined

Capital expenditure on a project is generally spread over multiple years. Companies are required to indicate the envisaged plan for such expenditure when applying for financial assistance from banks/FIs. The likely investment of private corporate sector in a given year is arrived at by suitably aggregating the envisaged CapEx intended by companies on projects that were sanctioned assistance in various years up to that year. The data so consolidated are presented in Table 2. When horizontally read, it shows the CapEx that was expected to take place on projects sanctioned assistance in a particular year. The column totals indicate likely CapEx in a particular year covering sanctions in various years upto that year (and sometimes beyond). Although, fresh project investments by companies improved in 2015-16 over the previous year, the CapEx to be spent during the

Table 2: Phasing of CapEx of Institutionally Assisted Projects by Banks/FIs

Year of sanction ↓	Project Cost in the Year of Sanction (in ₹ billion)	Project Cost due to Revision/ Cancellation@ (in ₹ billion)	Envisaged CapExin the Year (in ₹ billion)										
			2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Beyond 2016-17
	1	2	3	4	5	6	7	8	9	10	11	12	13
upto 2007- 08	5,678	5051 (11.0)	1,826	1,316	583	375	98	47					
2008-09	4,228	3,111 (26.4)	263	1,013	829	529	346	84	46				
2009-10	5,560	4,095 (26.3)	2	436	1,324	1,161	747	314	77	34			
2010-11	4,603	3,752 (18.5)		3	286	1,071	1,046	788	464	85	1	9	
2011-12	2,120	1,916 (9.6)			57	230	669	554	282	95	29	-	
2012-13	1,963	1,895 (3.5)				1	367	567	490	273	112	65	20
2013-14	1,340	1,273 (5.0)					13	151	348	449	199	71	42
2014-15	876	873 (0.4)						1	148	346	259	95	24
2015-16	954								38	78	397	295	146
Grand Total #			**2,091**	**2,768**	**3,079**	**3,367**	**3,286**	**2,506**	**1,893**	**1,360**	**997**	**535**	**232**
Percentage change					**11.2**	**9.4**	**-2.4**	**-23.7**	**-24.5**	**-28.2**	**-26.7**	*****	

#: The estimate is ex ante, incorporating only envisaged investment, they are different from those actually realized/utilized.
*: Per cent change for 2016-17 is not worked out as CapEx from proposals that are likely to be sanctioned in 2016-17 is not available.
@: Figures in bracket are percentage of cancellation.

Table 3: Phasing of CapEx Projects funded through ECBs/ FCCBs *

Loans contracted in	No. of Companies	Total loan contracted (in ₹ billion)	Envisaged drawal schedule of CapEx (in ₹ billion)									
			2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Beyond 2016-17
	1	2	3	4	5	6	7	8	9	10	11	12
Upto 2007-08	1,703	1,427	197	19								
2008-09	272	312	220	121	1							
2009-10	255	324		148	143	22	2					
2010-11	302	316			174	109	27	5				
2011-12	438	379				252	128	19	1			
2012-13	519	660					378	203	63	13		
2013-14	563	803						562	210	31	3	
2014-15	478	572							368	168	32	6
2015-16	314	388								290	73	26
Total&	**4,844**	**5,182**	**417**	**288**	**318**	**383**	**534**	**788**	**642**	**502**	**108**	**32**
percentage change					**10.5**	**20.5**	**39.4**	**47.5**	**-18.6**	**-21.8**	**#**	

*:Projects which did not receive assistance from banks/FIs/ IPOs.
#: Per cent change for 2016-17 is not worked out as capex from proposals that are likely to drawn in 2016-17 is not available.
&: The estimate is ex ante, incorporating only envisaged investment, they are different from those actually realised/utilised.

year declined. It is observed that CapEx of ₹600 billion would have been made during 2015-16 on projects sanctioned by banks/FIs prior to 2015-16. In addition, a sum of ₹397 billion is estimated to be spent during 2015-16 on projects receiving financial sanction in 2015-16. Thus, the aggregate CapEx planned to be incurred in 2015-16 amounts to ₹997 billion, which showed a decline of 26.7 per cent over that of the previous year, continuing the trend observed since 2011-12 (Table 2).

As regards the projects funded through ECBs/ FCCBs, it is observed that a CapEx of ₹212 billion was expected to be spent during 2015-16 based on projects sanctioned prior to 2015-16, and an additional sum of ₹290 billion was likely to be spent on projects sectioned during the year. Thus, aggregate CapEx planned to be incurred in 2015-16 amounted to ₹502 billion, reflecting a reduction of 21.8 per cent compared with that of the previous year (Table 3).

4.3 Envisaged CapEx on projects funded through IPOs/ FPOs/Rights Issues improved

As regards the funds raised through IPOs/ Follow on Public Offers (FPOs) /Rights Issues prior to 2015-16 CapEx of ₹7 billion was planned to be utilised in 2015-16. Additionally, a sum of ₹6 billion was to be spent in 2015-16, from the funds raised during the year. Thus the aggregate CapEx planned to be incurred in 2015-16 from funds raised through this route amounted to ₹13 billion which is nearly double the amount of the previous year (Table 4).

4.4. Envisaged CapEx in aggregate declined sharply

Considering the combined figures as indicated in Para 4.1, 4.2 and 4.3, it is estimated that a total CapEx of ₹1,512 billion would have been incurred by the companies in 2015-16. Of this, ₹693 billion was planned to be spent by the companies on the fresh projects in

Table 4: Phasing of CapEx of Projects Funded Through Equity Issues*

Equity issued during	No. of Companies	Capex Envisaged (in ₹ billion)	Implementation Schedule (in ₹ billion)									
			2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Beyond 2016-17
	1	2	3	4	5	6	7	8	9	10	11	12
Upto 2007-08	158	205	200	5								
2008-09	21	9	8	1								
2009-10	19	17	2	8	7	1						
2010-11	30	21		1	12	6	2					
2011-12	21	10			2	5	3					
2012-13	25	11					5	5	1			
2013-14	21	5							4	1		
2014-15	24	11							2	6	3	
2015-16	40	45								6	28	11
Total&	**359**	**334**	**210**	**15**	**21**	**12**	**10**	**5**	**7**	**13**	**31**	**11**
Percentage change					**40.0**	**-42.9**	**-16.7**	**-50.0**	**40.0**	**85.7**	**#**	

*:Projects which did not receive assistance from banks/FIs/ECBs/FCCBs.
#: Per cent change for 2016-17 is not worked out as capex from proposals that are likely to be implemented in 2016-17 is not available.
&: The estimate is ex ante, incorporating only envisaged investment, they are different from those actually realised/utilised.

2015-16. The total CapEx planned to have been spent in the year 2015-16 reflects a sharp decline of 24.7 per cent over the previous year. The corresponding decline in the year 2014-15 was 25.2 per cent (Table 5).

5. Finances through Private Placements, FDI and other sources rise further

Over the last several years, private corporates are also utilising sources other than the ones covered above

Table 5: Phasing of CapEx of Projects Funded Through Banks/FIs/ECBs/FCCBs/IPOs

Year of sanction ↓	No. of Companies	Project Cost (in ₹ billion)	Envisaged CapExin the Year (in ₹ billion)									
	Banks/ FIs, ECBs/ FCCBs/ IPOs		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Beyond 2016-17
	1	2	3	4	5	6	7	8	9	10	11	12
Upto 2007-08	5,306	7,996	1,713	607	375	98	47	-	-	-	-	-
2008-09	1,001	3,432	1,241	951	530	346	84	46	-	-	-	-
2009-10	1,003	4,436	438	1,480	1,311	770	316	77	34	-	-	-
2010-11	1,029	4,089	3	287	1,257	1,161	817	469	85	1	9	-
2011-12	1,095	2,305	-	57	232	926	685	301	96	29	-	-
2012-13	958	2,566	-	-	1	367	950	698	337	125	65	20
2013-14	1,056	2,081	-	-	-	13	151	910	663	231	74	42
2014-15	828	1,456	-	-	-	-	1	148	716	433	130	30
2015-16	706	1,387	-	-	-	-	-	38	78	693	396	183
Total #			**3,395**	**3,382**	**3,706**	**3,681**	**3,050**	**2,686**	**2,009**	**1,512**	**674**	**275**
Percentage change				**-0.4**	**9.6**	**-0.7**	**-17.1**	**-11.9**	**-25.2**	**-24.7**	*****	

#: The estimate is ex ante, incorporating only envisaged investment, they are different from those actually realised/utilised.
*: Per cent change for 2016-17 is not worked out as CapEx from proposals that are likely to be sanctioned in 2016-17 is not available.

Table6: Debt -Private Placements

Period	Issue Amount (in ₹ Billion)
2011-12	270
2012-13	591
2013-14	560
2014-15	974
2015-16	1,175

Source: PRIME Database

for project finances including private placement of debt and FDI. Data on the mobilisation of funds through private placement of debt during the last five years shows an upward trend since 2013-14. Projects funded through private placements of debts in 2015-16 stood at ₹1,175 billion, reflecting an increase of 20.6 per cent over the previous year (Table 6).

The total FDI inflows in equity, re-invested earnings and other capital aggregated US$ 55 billion in 2015-16 indicating an increase of 23 per cent over the previous year. FDI inflows has risen continuously since 2012-13 (Table 7). However, the investment intentions of companies raising funds exclusively through private placements of debenture/ bonds, FDI or funding through other internal sources have not been considered as information on their end-use and the spending pattern over the years is not readily available.

6. Outlook on Investment for 2016-17

As per the methodology indicated in this article, envisaged CapEx in 2016-17 would be the summation of pipeline expenditure on the projects, which were taken up prior to that year and the new capital spending proposals expected to come up in the year 2016-17. Accordingly, the CapEx planned for 2016-17 amounted to ₹674 billion (₹535 billion from projects financed by banks/FIs, ₹108 billion from drawals from ECBs/ FCCBs and ₹31 billion from funds raised through Domestic Equity Issues), if the companies stick to their investment plans. In order to maintain the level of CapEx envisaged in 2015-16, a CapEx of ₹838 billion would have to come from new investment intentions of the private corporate sector in 2016-17.

Table 7: Foreign Direct Investment

Period	Total FDI* (in US$ Billion)
2011-12	46.55
2012-13	34.29
2013-14#	36.04
2014-15#	45.14
2015-16#	55.45

*Total FDI includes Equity,Re-invested earnings and other capital.
Figures are provisional.
Source: DIPP, Government of India

Although, uncertainty about the revival of the demand cycle would weigh on the investment decisions by the private corporates, the efforts made by the Government in improving ease of doing business in India may have a positive impact. Improvement in the performance of the corporate sector including its leverage gives reasons to be optimistic for the year ahead (RBI Financial Stability Report, June 2016). Moreover, progress in clearance of stalled projects and revival of government projects during 2015-16, as revealed from CMIE database, may increase the confidence of investors.

High value projects financed by banks witnessed a repeated decline in the past few years and the same trend may be expected to continue for a couple of quarters. Due to the cleaning up of the balance sheets undertaken by banks, they may not be able to lend aggressively in near future. However, corporates may still be able to raise funds from rest of the sources (including domestic and foreign capital market) at reasonable rates if the economic environment is conducive. New policy initiatives by the government on FDI is expected to strengthen the recent trend of higher FDI inflows across the sectors. High value spectrum auction recently announced by the Government is likely to attract large investment in 'Telecommunication' industry. It is being opined that the pay revision of government employees may revive domestic demand, which may accelerate the growth momentum. Further, adequate monsoon is expected to boost the agricultural production and raise rural demand.These factors may help in turning around the investment outlook in the near future.

Annex – I: Industry-wise Distribution of Institutionally Assisted Projects: 2006-07 to 2015-16

Industry	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14		2014-15		2015-16	
	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share
Infrastructure	123	36.5	124	39.4	97	45.1	100	48.9	120	53.7	107	47.4	88	49.2	87	39.8	74	48.8	114	72.8
i) Power	62	18.3	60	29.4	54	27.9	75	30.7	104	46.2	82	42.4	71	39.4	70	35.1	65	42.2	97	56.7
ii) Telecom	9	6.5	7	1.6	6	10.9	6	16.4	2	5.7	1	0.0	2	5.6	1	-	1	4.9	1	0.3
iii) Ports & Airports	7	3.9	6	0.9	4	2.8	2	0.3	1	0.7	1	1.3	1	1.9	1	0.8	-	-	4	4.1
iv) Storage & Water Management	5	4.6	4	2.1	2	0.0	2	0.9	1	0.0	12	0.5	-	-	5	1.1	2	0.6	4	4.0
v) SEZ, Industrial, Biotech and IT Park	37	3.1	47	5.4	28	3.2	15	0.6	12	1.1	11	3.2	8	0.9	8	1.5	3	0.9	1	0.4
vi) Roads & Bridges	3	0.1	-	-	3	0.1	-	-	-	-	-	-	-	-	2	1.2	3	0.3	7	7.3
Textiles	255	9.2	116	4.5	45	1.2	77	2.2	77	2.9	94	7.0	31	1.9	58	10.3	50	4.1	49	4.6
Mining &Quarrying	8	0.1	8	0.5	7	0.6	10	2.5	1	0.2	4	0.2	2	0.1	1	0.6	2	0.1	10	2.6
Transport Equipment & Parts	29	1.9	38	3.5	30	3.0	25	1.3	28	0.8	26	2.6	17	0.9	16	1.2	7	5.3	4	2.4
Construction	33	3.2	38	3.9	30	10.8	20	11.5	18	3.3	22	1.7	20	2.8	27	2.1	29	4.0	27	2.1
Petroleum Products	10	14.3	5	7.5	4	0.1	2	1.3	3	2.6	3	1.2	-	-	1	0.5	1	3.4	2	1.9
Cement	26	3.7	24	5.9	28	6.0	29	2.8	14	2.4	9	2.0	11	3.9	12	7.1	7	3.8	5	1.8
Food Products	38	0.9	41	0.7	50	1.0	41	0.5	39	0.7	41	1.5	36	0.9	43	1.8	34	2.9	26	1.7
Chemicals & Pesticides	35	1.5	25	1.0	27	1.7	28	0.8	27	1.3	17	3.5	19	1.1	15	1.0	7	2.6	11	1.6
Metal & Metal Products	130	14.5	122	15.6	97	17.7	134	18.1	113	21.1	73	16.3	51	28.9	44	17.0	17	17.4	14	1.5
Hotel & Restaurants	74	4.0	51	3.9	57	2.8	56	2.6	63	3.5	51	4.6	31	3.1	29	2.7	15	1.1	16	1.1
Transport Services	17	0.6	17	1.4	14	1.0	22	1.4	14	0.6	19	2.7	16	1.7	15	0.5	5	0.6	10	1.1
Glass & Pottery	9	0.3	9	0.4	6	0.3	9	0.2	6	0.4	10	1.3	3	-	11	0.3	19	0.7	8	0.5
Sugar	33	3.2	16	1.3	21	1.2	21	0.8	21	0.8	12	1.1	5	0.5	8	0.8	6	1.3	5	0.4
Entertainment	20	0.3	10	0.5	19	1.2	12	1.1	5	0.8	9	1.3	7	0.2	9	2.5	2	0.3	2	0.3
Electrical Equipment	22	0.4	26	0.9	17	1.3	16	0.2	24	2.0	12	0.3	10	1.9	9	2.0	7	0.2	3	0.2
Others*	183	5.5	198	9.1	159	5.2	127	3.9	124	2.9	127	5.1	73	4.3	87	9.8	44	3.3	46	3.4
Total	**1045**	**100**	**868**	**100**	**708**	**100**	**729**	**100**	**697**	**100**	**636**	**100**	**414**	**100.0**	**472**	**100**	**326**	**100**	**352**	**100**
Total Cost of Projects (in ₹ Billion)	**2,754**		**2,297**		**3,111**		**4,095**		**3,752**		**1,916**		**1,895**		**1,273**		**873**		**954**	

*: Comprise industries like Pharmaceuticals & Drugs, Agricultural & related activities, Hospitals, Paper & Paper products, Printing & Publishing, Rubber, IT Software, Communication and Trading of services *etc.*
-: Nil/Negligible

Annex – II: Size-wise Distribution of Projects and their Envisaged Cost: 2006-07 to 2015-16							
Period		**Less than ₹1 billion**	**₹1 billion to ₹5 billion**	**₹5 billion to ₹10 billion**	**₹10 billion to ₹50 billion**	**₹50 billion & above**	**TOTAL***
2006-07	No of Projects	714	245	37	41	8	**1,045**
	Per cent Share	9.5	19.4	9.1	31.4	30.6	**100.0 (2754)**
2007-08	No of Projects	558	228	35	43	4	**868**
	Per cent Share	9.3	22.5	10.7	38.3	19.3	**100.0 (2297)**
2008-09	No of Projects	420	194	35	48	11	**708**
	Per cent Share	5.1	14.1	7.5	29.7	43.7	**100.0 (3111)**
2009-10	No of Projects	439	189	40	39	22	**729**
	Per cent Share	3.8	11.0	6.8	20.8	57.5	**100.0 (4095)**
2010-11	No of Projects	412	172	42	51	20	**697**
	Per cent Share	4.4	10.2	8.6	29.3	47.5	**100.0 (3752)**
2011-12	No of Projects	420	145	36	26	9	**636**
	Per cent Share	8.3	17.0	13.7	27.6	33.4	**100.0 (1916)**
2012-13	No of Projects	245	119	20	23	7	**414**
	Per cent Share	4.8	14.6	7.3	26.8	46.4	**100.0 (1895)**
2013-14	No of Projects	306	115	25	21	5	**472**
	Per cent Share	8.3	20.0	13.9	29.1	28.7	**100.0 (1273)**
2014-15	No of Projects	223	65	18	19	1	**326**
	Per cent Share	9.0	16.6	14.6	47.8	12.0	**100.0 (873)**
2015-16	No of Projects	213	81	35	22	1	**352**
	Per cent Share	8.2	21.5	25.8	38.8	5.7	**100.0 (954)**

*: Figures in brackets are total cost of projects in ₹ billion.
- : Nil/ Negligible.
Note: Per cent share is the share in total cost of projects.

Annex – III: State-wise Distribution of Institutionally Assisted Projects: 2006-07 to 2015-16																				
State	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14		2014-15		2015-16	
	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share	Number of Projects	Per cent Share
Andhra Pradesh	103	8.7	87	7.8	74	7.6	73	7.1	65	11.4	52	5.1	35	5.7	37	4.0	24	8.1	44	15.8
Gujarat	84	26.3	95	26.4	75	18.4	69	3.2	65	9.6	75	9.0	58	5.6	66	14.5	71	9.5	61	14.5
Maharashtra	140	8.7	141	9.7	110	18.1	117	10.0	71	7.4	86	19.1	67	10.7	76	19.7	38	14.8	37	10.9
Tamil Nadu	156	6.9	94	5.1	63	2.3	66	5.5	93	6.1	58	5.7	22	1.8	33	5.4	27	2.9	26	9.0
Karnataka	91	7.2	62	4.1	44	2.4	42	1.4	40	7.2	39	12.0	20	1.6	39	6.2	27	5.4	24	7.2
Madhya Pradesh	23	1.8	18	0.6	20	7.2	23	4.2	21	5.2	16	5.6	13	3.9	30	6.1	14	3.9	22	7.2
Chhattisgarh	13	0.9	10	4.7	16	2.3	23	6.0	31	12.1	11	2.4	9	4.1	16	10.7	8	7.4	8	4.5
Haryana	42	1.4	28	1.2	24	1.1	29	2.6	35	0.8	45	1.4	18	1.2	15	1.1	11	1.9	16	3.4
West Bengal	37	1.2	41	2.6	43	3.0	33	2.6	29	3.3	19	4.9	13	1.0	12	1.2	9	1.3	14	3.0
Odisha	23	5.4	21	13.1	15	9.0	25	13.9	25	7.4	15	6.3	10	26.8	10	11.7	5	15.9	6	3.0
Uttar Pradesh	60	3.6	41	4.2	32	3.1	27	0.4	32	4.6	42	7.8	26	4.4	21	1.1	20	5.4	15	2.4
Punjab	48	2.1	29	0.7	23	0.7	23	0.4	38	1.1	37	1.7	12	10.9	28	1.5	6	0.3	11	1.7
Himachal Pradesh	30	0.9	23	1.6	18	0.5	19	0.6	13	0.8	7	0.5	5	0.3	3	1.8	3	0.1	8	1.4
Rajasthan	38	3.6	22	1.2	22	0.6	23	2.9	28	0.8	49	4.9	41	5.3	24	1.4	29	11.1	10	0.8
Multiple#	46	9.2	61	10.3	55	19.0	45	29.0	48	16.2	34	4.5	15	7.7	21	6.9	10	9.5	13	13.0
Others@	111	12.1	95	6.7	74	4.7	92	10.2	63	6.0	51	9.1	50	8.9	41	6.7	24	2.4	37	2.2
Total	**1045**	**100.0**	**868**	**100.0**	**708**	**100.0**	**729**	**100.0**	**697**	**100.0**	**636**	**100.0**	**414**	**100.0**	**472**	**100.0**	**326**	**100**	**352**	**100.0**
Total Cost of Projects (in ₹ Billion)	**2,754**		**2,297**		**3,111**		**4,095**		**3,752**		**1,916**		**1,895**		**1,273**		**873**		**954**	

#: Comprise projects over several States.
@: Comprise Other States/ Union Territories.
Note: Per cent share is the share of state in in total cost of projects.

Annex – IV: Purpose-wise Distribution of Institutionally Assisted Projects during 2010-11 to 2015-16

Period		New	Expansion & Modernisation	Diversification	Others	Total*
2010-11	No. of Projects	454	224	6	13	**697**
	Percent Share	66.8	30.9	1.8	0.5	**100.0 (3,752)**
2011-12	No. of Projects	449	172	5	10	**636**
	Percent Share	70.6	23.1	0.1	6.3	**100.0 (1,916)**
2012-13	No. of Projects	303	107	-	4	**414**
	Percent Share	84.2	14.7	-	1.1	**100.0 (1,895)**
2013-14	No. of Projects	361	95	2	14	**472**
	Percent Share	65.2	20.1	-	14.7	**100.0 (1,273)**
2014-15	No. of Projects	203	92	2	29	**326**
	Percent Share	39.4	14.7	0.2	45.7	**100.0 (873)**
2015-16	No. of Projects	266	64	3	19	**352**
	Percent Share	74.6	13.7	0.1	11.6	**100.0 (954)**

* : Figures in brackets are total cost of projects in ₹ billion.
- : Nil/ Negligible.

*Monthly Seasonal Factors of Select Economic Time Series, 2015-16**

This article presents the monthly seasonal factors of selected 84 economic/financial time series covering five broad sectors (viz., monetary and banking aggregates, price, industrial production, external trade and services sector) for 2015-16, based on data for more than a decade. For a majority of monetary/banking indicators and industrial production, seasonal peaks are witnessed in March. On the other hand, the seasonal troughs of industrial production was found to be occurring in February/April/August. Among IIP sub-groups, seasonal variation is found to be higher for 'food products and beverages' and 'coal production'. For WPI, seasonal variation are high for 'food articles' due to high seasonality in eggs, fruits and vegetables items whereas 'manufactured products', 'non-food manufactured products' as well as for 'non-food non-fuel commodities' witnessed minimal seasonality. A majority of service sector indicators recorded seasonal peaks in March and seasonal troughs in September. 'Sale of Commercial motor vehicles' exhibited high seasonal variation.

Economic activities are often seasonal and, when measured at a frequency less than a year (*e.g.*, weekly, monthly, quarterly), may exhibit seasonal fluctuations around their annual trend. Seasonal variations occur due to climatic conditions, production cycle characteristics, seasonal nature of economic activity, festivals, vacation practices, *etc.* Analysis of the seasonal pattern and magnitude is useful in interpretation of movements of economic variables over time. Seasonal adjustment, *i.e.*, removal of seasonal effects in variables, helps in estimating underlying sequential changes and is useful in understanding the underlying economic phenomenon. Prior knowledge of seasonal fluctuations also allows policy makers to take policy measures to attenuate the impact. Towards this objective, monthly seasonal factors for selected economic and financial time series relating to the Indian economy are being published annually in the Bulletin since 1980[1].

2. Data Coverage and Methodology

For estimating the seasonal factors, 84 monthly economic/financial time series in the Indian context, covering (i) Monetary and Banking Indicators (17 series); (ii) Wholesale Price Index (WPI) (26 series); (iii) Consumer Price Index (CPI) (3 series); (iv) Industrial Production (29 series); (v) External Trade Sector (3 series) and (vi) Service Sector Indicators (6 series) have been considered.

For calculation of seasonal factors (SFs), monthly data from Apr 1994 to Mar 2016 (*i.e.*, last 22 years) are considered for most of the series. However, the reference period for *CPI – Agricultural Labourers* and *CPI- Rural Labourers* are last 20 years whereas it is last 12 years *for Fertiliser Production and Natural Gas Production*, due to non availability of consistent time series data for 22 years. Using these data, SF estimates have been compiled for the last 10 years using X-13ARIMA-SEATS software package, developed by the US Bureau of Census[2], where the Diwali festival (major holiday in India, which moves in October/November over the years) as well as trading day effects[@] are incorporated. The seasonality of series are further subjected to various parametric and non-parametric statistical test procedures to assess their statistical significance.

* Prepared in the Modeling and Forecasting Division of the Department of Statistics and Information Management, Reserve Bank of India.

[1] The previous article in the series was published in September 2015 issue of the Reserve Bank of India, Bulletin.

[2] http://www.census.gov/srd/www/x13as/

[@] Trading-day effects occur when a series is affected by the differing day-of-the-week compositions of the same calendar month in different years.

3. Salient Findings

3.1 Seasonal Variation during Last Ten Years (2006-07 to 2015-16)

The average monthly SFs over the last ten years are presented in Table 1. Annual estimates of seasonal variation in terms of range (difference between peak and trough SF values during a year), during the period, are presented in Table 2. The changing pattern of seasonality in the latest period (*i.e.*, 2015-16 over previous 5-year average) is presented in Table 3. The list of top-20 and bottom-20 series based on the average SF range, during last five years (*i.e.*, 2011-12 to 2015-16) and the corresponding peak and trough months are presented in Table 4. The salient features of seasonal variation over the reference period are briefly discussed below.

3.2 Characteristics of Seasonal Factors

3.2.1 **Seasonality across Indicators**

- **Monetary and Banking Indicators:** Seasonal variation remained stable and range-bound for majority of monetary and banking indicators during the last 10 years. Time deposits of schedule commercial banks (SCBs) exhibited the lowest seasonal variation (average SF range: 1.8), followed by aggregate deposits of SCBs (average SF range: 2.2) and broad money (average SF range: 2.4). Within aggregate deposits, seasonal variation of demand deposits started moderating post 2008-09 and has become stable since 2012-13. Seasonal variation of broad money remained at a lower level than narrow money and reserve money. SCBs' demand deposits and their assets with the banking system exhibited high seasonal fluctuation (Table 2). 15 out of 17 monetary and banking series witnessed seasonal peak during March-May while seasonal trough of majority of these series occurred during August-September and in December (Chart 1).
- **Consumer Price Index**: Consumer Price Indices, including those for Agricultural Labourers (AL) and Rural Labourers (RL), displayed low seasonality at aggregate level during the last ten years. CPI-AL had consistently higher variation than the CPI-RL. The seasonality of various CPI series were marginally higher than WPI-*All Commodities* but the gap has narrowed down in recent times (Chart 2 & Table 2). CPI series recorded peak seasonality in October, while seasonal peak for WPI occurred in September. Seasonality in CPI-Combined (CPI-C) is not presented in this article as its data span is little over five years.

Chart 1: Seasonal peaks and troughs of Monetary and Banking indicators

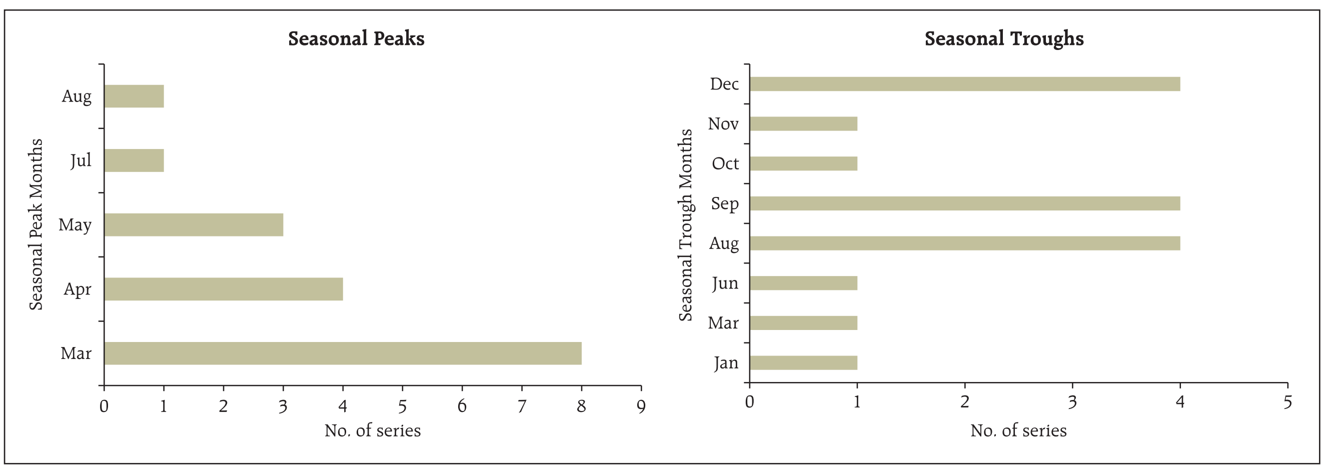
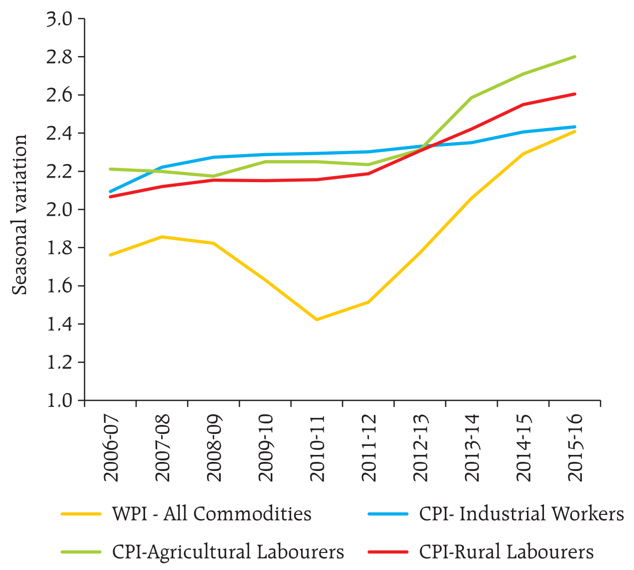


Chart 2: Seasonal variation of CPI and WPI



- **Wholesale Price Index:** Out of 26 WPI series, 11 series witnessed their seasonal peaks in September and November whereas seasonal troughs were traced in March for 10 WPI series (Chart 3). Seasonal fluctuations of WPI-*All Commodities* started increasing marginally since 2011-12 primarily due to higher seasonal fluctuation in *Food Articles*, which witnessed average seasonal peak in October. *Egg* and *Fruits & Vegetables* recorded very high average seasonal variation of 19.0 and 12.1, respectively (Table 2). On the other hand, *Manufactured Products* had seasonal peak in May but had overall low seasonal fluctuation.

- **Industrial production:** *Index of Industrial Production (IIP) – General* recorded high seasonality during the last decade. A majority of IIP series recorded seasonal peak in March while February, April and August were the seasonal lows (Chart 4). As per the use-based classification, *IIP-Consumer Non-durables* and *IIP- Intermediate Goods* exhibited high and low seasonal fluctuation respectively (Table 2). As per IIP sectoral classification, *Mining* and *Electricity* exhibited the highest and the lowest seasonal variation, respectively. Among the core-industries, seasonal patterns are found to be consistently higher for cement production compared to steel production.

- **Service Sector Indicators:** A majority of services sector indicators had their seasonal peak in March and trough in September (Chart 5). Sale of commercial motor vehicles remained highly seasonal. In air passenger traffic, domestic sector witnessed higher seasonal variation when compared to the international sector, though the gap started narrowing since 2010-11(Table 2). Domestic passenger air traffic observed seasonal

Chart 3: Seasonal peaks and troughs of WPI Series

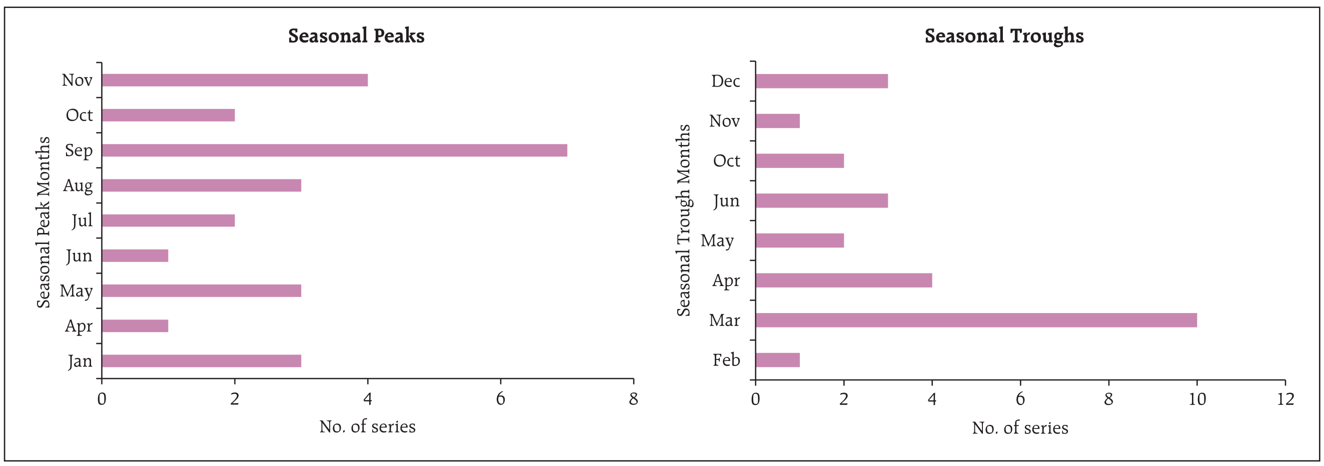
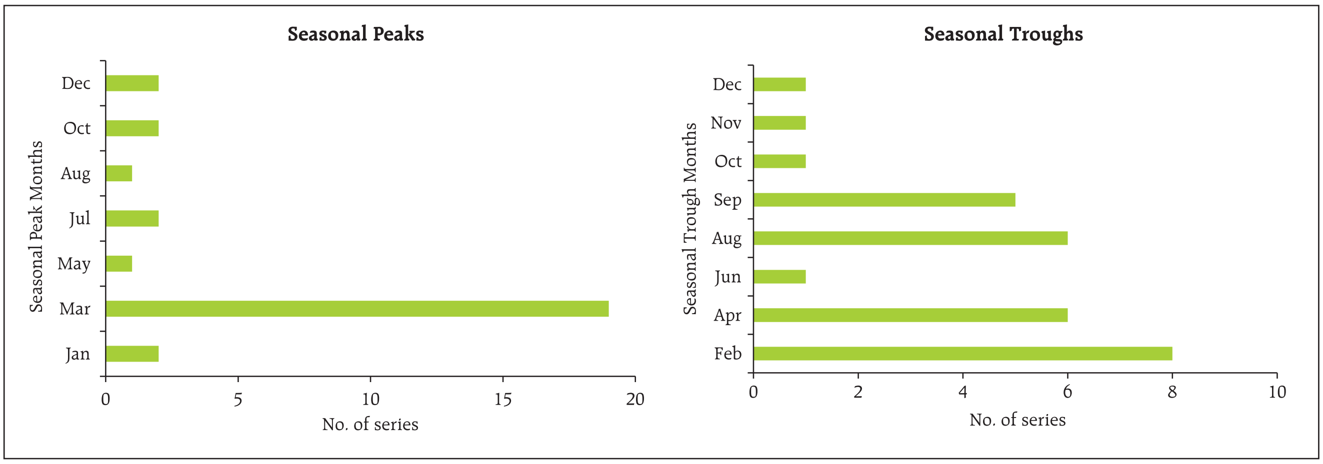


Chart 4: Seasonal Peaks and Troughs of IIP series



peak in May, which coincides with the school holiday season. The seasonal variation of cargo handled at major ports, gradually declined and remained lower than railway freight traffic.

- **External Trade:** Merchandise exports recorded seasonal peak in March while November witnessed the trough, and its seasonality moderated since 2012-13 (Chart 6 & Table 2). Merchandise imports (including non-oil non-gold import) peaked in May and it was the lowest in February. The seasonality in non-oil non-gold imports rose since 2012-13.

3.2.2 **Indicators with High and Low Seasonality**

Based on the average range of monthly seasonal factors during last five years (*i.e.*, 2011-12 to 2015-16), it is observed that the external trade and service sector indicators exhibited high seasonality followed by industrial production while seasonal variations in money and banking aggregates and aggregate prices are relatively lower. Among 84 series, '*IIP-Food products and beverages*' (*Peak seasonal factor value of 136.8 in January vis-à-vis trough value 69.9 in September*), '*Coal Production*' (*Peak seasonal factor value of 134.0 in*

Chart 5: Seasonal Peak and Trough of Services Indicators

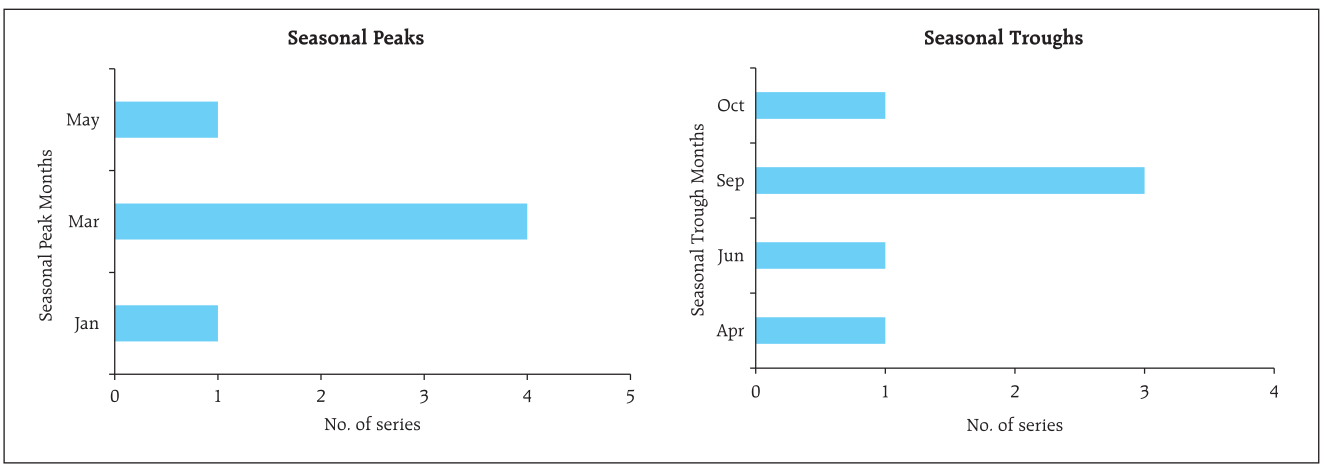


Chart 6: Seasonal variation of Merchandize Trade

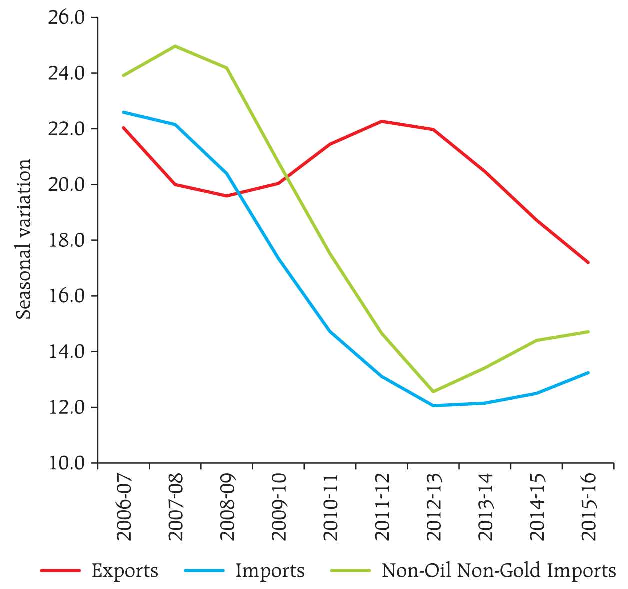
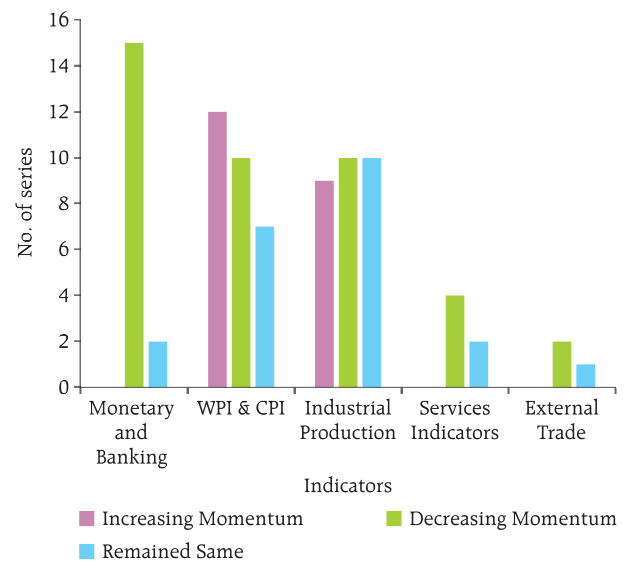


Chart 7: Pattern of changing seasonal fluctuation



March vis-à-vis trough value 82.6 in September), '*IIP-Fabricated Metal Products, except machinery & equipment*' (*Peak seasonal factor value of 130.8 in March vis-à-vis trough value 83.7 in April*), '*Sales of commercial motor vehicles*' (*Peak seasonal factor value of 128.2 in March vis-à-vis trough value 87.3 in April*) and '*Consumer non-durable goods industries*' (*Peak seasonal factor value of 115.6 in December vis-à-vis trough value 88.9 in October*) have exhibited high seasonal variation. On the other hand, '*WPI-Manufactured Products*', '*WPI-Non-food Manufactured Products*' and '*WPI – Non-food non-fuel*' have shown low seasonality (Table 4).

3.3 Changing Seasonality

3.3.1 Pattern in Seasonal Fluctuation over Last 10 Years

Seasonal behavior of some indicators has witnessed variation over the past 10 years and the pattern of change was not symmetric across indicators. A regression based test[3] indicates that seasonal fluctuation moderated in 41 series, 21 series exhibited increased volatility of seasonal component and remaining 22 series maintained broadly similar seasonal behavior over the years (Chart 7). Out of these series, seasonal fluctuation of monetary and banking series moderated or remained broadly unchanged. Among the IIP categories, seasonal variation increased for '*consumer goods*' (durables and non-durables), and '*electricity*'. Among the core industries, similar pattern was observed in '*natural gas production*', and '*petroleum refinery production*'. Among WPI items, seasonal variation of '*food items*' increased significantly over this period.

3.3.2 Change in Seasonal Peak and Trough Months

In respect of some of the indicators, the seasonal peak/trough months shifted in 2015-16 as compared with last 5 years' average (2010-11 to 2014-15) although the shift was by only one month for majority of them (Table 3). Of the 84 series, simultaneous shift of peak and trough months was observed for 11 series, *viz.*, '*Narrow money*', '*Time deposits*', '*WPI- sugar*', '*Cash in hand and Balances with the RBI (SCBs)*', '*WPI- Cereals*', '*WPI- Wheat*', '*WPI- Fruits & Vegetables*', '*WPI- Egg, Meat & Fish*', '*WPI- Non-food articles*', '*WPI– non-food non-fuel*' and '*Steel production*'. Out of 17 series under

[3] Seasonal fluctuation has been regressed over time and the significance of the estimated time coefficient along with sign of the coefficient has been checked.

money and banking category, both seasonal peak and trough months shifted for 3 series while they remained unchanged for 9 series. Seasonal peak and trough both remained unchanged for 4 of the 26 WPI series, whereas shift in either peak (11 series) or trough (5 series) was observed for 16 series (Chart 8). The peak/trough months remained unaltered for all 3 CPI, 6 services sector and 3 external trade series.

3.3.3 **Seasonal Variation in the Latest Year**

Across the 84 series, seasonal variation in 2015-16 has remained broadly close to the previous five years' average (Chart 9). Among the highly seasonal series, seasonal variation of '*Coal production*' and '*IIP – Fabricated metal products, except machinery & equipment*' declined in 2015-16 as compared to last five years average.

Chart 8: Instance of shifting seasonal peak and trough months

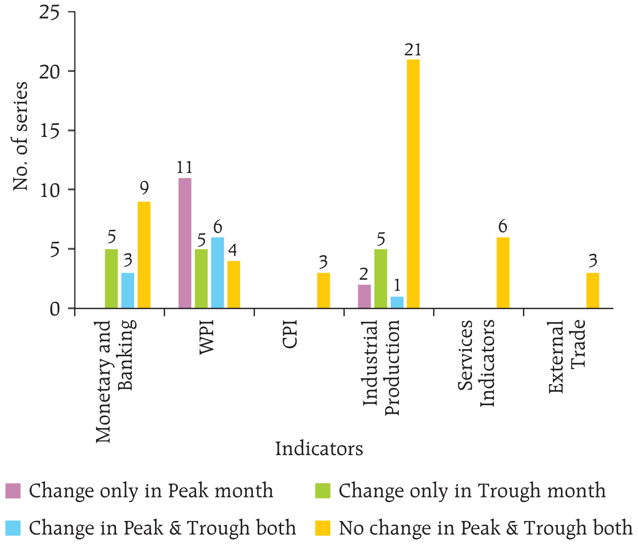


Chart 9: Comparative Analysis of Seasonal Variation

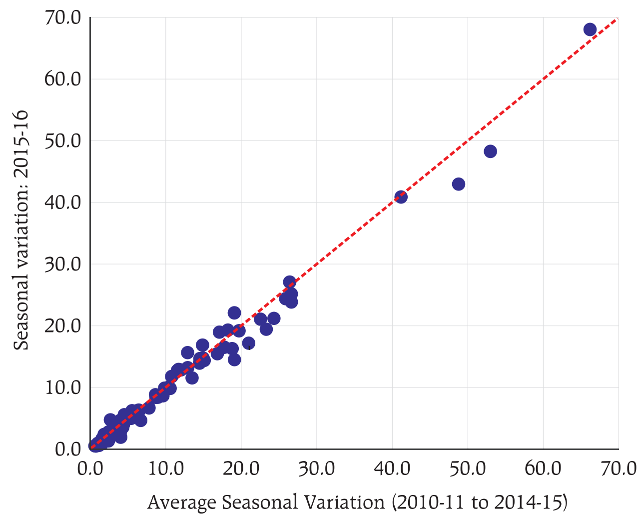


Table 1: Average Monthly Seasonal Factors[1] of Selected Economic Time Series

Series Name	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	2	3	4	5	6	7	8	9	10	11	12	13
A.1.1 Broad Money (M_3)	101.4	101.0	100.1	100.3	99.8	99.5	99.7	99.4	99.1	99.4	99.7	100.7
A.1.1.1 Net Bank Credit to Government	101.3	101.2	100.7	101.7	100.9	99.6	99.8	99.9	97.7	98.9	98.8	99.7
A.1.1.2 Bank Credit to Commercial Sector	101.1	100.3	100.2	99.4	99.1	99.5	99.2	99.2	99.7	99.8	100.2	102.2
A.1.2 Narrow Money (M_1)	102.3	101.5	100.6	99.2	98.7	99.2	98.5	98.6	99.2	98.9	100.0	103.2
A.1.2.1 Currency with Public	103.1	103.4	101.8	99.4	98.5	97.5	98.0	98.9	99.1	99.6	100.3	100.4
A.1.3 Reserve Money (RM)	102.6	101.8	101.1	99.7	98.8	98.1	98.5	99.2	98.7	98.4	99.0	104.4
A.1.3.1 Currency in Circulation	102.9	103.3	101.9	99.3	98.5	97.4	98.4	99.0	99.2	99.5	100.2	100.5
A.1.3.1.1 Notes in Circulation	102.9	103.4	101.9	99.3	98.5	97.4	98.3	99.0	99.1	99.5	100.2	100.5
A.2.1 Aggregate Deposits (SCBs)	101.2	100.6	99.8	100.5	100.1	99.8	100.0	99.5	99.0	99.4	99.6	100.6
A.2.1.1 Demand Deposits (SCBs)	101.1	98.6	98.2	98.4	98.6	101.2	99.5	98.6	99.5	98.7	99.7	107.4
A.2.1.2 Time Deposits (SCBs)	100.9	100.7	99.9	100.6	100.1	99.6	100.4	99.9	99.1	99.6	99.6	99.7
A.3.1 Cash in Hand and Balances with RBI (SCBs)	102.5	99.3	100.4	101.3	101.1	101.2	99.5	100.9	99.3	97.3	98.5	99.4
A.3.2 Assets with the Banking System (SCBs)	103.2	100.8	101.9	97.7	97.9	98.9	97.8	94.5	98.2	97.1	99.3	112.7
A.3.3 Bank Credit (SCBs)	101.2	100.3	100.1	99.3	98.8	99.2	99.4	99.2	99.8	100.1	100.4	102.2
A.3.3.1 Loans, Cash, Credits and Overdrafts (SCBs)	100.6	100.1	100.3	99.1	98.8	100.4	99.1	99.1	99.6	99.7	100.1	103.1
A.3.3.2 Non-Food Credit (SCBs)	101.3	100.1	100.0	99.4	99.0	99.5	99.3	99.1	99.7	99.8	100.2	102.5
A.3.4 Investments (SCBs)	100.5	100.5	100.0	101.1	101.8	100.8	100.8	100.3	98.6	99.0	99.1	97.6
B. WPI (Base: 2004-05=100) All Commodities	100.0	100.0	100.1	100.6	100.7	100.7	100.5	100.2	99.5	99.5	99.0	99.1
B.1 WPI - Primary Articles	99.5	99.5	100.3	101.2	101.9	101.6	101.3	101.2	99.2	99.0	97.8	97.6
B.1.1 WPI - Food Articles	98.8	99.0	100.0	101.4	101.8	102.3	102.6	102.2	99.1	99.1	97.1	96.6
B.1.1.1 WPI - Food Grains (Cereals+Pulses)	99.0	98.8	99.1	99.7	100.2	100.3	101.2	101.2	100.7	100.5	100.0	99.1
B.1.1.1.1 WPI - Cereals	99.3	99.2	99.2	99.6	100.0	100.1	100.7	100.7	100.5	100.7	100.4	99.6
B.1.1.1.1.1 WPI - Wheat	99.1	98.4	98.3	98.9	99.3	99.6	99.4	100.9	101.6	102.2	102.2	100.1
B.1.1.1.1.2 WPI - Rice	98.9	99.1	99.4	100.1	100.6	100.9	101.4	101.1	100.2	99.8	99.6	98.9
B.1.1.1.2 WPI - Pulses	97.9	97.8	98.2	100.4	101.0	101.8	102.8	102.9	101.6	100.0	98.5	97.2
B.1.1.2 WPI - Fruits & Vegetables	96.9	98.3	100.9	105.3	107.5	107.6	107.6	105.5	94.9	95.5	89.9	89.8
B.1.1.3 WPI - Milk	99.7	99.7	100.0	100.5	100.1	100.2	100.3	100.2	99.9	99.9	99.8	99.6
B.1.1.4 WPI - Egg, Meat and Fish	98.8	100.1	100.4	100.8	100.4	100.5	99.5	99.4	100.1	100.6	100.4	99.6
B.1.1.4.1 WPI - Egg	94.9	95.1	98.3	97.5	97.5	98.8	99.9	105.1	105.7	106.7	101.7	99.1
B.1.1.4.2 WPI - Meat	99.1	99.8	101.0	100.7	100.2	99.4	99.0	99.4	99.8	100.9	100.1	100.2
B.1.1.4.3 WPI - Fish	98.8	100.6	100.3	101.3	101.0	101.4	100.1	100.2	99.2	99.4	99.8	98.9
B.1.1.5 WPI - Protein Items (viz., Pulses, Milk, Egg, Meat and Fish) Group	99.2	99.7	100.0	100.6	100.5	100.7	100.6	100.1	99.9	99.9	99.8	99.2
B.1.2 WPI - Non-Food Articles	100.6	100.6	100.3	100.3	100.5	100.4	99.0	99.2	99.5	99.9	99.4	100.4
B.1.2.1 WPI - Fibres	99.0	99.4	100.3	102.1	101.7	102.9	99.5	99.2	99.5	99.6	98.7	98.2
B.1.2.1.1 WPI - Raw Cotton	98.8	99.4	100.6	103.0	102.9	104.0	99.2	98.9	98.7	99.0	98.0	97.6
B.1.2.2 WPI - Oil Seeds	100.3	101.0	101.0	101.2	101.7	101.0	98.9	98.3	98.7	99.6	99.0	99.1
B.2 WPI - Manufactured Products	100.3	100.4	100.2	100.2	100.2	100.1	100.0	99.7	99.6	99.8	99.8	99.8
B.2.1 WPI - Food Products	99.7	99.7	99.6	100.2	100.4	100.5	100.4	100.2	100.0	100.1	99.8	99.2
B.2.1.1 WPI - Grain Mill Products	99.2	98.4	98.6	99.2	99.4	99.9	100.5	101.0	100.7	101.3	101.2	100.5
B.2.1.2 WPI - Sugar	99.2	98.6	98.0	98.9	100.1	101.2	101.4	101.5	101.3	101.0	99.7	99.3
B.2.1.3 WPI - Edible Oils	99.9	100.3	100.2	100.4	100.7	100.3	99.5	99.5	100.1	100.1	99.7	99.4
B.3 WPI - Non Food Manufactured Products	100.3	100.4	100.3	100.1	100.1	100.0	99.9	99.7	99.5	99.8	99.9	100.1
B.4 WPI - Non Food Non-Fuel	100.4	100.6	100.5	100.2	100.2	100.1	99.9	99.6	99.4	99.5	99.7	100.0
C.1 Consumer Price Index for Industrial Workers (Base: 2001=100)	99.1	99.3	99.6	100.8	100.8	100.7	101.1	101.0	100.0	99.7	99.2	98.8
C.2 Consumer Price Index for Agricultural Labourers (Base: 1986-87=100)	98.9	99.0	99.5	100.2	100.7	100.9	101.2	101.1	100.4	99.8	99.3	98.9
C.3 Consumer Price Index for Rural Labourers (Base: 1986-87=100)	98.9	99.1	99.5	100.2	100.7	100.9	101.1	101.1	100.4	99.8	99.4	98.9

Table 1: Average Monthly Seasonal Factors[1] of Selected Economic Time Series *(Concld.)*

Series/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	13
D. IIP (Base 2004-05 = 100) General Index	96.8	98.6	98.1	98.2	95.7	97.3	99.0	98.0	104.2	104.5	99.7	109.9
D.1.1 IIP - Basic Goods Industries	98.1	101.1	98.3	98.3	97.7	95.3	99.7	97.6	103.0	104.3	97.6	108.8
D.1.2 IIP - Intermediate Goods Industries	97.0	100.6	99.3	101.3	99.9	98.1	99.2	97.8	102.4	101.4	97.1	106.0
D.1.3 IIP - Consumer Goods Industries	99.5	98.3	97.3	97.2	92.3	94.9	96.0	95.5	105.8	108.7	105.3	109.2
D.1.3.1 IIP - Consumer Durable Goods Industries	99.4	100.9	98.8	100.4	96.5	101.5	105.9	97.6	92.9	100.5	100.0	105.9
D.1.3.2 IIP - Consumer Non-Durable Goods Industries	98.5	96.4	96.1	95.0	89.9	90.0	89.5	95.6	115.1	114.6	109.4	110.0
D.2.1 IIP - Mining	97.5	100.1	95.7	93.3	91.9	90.5	98.4	100.0	106.6	108.1	101.7	116.5
D.2.2 IIP - Manufacturing	96.3	97.9	97.9	98.4	95.8	98.0	98.7	97.8	104.4	104.4	100.1	110.1
D.2.2.1 IIP - Food products and beverages	97.2	89.6	89.1	81.7	72.1	70.3	76.6	97.5	134.4	136.2	127.9	127.7
D.2.2.2 IIP - Textiles	98.8	99.3	99.1	101.8	102.7	99.3	100.4	99.3	101.7	101.5	95.8	100.3
D.2.2.3 IIP - Wood and products of wood & cork except furniture; articles of straw & plating materials	90.6	101.6	98.4	101.2	99.6	96.5	95.0	98.7	108.2	100.3	104.5	105.1
D.2.2.4 IIP - Paper and paper products	96.9	101.7	98.4	102.1	101.2	100.2	100.5	98.4	99.9	99.5	95.9	105.4
D.2.2.5 IIP - Publishing, printing & reproduction of recorded media	98.5	101.3	98.9	103.1	101.4	98.2	103.0	99.4	102.5	99.7	94.5	99.6
D.2.2.6 IIP - Coke, refined petroleum products & nuclear fuel	94.9	99.1	100.1	101.2	100.6	95.9	100.7	98.2	102.4	104.1	96.7	106.3
D.2.2.7 IIP - Chemicals and chemical products	96.6	100.8	102.0	102.6	102.2	101.2	100.3	99.3	101.6	99.5	93.8	100.1
D.2.2.8 IIP - Rubber and plastics products	99.4	103.9	102.2	99.7	95.2	97.0	98.1	98.6	101.6	100.8	97.2	106.3
D.2.2.9 IIP - Other non-metallic mineral products	101.4	101.8	98.5	99.3	94.2	94.2	100.0	94.2	102.4	103.8	99.0	111.0
D.2.2.10 IIP - Basic metals	97.8	100.3	98.7	99.4	100.0	97.9	100.1	98.1	101.2	102.3	97.3	106.9
D.2.2.11 IIP - Fabricated metal products, except machinery & equipment	84.2	91.1	96.7	95.6	96.8	102.7	95.7	98.3	105.1	100.9	101.7	131.3
D.2.2.12 IIP - Motor vehicles, trailers & semi-trailers	97.3	97.1	90.3	98.6	97.9	98.9	101.2	100.7	92.2	105.2	105.6	114.4
D.2.2.13 IIP - Other transport equipment	91.1	95.3	94.5	98.3	99.0	104.4	110.2	102.4	95.8	100.2	98.2	110.7
D.2.3 IIP - Electricity	100.2	104.6	99.2	101.0	100.6	98.1	102.8	96.0	99.4	100.7	93.6	103.2
D.3 Cement Production	104.9	104.0	99.6	97.3	90.6	91.9	98.5	91.6	101.9	106.1	101.1	112.6
D.4 Steel Production	97.0	102.7	98.6	98.9	99.4	97.0	100.5	95.8	101.1	104.3	98.0	106.1
D.5 Coal Production	90.7	93.0	88.5	84.8	84.4	83.0	97.7	103.7	113.3	117.1	110.3	134.0
D.6 Crude Oil Production	98.8	100.8	98.9	101.3	101.4	98.3	102.3	99.5	102.4	101.3	92.5	102.4
D.7 Petroleum Refinery Production	96.3	100.1	99.5	101.2	101.1	95.4	100.7	98.9	102.4	104.0	96.0	104.6
D.8 Fertiliser Production	82.3	95.2	99.4	105.9	107.0	104.8	108.1	105.5	107.5	102.3	93.5	88.2
D.9 Natural Gas Production	97.9	100.8	98.4	100.7	100.5	97.8	102.1	99.5	102.6	103.2	93.6	102.9
D.10 Production of Commercial Motor Vehicles	94.1	94.5	90.0	97.0	98.4	100.4	99.6	101.2	95.1	106.3	105.2	117.2
E.1 Cargo handled at Major Ports	99.7	103.6	96.1	98.5	97.9	92.8	98.7	99.3	102.6	104.8	96.4	108.8
E.2 Railway Freight Traffic	97.5	100.8	96.5	97.9	95.4	93.4	98.5	98.3	104.0	106.6	98.1	112.9
E.3 Sales of Commercial Motor Vehicles	85.0	90.0	96.3	93.8	95.5	106.6	99.6	95.4	99.2	104.4	104.3	128.3
E.4 Passenger flown (Km) - Domestic	101.3	112.4	104.1	96.0	93.7	88.8	98.6	99.7	108.2	102.9	95.9	98.2
E.5 Passenger flown (Km) - International	97.6	100.7	100.6	106.0	104.1	93.0	93.0	94.8	105.7	109.3	94.2	101.4
F.1 Exports	97.4	100.3	100.1	100.1	98.0	101.8	98.0	93.1	101.6	99.9	95.9	113.4
F.2 Imports	100.1	105.7	99.2	103.7	99.7	103.2	105.4	98.7	97.5	97.8	90.1	99.6
F.3 Non-Oil Non-Gold Imports	96.9	104.6	102.0	102.4	99.4	101.7	105.2	102.0	102.3	99.4	88.8	95.7

[1] Seasonal factors: Deviation from 100 indicates presence of seasonality. For instance, seasonal factor of WPI- Fruits & vegetables increases during Oct(107.6) and decreases during Mar (89.8) indicating that fruits and vegetables exert price pressure in wholesale market during October and eases during March due to seasonal fluctuations.

Table 2: Range (Difference Between Peak and Trough) of Seasonal Factors

Series/Year	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Average Range
1	2	3	4	5	6	7	8	9	10	11	12
A.1.1 Broad Money (M_3)	3.3	3.2	3.0	2.7	2.4	2.1	2.0	1.9	1.8	1.7	2.4
A.1.1.1 Net Bank Credit to Government	5.2	5.4	5.3	5.0	4.5	4.0	3.6	3.1	2.8	2.6	4.1
A.1.1.2 Bank Credit to Commercial Sector	3.7	3.9	3.9	3.8	3.5	3.1	2.8	2.6	2.4	2.3	3.2
A.1.2 Narrow Money (M_1)	6.2	6.2	6.0	5.4	4.9	4.5	4.0	3.7	4.0	4.1	4.9
A.1.2.1 Currency with Public	6.8	6.7	6.5	6.3	6.0	5.7	5.6	5.6	5.5	5.4	6.0
A.1.3 Reserve Money (RM)	6.9	6.3	6.5	6.8	6.8	6.5	6.3	6.2	6.0	6.0	6.4
A.1.3.1 Currency in Circulation	6.9	6.8	6.6	6.3	5.9	5.6	5.3	5.1	5.0	5.0	5.9
A.1.3.1.1 Notes in Circulation	7.0	6.9	6.7	6.4	6.0	5.7	5.4	5.2	5.1	5.1	5.9
A.2.1 Aggregate Deposits (SCBs)	3.2	3.1	2.9	2.6	2.3	1.9	1.7	1.6	1.4	1.3	2.2
A.2.1.1 Demand Deposits (SCBs)	15.0	14.5	14.3	13.0	11.2	8.9	6.5	6.0	6.3	6.7	10.2
A.2.1.2 Time Deposits (SCBs)	2.2	2.2	2.2	2.2	2.2	1.9	1.6	1.3	1.1	1.0	1.8
A.3.1 Cash in Hand and Balances with RBI (SCBs)	12.7	11.2	9.8	7.7	5.7	4.6	3.5	4.0	4.2	4.2	6.8
A.3.2 Assets with the Banking System (SCBs)	16.2	17.7	19.1	20.3	21.3	21.2	19.7	17.5	15.7	14.5	18.3
A.3.3 Bank Credit (SCBs)	4.1	4.6	4.7	4.3	3.8	3.2	2.8	2.7	2.6	2.5	3.5
A.3.3.1 Loans, Cash, Credits and Overdrafts (SCBs)	5.0	4.8	4.5	4.4	4.3	4.2	4.1	4.0	3.8	3.6	4.3
A.3.3.2 Non-Food Credit (SCBs)	3.8	4.2	4.5	4.5	4.1	3.6	3.1	2.8	2.5	2.4	3.5
A.3.4 Investments (SCBs)	3.8	4.1	4.5	4.7	4.8	4.6	4.4	4.1	3.8	3.5	4.2
B. WPI (Base 2004-05=100) All Commodities	1.8	1.9	1.8	1.6	1.4	1.5	1.8	2.1	2.3	2.4	1.9
B.1 WPI - Primary Articles	4.3	4.2	4.0	3.7	3.6	4.0	4.4	5.0	5.4	5.6	4.4
B.1.1 WPI - Food Articles	5.7	5.9	6.1	6.2	6.2	6.2	6.5	6.6	6.5	6.4	6.2
B.1.1.1 WPI - Food Grains (Cereals+Pulses)	2.2	2.4	2.4	2.3	2.3	2.5	2.6	2.6	2.6	2.7	2.5
B.1.1.1.1 WPI - Cereals	1.8	1.8	1.8	1.7	1.7	1.7	1.8	1.8	1.7	1.7	1.8
B.1.1.1.1.1 WPI - Wheat	4.4	4.1	3.8	3.5	3.4	3.7	4.1	4.2	4.4	4.7	4.0
B.1.1.1.1.2 WPI - Rice	1.5	1.4	1.6	1.9	2.4	2.9	3.3	3.5	3.6	3.5	2.6
B.1.1.1.2 WPI - Pulses	6.0	6.0	5.7	5.4	5.2	5.1	5.4	5.8	6.2	6.2	5.7
B.1.1.2 WPI - Fruits & Vegetables	18.8	18.5	17.9	17.3	17.1	17.5	19.1	20.2	21.6	22.1	19.0
B.1.1.3 WPI - Milk	0.7	0.5	0.4	0.6	1.0	1.3	1.5	1.5	1.4	1.3	1.0
B.1.1.4 WPI - Egg, Meat and Fish	4.6	3.9	3.0	2.5	3.0	3.2	2.6	2.3	2.4	2.3	3.0
B.1.1.4.1 WPI - Egg	11.4	10.4	9.6	9.3	10.1	11.7	13.2	14.3	15.1	15.7	12.1
B.1.1.4.2 WPI - Meat	3.8	2.9	2.0	1.5	1.4	1.7	2.4	3.5	4.4	4.8	2.8
B.1.1.4.3 WPI - Fish	7.6	5.9	4.8	3.8	4.4	4.7	4.4	3.5	2.9	2.9	4.5
B.1.1.5 WPI - Protein Items (viz., Pulses, Milk, Egg, Meat and Fish) Group	1.9	1.9	2.0	2.2	2.4	2.5	2.3	1.9	1.6	1.4	2.0
B.1.2 WPI - Non-Food Articles	2.7	2.8	2.4	2.7	3.0	3.0	2.7	1.9	1.4	1.3	2.4
B.1.2.1 WPI - Fibres	5.2	5.5	5.3	4.9	4.4	4.3	4.4	4.5	4.3	4.0	4.7
B.1.2.1.1 WPI - Raw Cotton	7.9	7.7	7.4	6.7	6.1	5.8	5.8	6.0	6.1	6.2	6.6
B.1.2.2 WPI - Oil Seeds	3.1	3.0	3.2	3.4	3.7	3.9	4.0	4.1	4.4	4.5	3.7
B.2 WPI - Manufactured Products	1.3	1.3	1.2	1.1	0.9	0.7	0.5	0.5	0.5	0.6	0.9
B.2.1 WPI - Food Products	1.2	1.0	0.9	1.2	1.2	1.4	1.6	1.8	1.8	1.7	1.4
B.2.1.1 WPI - Grain Mill Products	3.8	3.4	3.2	3.0	3.0	2.8	2.6	2.4	2.2	2.2	2.9
B.2.1.2 WPI - Sugar	2.2	2.8	3.8	4.7	5.0	5.0	4.2	3.4	2.6	1.9	3.6
B.2.1.3 WPI - Edible Oils	2.1	2.1	2.0	1.9	1.7	1.4	1.1	0.9	0.7	0.6	1.4
B.3 WPI - Non Food Manufactured Products	1.1	1.1	1.2	1.1	1.0	0.9	0.7	0.6	0.5	0.5	0.9
B.4 WPI - Non Food Non-Fuel	1.4	1.6	1.8	1.8	1.6	1.2	0.8	0.6	0.8	1.0	1.3
C.1 Consumer Price Index for Industrial Workers (2001=100)	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.3
C.2 Consumer Price Index for Agricultural Labourers (Base: 1986-87=100)	2.2	2.2	2.2	2.2	2.3	2.2	2.3	2.6	2.7	2.8	2.4
C.3 Consumer Price Index for Rural Labourers (Base: 1986-87=100)	2.1	2.1	2.2	2.2	2.2	2.2	2.3	2.4	2.5	2.6	2.3

Table 2: Range (Difference Between Peak and Trough) of Seasonal Factors *(Concld.)*											
Series/Year	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**Average Range**
1	2	3	4	5	6	7	8	9	10	11	12
D. IIP (Base 2004-05 = 100) General Index	14.1	13.8	14.1	14.4	14.5	14.7	14.6	14.4	14.1	14.0	14.3
D.1.1 IIP - Basic Goods Industries	13.2	13.8	14.2	14.5	14.5	14.2	13.6	12.9	12.1	11.6	13.5
D.1.2 IIP - Intermediate Goods Industries	10.1	10.0	9.7	9.3	9.0	8.8	8.6	8.6	8.5	8.4	9.1
D.1.3 IIP - Consumer Goods Industries	15.3	14.7	14.9	15.4	16.2	17.5	18.6	19.3	19.4	19.3	17.1
D.1.3.1 IIP - Consumer Durable Goods Industries	13.0	11.9	10.1	10.4	11.7	13.9	15.4	16.5	16.8	16.9	13.7
D.1.3.1 IIP - Consumer Non-Durable Goods Industries	23.2	23.8	24.6	25.1	25.8	26.0	26.5	26.8	27.1	27.1	25.6
D.2.1 IIP - Mining	23.9	25.0	25.8	26.4	26.8	27.1	27.0	26.5	25.7	25.2	25.9
D.2.2 IIP - Manufacturing	14.7	14.3	13.8	14.1	14.5	15.0	15.1	15.1	14.9	14.8	14.6
D.2.2.1 IIP - Food products and beverages*	67.6	66.5	65.4	64.7	64.1	64.9	66.3	67.5	68.1	68.0	66.3
D.2.2.2 IIP - Textiles*	7.8	7.6	7.5	7.4	7.6	7.5	7.0	6.1	5.3	4.7	6.8
D.2.2.3 IIP - Wood and products of wood & cork except furniture; articles of straw & plating materials*	21.0	20.3	19.6	18.8	18.3	17.6	16.8	15.8	15.6	15.5	17.9
D.2.2.4 IIP - Paper and paper products*	11.1	11.0	10.6	10.1	9.6	9.3	9.0	8.7	8.4	8.4	9.6
D.2.2.5 IIP - Publishing, printing & reproduction of recorded media*	8.6	8.5	8.5	8.5	8.6	8.6	8.6	8.6	8.7	8.8	8.6
D.2.2.6 IIP - Coke, refined petroleum products & nuclear fuel*	11.0	10.7	10.9	11.0	11.0	11.1	11.5	11.8	12.2	12.8	11.4
D.2.2.7 IIP - Chemicals and chemical products*	10.0	10.4	10.4	10.2	9.4	8.6	8.5	8.7	8.9	8.6	9.4
D.2.2.8 IIP - Rubber and plastics products*	9.0	9.3	9.7	10.3	11.0	11.8	12.2	12.5	12.6	12.9	11.1
D.2.2.9 IIP - Other non-metallic mineral products*	16.4	16.7	17.2	17.7	18.0	18.2	17.9	17.5	16.9	16.5	17.3
D.2.2.10 IIP - Basic metals*	10.8	10.7	10.5	10.1	10.4	10.4	9.8	9.0	8.5	8.7	9.9
D.2.2.11 IIP - Fabricated metal products, except machinery & equipment*	42.1	44.5	47.3	50.1	51.6	51.3	49.4	47.0	44.7	43.0	47.1
D.2.2.12 IIP - Motor vehicles, trailers & semi-trailers*	26.2	26.2	26.3	26.4	26.0	24.8	23.3	21.9	20.5	19.5	24.1
D.2.2.13 IIP - Other transport equipment*	23.7	22.8	21.2	20.5	20.2	20.0	19.6	19.5	19.2	19.2	20.6
D.2.3 IIP - Electricity	9.8	10.3	10.6	11.1	10.9	10.9	11.6	12.3	12.8	13.0	11.3
D.3 Cement Production	21.2	21.4	21.9	22.4	22.7	23.2	22.8	22.3	21.6	21.1	22.1
D.4 Steel Production	11.6	10.6	10.2	10.7	10.8	10.8	10.7	10.6	11.0	11.8	10.9
D.5 Coal Production	46.3	49.0	50.6	52.3	54.2	55.3	54.5	51.9	49.2	48.3	51.1
D.6 Crude Oil Production	10.0	10.0	9.9	10.2	10.5	10.6	10.4	10.2	9.9	10.0	10.2
D.7 Petroleum Refinery Production	8.8	8.6	8.1	8.7	9.8	10.7	11.1	10.8	10.4	9.8	9.7
D.8 Fertiliser Production*	27.0	26.4	26.0	25.8	26.1	26.1	26.1	25.8	25.2	24.4	25.9
D.9 Natural Gas Production*	9.8	9.8	9.8	9.7	9.7	9.8	9.9	9.9	9.9	9.9	9.8
D.10 Production of Commercial Motor Vehicles	28.7	28.7	29.0	29.4	29.0	27.7	26.2	25.6	24.7	23.9	27.3
E.1 Cargo handled at Major Ports	18.2	17.8	17.3	16.7	16.1	15.4	14.9	14.5	14.4	14.4	16.0
E.2 Railway Freight Traffic	21.2	21.5	21.3	21.0	20.4	19.8	18.9	17.9	17.0	16.3	19.5
E.3 Sales of Commercial Motor Vehicles	50.4	47.6	45.2	43.3	41.9	41.0	40.8	41.1	41.1	40.9	43.3
E.4 Passenger flown (Km) - Domestic	21.1	22.7	23.8	25.3	25.8	25.8	24.6	23.3	22.0	21.2	23.6
E.5 Passenger flown (Km) - International	18.3	16.6	17.1	16.7	14.7	15.8	17.3	18.6	19.0	19.0	17.3
F.1 Exports	22.0	20.0	19.6	20.0	21.4	22.3	22.0	20.5	18.7	17.2	20.4
F.2 Imports	22.6	22.1	20.4	17.3	14.7	13.1	12.1	12.1	12.5	13.2	16.0
F.3 Non-Oil Non-Gold Imports	23.9	25.0	24.2	20.8	17.5	14.7	12.6	13.4	14.4	14.7	18.1

* Seasonal adjustment for these series is based on 10 years data depending on availability. Guidelines of both, Office of National Statistics (ONS), UK, and US Census Bureau, however, suggest using more than ten years data for estimating stable monthly seasonal factors.

Table 3: Change in seasonal variation in 2015-16 *vis-à-vis* previous 5-years (2010-11 to 2014-15)

Name of Variable	2015-16	Average Range*	Change
1	2	3	4
A.1.1 Broad Money (M_3)	1.7	2.0	-0.3
A.1.1.1 Net Bank Credit to Government	2.6	3.6	-1.0
A.1.1.2 Bank Credit to Commercial Sector	2.3	2.9	-0.6
A.1.2 Narrow Money (M_1)	4.1	4.2	-0.1
A.1.2.1 Currency with Public	5.4	5.7	-0.2
A.1.3 Reserve Money (RM)	6.0	6.4	-0.3
A.1.3.1 Currency in Circulation	5.0	5.4	-0.4
A.1.3.1.1 Notes in Circulation	5.1	5.5	-0.4
A.2.1 Aggregate Deposits (SCBs)	1.3	1.8	-0.5
A.2.1.1 Demand Deposits (SCBs)	6.7	7.8	-1.1
A.2.1.2 Time Deposits (SCBs)	1.0	1.6	-0.6
A.3.1 Cash in Hand and Balances with RBI (SCBs)	4.2	4.4	-0.1
A.3.2 Assets with the Banking System (SCBs)	14.5	19.1	-4.6
A.3.3 Bank Credit (SCBs)	2.5	3.0	-0.5
A.3.3.1 Loans, Cash, Credits and Overdrafts (SCBs)	3.6	4.1	-0.4
A.3.3.2 Non-Food Credit (SCBs)	2.4	3.2	-0.8
A.3.4 Investments (SCBs)	3.5	4.3	-0.8
B. WPI (BASE 2004-05=100) All Commodities	2.4	1.8	0.6
B.1 WPI - Primary Article	5.6	4.5	1.1
B.1.1 WPI - Food Articles	6.4	6.4	0.0
B.1.1.1 WPI - Food Grains (Cereals+Pulses)	2.7	2.5	0.1
B.1.1.1.1 WPI - Cereals	1.7	1.8	0.0
B.1.1.1.1.1 WPI - Wheat	4.7	4.0	0.7
B.1.1.1.1.2 WPI - Rice	3.5	3.1	0.3
B.1.1.1.2 WPI - Pulses	6.2	5.5	0.7
B.1.1.2 WPI - Fruits & Vegetables	22.1	19.1	3.0
B.1.1.3 WPI - Milk	1.3	1.4	-0.1
B.1.1.4 WPI - Egg, Meat and Fish	2.3	2.7	-0.4
B.1.1.4.1 WPI - Egg	15.7	12.9	2.8
B.1.1.4.2 WPI - Meat	4.8	2.7	2.1
B.1.1.4.3 WPI - Fish	2.9	4.0	-1.1
B.1.1.5 WPI - Protein Items (viz., Pulses, Milk, Egg, Meat and Fish)	1.4	2.1	-0.7
B.1.2 WPI - Non-Food Articles	1.3	2.4	-1.0
B.1.2.1 WPI - Fibres	4.0	4.4	-0.4
B.1.2.1.1 WPI - Raw Cotton	6.2	6.0	0.2
B.1.2.2 WPI - Oil Seeds	4.5	4.0	0.5
B.2 WPI - Manufactured Products	0.6	0.6	-0.1
B.2.1 WPI - Food Products	1.7	1.5	0.2
B.2.1.1 WPI - Grain Mill Products	2.2	2.6	-0.4
B.2.1.2 WPI - Sugar	1.9	4.0	-2.1
B.2.1.3 WPI - Edible Oils	0.6	1.1	-0.5
B.3 WPI - Non Food Manufactured Products	0.5	0.7	-0.2
B.4 WPI - Non Food Non-Fuel	1.0	1.0	0.0

Name of Variable	2015-16	Average Range*	Change
1	2	3	4
C.1 Consumer Price Index for Industrial Workers (Base: 2001=100)	2.4	2.3	0.1
C.2 Consumer Price Index for Agricultural Labourers (Base: 1986-87=100)	2.8	2.4	0.4
C.3 Consumer Price Index for Rural Labourers (Base: 1986-87=100)	2.6	2.3	0.3
D.IIP (Base: 2004-05=100) General Index	14.0	14.5	-0.5
D.1.1 IIP - Basic Goods Industries	11.6	13.5	-1.9
D.1.2 IIP - Intermediate Goods Industries	8.4	8.7	-0.3
D.1.3 IIP - Consumer Goods Industries	19.3	18.2	1.1
D.1.3.1 IIP - Consumer Durable Goods Industries	16.9	14.9	2.0
D.1.3.2 IIP - Consumer Non-Durable Goods Industries	27.1	26.4	0.7
D.2.1 IIP - Mining	25.2	26.6	-1.5
D.2.2 IIP - Manufacturing	14.8	14.9	-0.1
D.2.2.1 IIP - Food products and beverages	68.0	66.2	1.8
D.2.2.2 IIP - Textiles	4.7	6.7	-2.0
D.2.2.3 IIP - Wood and products of wood & cork except furniture; articles of straw & plating materials	15.5	16.8	-1.3
D.2.2.4 IIP - Paper and paper products	8.4	9.0	-0.5
D.2.2.5 IIP - Publishing, printing & reproduction of recorded media	8.8	8.6	0.2
D.2.2.6 IIP - Coke, refined petroleum products & nuclear fuel	12.8	11.5	1.2
D.2.2.7 IIP - Chemicals and chemical products	8.6	8.8	-0.2
D.2.2.8 IIP - Rubber and plastics products	12.9	12.0	0.9
D.2.2.9 IIP - Other non-metallic mineral products	16.5	17.7	-1.2
D.2.2.10 IIP - Basic metals	8.7	9.6	-0.9
D.2.2.11 IIP - Fabricated metal products, except machinery & equipment	43.0	48.8	-5.8
D.2.2.12 IIP - Motor vehicles, trailers & semi-trailers	19.5	23.3	-3.8
D.2.2.13 IIP - Other transport equipment	19.2	19.7	-0.5
D.2.3 IIP - Electricity	13.0	11.7	1.3
D.3 Cement Production	21.1	22.5	-1.4
D.4 Steel Production	11.8	10.8	1.0
D.5 Coal Production	48.3	53.0	-4.7
D.6 Crude Oil Production	10.0	10.3	-0.3
D.7 Petroleum Refinery Production	9.8	10.6	-0.7
D.8 Fertiliser Production	24.4	25.9	-1.4
D.9 Natural Gas Production	9.9	9.8	0.1
D.10 Production of Commercial Motor Vehicles	23.9	26.6	-2.8
E.1 Cargo handled at Major Ports	14.4	15.1	-0.7
E.2 Railway Freight Traffic	16.3	18.8	-2.5
E.3 Sales of Commercial Motor Vehicles	40.9	41.1	-0.3
E.4 Passenger flown (Km) - Domestic	21.2	24.3	-3.1
E.5 Passenger flown (Km) - International	19.0	17.1	1.9
F.1 Exports	17.2	21.0	-3.8
F.2 Imports	13.2	12.9	0.3
F.3 Non-oil Non-Gold Imports	14.7	14.5	0.2

*Average Range of Monthly Seasonal Factors for the last 5-years (2010-11 to 2014-15).

Table 4: List of Top-Twenty and Bottom-Twenty Series based on Average Range of Monthly Seasonal Factors during Last Five Years (2011-12 to 2015-16) and corresponding Peak and Trough Months

Name of Top-Twenty Series	Average Range	Peak Month	Trough Month	Name of Bottom-Twenty Series	Average Range	Peak Month	Trough Month
1	2	3	4	5	6	7	8
D.2.2.1 IIP - Food products and beverages	67.0	Jan	Sep	A.1.1.2 Bank Credit to Commercial Sector	2.6	Mar	Sep
D.5 Coal Production	51.8	Mar	Sep	B.1.1.1 WPI - Food Grains (Cereals+Pulses)	2.6	Oct	May
D.2.2.11 IIP - Fabricated metal products, except machinery & equipment	47.1	Mar	Apr	B.1.1.4 WPI - Egg, Meat and Fish	2.6	Feb	Apr
E.3 Sales of Commercial Motor Vehicles	40.9	Mar	Apr	C.2 Consumer Price Index for Agricultural Labourers (Base: 1986-87=100)	2.5	Oct	Mar
D.1.3.2 IIP - Consumer Non-Durable Goods Industries	26.7	Dec	Oct	B.2.1.1 WPI - Grain Mill Products	2.5	Jan	May
D.2.1 IIP - Mining	26.3	Mar	Sep	C.3 Consumer Price Index for Rural Labourers (Base: 1986-87=100)	2.4	Oct	Mar
D.10 Production of Commercial Motor Vehicles	25.6	Mar	Jun	C.1 Consumer Price Index for Industrial Workers (Base: 2001=100)	2.4	Oct	Mar
D.8 Fertiliser Production	25.5	Oct	Apr	B.1.2 WPI - Non-Food Articles	2.1	Apr	Oct
E.4 Passenger flown (Km) - Domestic	23.4	May	Sep	B. WPI (Base: 2004-05=100) All Commodities	2.0	Sep	Feb
D.3 Cement Production	22.2	Mar	Nov	B.1.1.5 WPI - Protein Items (viz., Pulses, Milk, Egg, Meat and Fish) Group	1.9	Sep	Apr
D.2.2.12 IIP - Motor vehicles, trailers & semi-trailers	22.0	Mar	Jun	A.1.1 Broad Money (M3)	1.9	Apr	Sep
F.1 Exports	20.1	Mar	Nov	B.1.1.1.1 WPI - Cereals	1.8	Oct	May
B.1.1.2 WPI - Fruits & Vegetables	20.1	Sep	Mar	B.2.1 WPI - Food Products	1.6	Oct	Mar
D.2.2.13 IIP - Other transport equipment	19.5	Mar	Apr	A.2.1 Aggregate Deposits (SCBs)	1.6	Apr	Sep
D.1.3 IIP - Consumer Goods Industries	18.8	Mar	Aug	B.1.1.3 WPI - Milk	1.4	Jul	Apr
E.2 Railway Freight Traffic	18.0	Mar	Sep	A.2.1.2 Time Deposits (SCBs)	1.4	Apr	Sep
E.5 Passenger flown (Km) - International	17.9	Jan	Sep	B.2.1.3 WPI - Edible Oils	0.9	Aug	Oct
A.3.2 Assets with the Banking System (SCBs)	17.7	Mar	Nov	B.4 WPI - Non Food Non-Fuel	0.9	May	Dec
D.2.2.9 IIP - Other non-metallic mineral products	17.4	Mar	Nov	B.3 WPI - Non Food Manufactured Products	0.7	Apr	Dec
D.2.2.3 IIP - Wood and products of wood & cork except furniture; articles of straw & plating materials	16.2	Dec	Apr	B.2 WPI - Manufactured Products	0.6	May	Dec

CURRENT STATISTICS

Select Economic Indicators

Reserve Bank of India

Money and Banking

Prices and Production

Government Accounts and Treasury Bills

Financial Markets

External Sector

Payment and Settlement Systems

Occasional Series

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

No. 1: Select Economic Indicators

Item	2015-16	2014-15 Q4	2015-16 Q1	2015-16 Q4	2016-17 Q1
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	7.2	6.2	7.2	7.4	7.3
1.1.1 Agriculture	1.2	-1.7	2.6	2.3	1.8
1.1.2 Industry	8.8	6.9	7.1	9.2	7.7
1.1.3 Services	8.2	8.3	8.3	8.1	8.4
1.1a Final Consumption Expenditure	6.6	5.2	5.7	7.6	8.7
1.1b Gross Fixed Capital Formation	3.9	5.4	7.1	-1.9	-3.1

Item	2015-16	2015 Jun.	2015 Jul.	2016 Jun.	2016 Jul.
	1	2	3	4	5
1.2 Index of Industrial Production	0.1	4.2	4.3	2.1	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	9.3	10.7	12.5	9.1	8.9
2.1.2 Credit	10.9	8.8	10.0	9.0	8.9
2.1.2.1 Non-food Credit	10.9	9.0	10.3	9.3	9.1
2.1.3 Investment in Govt. Securities	5.4	13.9	15.5	5.6	5.2
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	13.1	10.2	10.8	14.3	13.8
2.2.2 Broad Money (M3)	10.5	10.6	11.1	10.6	10.4
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	21.50	21.50	21.50	21.25	21.00
3.3 Cash-Deposit Ratio	4.8	4.8	4.7	4.8	4.8
3.4 Credit-Deposit Ratio	77.7	75.8	74.8	75.7	74.8
3.5 Incremental Credit-Deposit Ratio	89.8	44.3	37.7	-10.0	8.5
3.6 Investment-Deposit Ratio	28.1	29.7	29.8	28.8	28.8
3.7 Incremental Investment-Deposit Ratio	16.9	51.0	42.7	55.8	43.6
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.75	7.25	7.25	6.50	6.50
4.2 Reverse Repo Rate	5.75	6.25	6.25	6.00	6.00
4.3 Marginal Standing Facility (MSF) Rate	7.75	8.25	8.25	7.00	7.00
4.4 Bank Rate	7.75	8.25	8.25	7.00	7.00
4.5 Base Rate	9.30/9.70	9.70/10.00	9.70/10.00	9.30/9.70	9.30/9.70
4.6 MCLR	-	-	-	8.90/9.15	-
4.7 Term Deposit Rate >1 Year	7.00/7.50	8.0/8.5	8.0/8.3	7.0/7.6	7.0/7.5
4.8 Savings Deposit Rate	4.00	4.00	4.00	4.00	4.00
4.9 Call Money Rate (Weighted Average)	7.35	7.08	7.03	6.33	6.39
4.10 91-Day Treasury Bill (Primary) Yield	7.27	7.69	7.48	6.73	6.56
4.11 182-Day Treasury Bill (Primary) Yield	7.17	7.75	7.53	6.82	6.69
4.12 364-Day Treasury Bill (Primary) Yield	7.11	7.72	7.62	6.90	6.74
4.13 10-Year Government Securities Yield	7.42	7.87	7.84	7.51	7.27
5 RBI Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (₹ Per Foreign Currency)	66.33	63.60	63.89	68.01	67.03
5.2 INR-Euro Spot Rate (₹ Per Foreign Currency)	75.10	71.23	70.12	75.10	74.27
5.3 Forward Premia of US$ 1-month (%)	6.78	7.36	7.32	6.35	6.35
3-month (%)	6.63	7.30	7.20	6.32	6.24
6-month (%)	6.57	7.23	7.20	6.12	6.03
6 Inflation (%)					
6.1 All India Consumer Price Index	4.9	5.4	3.7	5.8	6.0
6.2 Consumer Price Index for Industrial Workers	5.6	6.1	4.4	6.1	6.5
6.3 Wholesale Price Index	-2.5	-2.1	-4.1	1.6	3.6
6.3.1 Primary Articles	0.2	-0.5	-4.0	5.5	9.4
6.3.2 Fuel and Power	-11.6	-8.9	-11.6	-3.6	-1.0
6.3.3 Manufactured Products	-1.1	-0.8	-1.5	1.2	1.8
7 Foreign Trade (% Change)					
7.1 Imports	-15.3	-13.7	-9.2	-8.8	-19.0
7.2 Exports	-15.9	-14.0	-9.8	1.2	-6.8

Reserve Bank of India

No. 2: RBI - Liabilities and Assets

(₹ Billion)

Item	As on the Last Friday/ Friday						
	2015-16	2015	2016				
		Aug.	Jul. 29	Aug. 5	Aug. 12	Aug. 19	Aug. 26
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	16,512.44	14,580.67	17,011.16	17,106.29	17,231.10	17,219.49	17,095.22
1.1.2 Notes held in Banking Department	0.16	0.14	0.12	0.12	0.15	0.13	0.13
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**16,512.60**	**14,580.81**	**17,011.29**	**17,106.41**	**17,231.25**	**17,219.62**	**17,095.35**
1.2 Assets							
1.2.1 Gold Coin and Bullion	694.86	612.09	729.07	758.21	758.21	758.21	758.21
1.2.2 Foreign Securities	15,804.14	13,956.44	16,269.93	16,336.36	16,459.77	16,448.47	16,324.78
1.2.3 Rupee Coin	3.14	1.82	1.82	1.37	2.80	2.48	1.89
1.2.4 Government of India Rupee Securities	10.46	10.46	10.46	10.46	10.46	10.46	10.46
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	6,481.57	5,076.70	5,017.50	5,318.55	5,412.76	5,423.52	5,498.21
2.1.1.1 Central Government	1.01	1.01	1.01	1.00	1.00	1.00	1.01
2.1.1.2 Market Stabilisation Scheme	–	–	–	–	–	–	–
2.1.1.3 State Governments	1.99	0.42	0.42	0.42	0.42	0.42	0.42
2.1.1.4 Scheduled Commercial Banks	3,906.19	3,677.13	4,025.35	4,005.84	3,908.89	3,887.96	3,968.89
2.1.1.5 Scheduled State Co-operative Banks	37.97	32.74	35.61	34.45	34.23	34.44	34.50
2.1.1.6 Non-Scheduled State Co-operative Banks	14.07	12.34	15.30	15.73	15.21	15.44	15.04
2.1.1.7 Other Banks	211.08	192.10	214.76	217.17	216.70	216.99	216.12
2.1.1.8 Others	2,309.26	1,160.97	725.05	1,043.92	1,236.30	1,267.26	1,262.23
2.1.2 Other Liabilities	9,627.82	9,117.65	9,909.35	9,956.16	9,302.48	9,432.69	9,427.08
2.1/2.2 Total Liabilities or Assets	**16,109.39**	**14,194.36**	**14,926.83**	**15,274.71**	**14,715.23**	**14,856.21**	**14,925.29**
2.2 Assets							
2.2.1 Notes and Coins	0.16	0.15	0.12	0.12	0.15	0.13	0.13
2.2.2 Balances held Abroad	6,553.25	7,908.77	6,743.09	6,555.64	6,440.99	6,574.38	6,703.92
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	–	420.30	–	–	–
2.2.3.2 State Governments	11.92	22.73	12.30	11.76	30.01	27.18	15.14
2.2.3.3 Scheduled Commercial Banks	2,465.69	141.98	261.16	248.74	90.00	102.14	50.89
2.2.3.4 Scheduled State Co-op.Banks	–	0.35	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	–	–	–	–	–	–	–
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	145.93	47.73	52.60	45.67	50.85	47.92	47.80
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	6,122.94	5,298.06	7,043.01	7,149.76	7,257.15	7,257.80	7,258.50
2.2.6 Other Assets	809.50	774.59	814.57	842.73	846.09	846.65	848.91
2.2.6.1 Gold	631.16	556.01	662.23	688.70	688.70	688.70	688.70

No. 3: Liquidity Operations by RBI

(₹ Billion)

Date	Liquidity Adjustment Facility				MSF	Standing Liquidity Facilities	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+6+8-2-4-7)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo			Sale	Purchase	
	1	2	3	4	5	6	7	8	9
Jul. 1, 2016	26.85	221.13	82.24	151.40	47.00	1.25	–	–	–215.19
Jul. 2, 2016	–	606.28	–	–	–	–	–	–	–606.28
Jul. 4, 2016	23.74	185.36	–	684.40	0.55	–	–	–	–845.47
Jul. 5, 2016	23.73	32.08	50.00	411.01	3.15	–	–	–	–366.21
Jul. 6, 2016	–	70.62	–	–	15.95	–	–	–	–54.67
Jul. 7, 2016	16.00	25.99	–	368.12	8.00	–3.10	–	–	–373.21
Jul. 8, 2016	199.94	127.24	195.02	–	5.00	–	–	–	272.72
Jul. 11, 2016	35.29	52.53	–	137.05	2.30	–	–	–	–151.99
Jul. 12, 2016	26.35	27.01	138.25	64.08	2.50	–	–	–	76.01
Jul. 13, 2016	24.85	23.33	–	100.08	0.35	–	–	–	–98.21
Jul. 14, 2016	32.17	27.31	–	174.50	–	–	–	–	–169.64
Jul. 15, 2016	29.60	16.96	41.75	89.93	0.30	–	–	–	–35.24
Jul. 16, 2016	–	51.74	–	–	–	–	–	–	–51.74
Jul. 18, 2016	27.87	25.17	–	274.33	6.00	–	–	–	–265.63
Jul. 19, 2016	91.25	22.07	20.25	10.78	0.40	–	–	–	79.05
Jul. 20, 2016	63.45	42.49	–	32.69	–	–	–	–	–11.73
Jul. 21, 2016	61.54	74.78	–	–	–	–	–	–	–13.24
Jul. 22, 2016	88.74	110.50	41.60	80.30	2.83	–	–	–	–57.63
Jul. 23, 2016	–	–	–	–	–	–	–	–	–
Jul. 25, 2016	106.07	44.29	–	97.67	0.10	–	–	–	–35.79
Jul. 26, 2016	68.74	32.49	128.25	49.53	0.44	–	–	–	115.41
Jul. 27, 2016	53.80	20.67	–	32.65	0.50	–5.13	–	–	–4.15
Jul. 28, 2016	96.80	79.90	–	16.90	–	5.15	–	–	5.15
Jul. 29, 2016	34.95	30.04	52.50	319.78	17.07	–	–	–	–245.30
Jul. 30, 2016	–	65.65	–	–	–	–	–	–	–65.65

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

i) Operations in OTC segment

Item	2015-16	2015	2016	
		Jul.	Jun.	Jul.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	10,209.00	169.00	1,918.00	1,400.00
1.1 Purchase (+)	63,299.00	4,123.00	3,948.00	4,465.00
1.2 Sale (–)	53,090.00	3,954.00	2,030.00	3,065.00
2 ₹ equivalent at contract rate (₹ Billion)	630.89	13.86	129.76	95.17
3 Cumulative (over end-March) (US $ Million)	10,209.00	8,743.00	3,811.00	5,211.00
(₹ Billion)	630.89	562.79	255.32	350.49
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	–4,253.00	4,599.00	–7,431.00	–5,066.00

ii) Operations in currency futures segment

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

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

Item	As on July 31, 2016		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	500	0	500
2. More than 1 month and upto 3 months	5,850	10,598	-4,748
3. More than 3 months and upto 1 year	17,509	16,110	1,399
4. More than 1 year	0	2,217	-2,217
Total (1+2+3+4)	**23,859**	**28,925**	**-5,066**

No. 5: RBI's Standing Facilities

(₹ Billion)

Item		As on the Last Reporting Friday						
	2015-16	2015	2016					
		Aug. 21	Mar. 18	Apr. 29	May 27	Jun. 24	Jul. 22	Aug. 19
	1	2	3	4	5	6	7	8
1 MSF	0.1	12.5	0.1	12.5	–	0.7	2.8	0.6
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	–	–	–	–	–	–	–	–
2.2 Outstanding	–	–	–	–	–	–	–	–
3 Liquidity Facility for PDs								
3.1 Limit	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
3.2 Outstanding	27.7	16.5	27.7	27.6	23.4	22.1	19.0	19.1
4 Others								
4.1 Limit	–	–	–	–	–	–	–	–
4.2 Outstanding	–	–	–	–	–	–	–	–
5 Total Outstanding (1+2.2+3.2+4.2)	27.8	29.0	27.8	40.1	23.4	22.8	21.9	19.7

Money and Banking

No. 6: Money Stock Measures

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jul. 24	Jun. 24	Jul. 8	Jul. 22
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	15,972.5	14,247.1	16,558.3	16,784.7	16,611.4
1.1 Notes in Circulation	16,415.6	14,675.9	17,105.0	17,309.4	17,135.7
1.2 Circulation of Rupee Coin	211.6	195.0	218.6	218.6	218.6
1.3 Circulation of Small Coins	7.4	7.4	7.4	7.4	7.4
1.4 Cash on Hand with Banks	662.1	631.3	772.8	750.7	750.3
2 Deposit Money of the Public	10,052.8	9,073.3	10,137.5	9,859.2	9,963.7
2.1 Demand Deposits with Banks	9,898.3	8,872.6	10,004.9	9,724.5	9,827.8
2.2 'Other' Deposits with Reserve Bank	154.5	200.7	132.5	134.6	135.9
3 M_1 (1 + 2)	**26,025.4**	**23,320.4**	**26,695.7**	**26,643.9**	**26,575.1**
4 Post Office Saving Bank Deposits	607.8	508.5	607.8	607.8	607.8
5 M_2 (3 + 4)	**26,633.1**	**23,828.8**	**27,303.5**	**27,251.6**	**27,182.9**
6 Time Deposits with Banks	90,150.8	85,753.3	92,875.9	93,941.4	93,859.8
7 M_3 (3 + 6)	**116,176.2**	**109,073.7**	**119,571.6**	**120,585.3**	**120,434.9**
8 Total Post Office Deposits	2,076.2	1,826.8	2,076.2	2,076.2	2,076.2
9 M_4 (7 + 8)	**118,252.3**	**110,900.5**	**121,647.8**	**122,661.4**	**122,511.1**

No. 7: Sources of Money Stock (M_3)

(₹ Billion)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jul. 24	Jun. 24	Jul. 8	Jul. 22
	1	2	3	4	5
1 Net Bank Credit to Government	**32,384.8**	**32,845.3**	**36,092.2**	**36,902.1**	**36,931.2**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	4,250.0	4,853.8	6,604.6	7,061.8	6,996.2
1.1.1 Claims on Government	6,167.0	5,105.4	7,020.5	7,063.2	7,044.8
1.1.1.1 Central Government	6,162.2	5,076.0	7,009.9	7,038.1	7,031.8
1.1.1.2 State Governments	4.8	29.4	10.6	25.1	13.0
1.1.2 Government deposits with RBI	1,917.0	251.7	415.9	1.4	48.6
1.1.2.1 Central Government	1,916.6	251.2	415.5	1.0	48.2
1.1.2.2 State Governments	0.4	0.4	0.4	0.4	0.4
1.2 Other Banks' Credit to Government	28,134.9	27,991.5	29,487.6	29,840.3	29,935.0
2 Bank Credit to Commercial Sector	**78,030.7**	**71,519.5**	**77,927.2**	**78,276.3**	**78,081.3**
2.1 RBI's credit to commercial sector	200.8	46.2	75.3	63.3	75.9
2.2 Other banks' credit to commercial sector	77,829.9	71,473.3	77,851.9	78,213.0	78,005.5
2.2.1 Bank credit by commercial banks	72,496.1	66,279.8	72,559.5	72,923.0	72,676.7
2.2.2 Bank credit by co-operative banks	5,285.3	5,133.2	5,237.5	5,245.4	5,274.6
2.2.3 Investments by commercial and co-operative banks in other securities	48.4	60.4	55.0	44.7	54.2
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**25,337.2**	**23,537.3**	**25,889.2**	**25,800.6**	**25,749.5**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	23,834.8	22,469.1	24,386.7	24,298.1	24,247.0
3.1.1 Gross foreign assets	23,836.8	22,469.4	24,388.8	24,300.2	24,249.1
3.1.2 Foreign liabilities	2.0	0.3	2.1	2.1	2.1
3.2 Other banks' net foreign exchange assets	1,502.5	1,068.1	1,502.5	1,502.5	1,502.5
4 Government's Currency Liabilities to the Public	**219.1**	**202.4**	**226.0**	**226.0**	**226.0**
5 Banking Sector's Net Non-monetary Liabilities	**19,795.6**	**19,030.7**	**20,562.9**	**20,619.8**	**20,553.2**
5.1 Net non-monetary liabilities of RBI	9,541.7	8,600.6	10,005.0	9,778.2	9,718.2
5.2 Net non-monetary liabilities of other banks (residual)	10,253.9	10,430.1	10,557.9	10,841.6	10,835.0
M_3 (1+2+3+4–5)	**116,176.2**	**109,073.7**	**119,571.6**	**120,585.3**	**120,434.9**

No. 8: Monetary Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jul. 24	Jun. 24	Jul. 8	Jul. 22
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	26,025.4	23,320.4	26,695.7	26,643.9	26,575.1
NM_2 (NM_1+ 1.2.2.1)	65,238.9	60,636.1	67,099.0	67,542.9	67,446.7
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	116,156.4	108,635.3	119,446.7	120,503.4	120,317.1
1 Components					
1.1 Currency with the Public	15,972.5	14,247.1	16,558.3	16,784.7	16,611.4
1.2 Aggregate Deposits of Residents	97,039.6	91,796.5	99,790.0	100,611.3	100,653.4
1.2.1 Demand Deposits	9,898.3	8,872.6	10,004.9	9,724.5	9,827.8
1.2.2 Time Deposits of Residents	87,141.2	82,923.9	89,785.0	90,886.7	90,825.6
1.2.2.1 Short-term Time Deposits	39,213.5	37,315.8	40,403.3	40,899.0	40,871.5
1.2.2.1.1 Certificates of Deposit (CDs)	2,068.2	2,233.8	3,211.6	1,731.2	1,755.5
1.2.2.2 Long-term Time Deposits	47,927.7	45,608.2	49,381.8	49,987.7	49,954.1
1.3 'Other' Deposits with RBI	154.5	200.7	132.5	134.6	135.9
1.4 Call/Term Funding from Financial Institutions	2,989.8	2,391.0	2,966.0	2,972.8	2,916.3
2 Sources					
2.1 Domestic Credit	115,922.7	109,248.2	120,008.8	121,233.7	121,094.1
2.1.1 Net Bank Credit to the Government	32,384.8	32,845.3	36,092.2	36,902.1	36,931.2
2.1.1.1 Net RBI credit to the Government	4,250.0	4,853.8	6,604.6	7,061.8	6,996.2
2.1.1.2 Credit to the Government by the Banking System	28,134.9	27,991.5	29,487.6	29,840.3	29,935.0
2.1.2 Bank Credit to the Commercial Sector	83,537.9	76,403.0	83,916.7	84,331.6	84,162.9
2.1.2.1 RBI Credit to the Commercial Sector	200.8	46.2	75.3	63.3	75.9
2.1.2.2 Credit to the Commercial Sector by the Banking System	83,337.0	76,356.8	83,841.4	84,268.3	84,087.1
2.1.2.2.1 Other Investments (Non-SLR Securities)	5,412.0	4,823.2	5,909.5	5,968.6	5,990.9
2.2 Government's Currency Liabilities to the Public	219.1	202.4	226.0	226.0	226.0
2.3 Net Foreign Exchange Assets of the Banking Sector	21,586.9	19,866.3	22,324.9	22,245.6	22,267.8
2.3.1 Net Foreign Exchange Assets of the RBI	23,834.8	22,469.1	24,386.7	24,298.1	24,247.0
2.3.2 Net Foreign Currency Assets of the Banking System	–2,247.8	–2,602.8	–2,061.8	–2,052.6	–1,979.2
2.4 Capital Account	18,310.9	17,109.1	19,262.9	18,959.5	18,825.5
2.5 Other items (net)	3,261.5	3,572.6	3,850.1	4,242.5	4,445.4

No. 9: Liquidity Aggregates

(₹ Billion)

Aggregates	2015-16	2015	2016		
		Jul.	May	Jun.	Jul.
	1	2	3	4	5
1 NM_3	**116,156.4**	**108,635.3**	**118,658.1**	**119,446.7**	**120,317.1**
2 Postal Deposits	2,076.2	1,826.8	2,076.2	2,076.2	2,076.2
3 L_1 (1 + 2)	**118,232.5**	**110,462.1**	**120,734.2**	**121,522.9**	**122,393.3**
4 Liabilities of Financial Institutions	29.3	29.3	29.3	29.3	29.3
4.1 Term Money Borrowings	26.6	26.6	26.6	26.6	26.6
4.2 Certificates of Deposit	0.3	0.3	0.3	0.3	0.3
4.3 Term Deposits	2.5	2.5	2.5	2.5	2.5
5 L_2 (3 + 4)	**118,261.8**	**110,491.4**	**120,763.5**	**121,552.2**	**122,422.6**
6 Public Deposits with Non-Banking Financial Companies	372.1	..	..	372.1	..
7 L_3 (5 + 6)	**118,633.9**	..	..	**121,924.3**	..

No. 10: Reserve Bank of India Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Jul. 24	Jun. 24	Jul. 8	Jul. 22
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	16,634.6	14,878.3	17,331.1	17,535.4	17,361.8
1.2 Bankers' Deposits with the RBI	5,018.3	3,928.5	4,200.3	4,147.5	4,130.7
1.2.1 Scheduled Commercial Banks	4,738.7	3,692.7	3,940.2	3,884.5	3,867.4
1.3 'Other' Deposits with the RBI	154.5	200.7	132.5	134.6	135.9
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	21,807.4	19,007.5	21,663.9	21,817.5	21,628.4
2 Sources					
2.1 RBI's Domestic Credit	7,295.3	4,936.6	7,056.2	7,071.6	6,873.5
2.1.1 Net RBI credit to the Government	4,250.0	4,853.8	6,604.6	7,061.8	6,996.2
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 – 2.1.1.1.5)	4,245.6	4,824.8	6,594.4	7,037.1	6,983.7
2.1.1.1.1 Loans and Advances to the Central Government	–	–	–	8.7	–
2.1.1.1.2 Investments in Treasury Bills	–	–	–	–	–
2.1.1.1.3 Investments in dated Government Securities	6,159.5	5,073.6	7,007.7	7,028.2	7,029.6
2.1.1.1.3.1 Central Government Securities	6,149.0	5,063.2	6,997.3	7,017.7	7,019.1
2.1.1.1.4 Rupee Coins	2.8	2.4	2.2	1.3	2.3
2.1.1.1.5 Deposits of the Central Government	1,916.6	251.2	415.5	1.0	48.2
2.1.1.2 Net RBI credit to State Governments	4.3	29.0	10.2	24.7	12.6
2.1.2 RBI's Claims on Banks	2,844.5	36.6	376.4	-53.5	-198.6
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	2,844.5	36.2	376.4	-53.5	-198.6
2.1.3 RBI's Credit to Commercial Sector	200.8	46.2	75.3	63.3	75.9
2.1.3.1 Loans and Advances to Primary Dealers	27.0	16.0	22.1	19.0	19.0
2.1.3.2 Loans and Advances to NABARD	–	–	–	–	–
2.2 Government's Currency Liabilities to the Public	219.1	202.4	226.0	226.0	226.0
2.3 Net Foreign Exchange Assets of the RBI	23,834.8	22,469.1	24,386.7	24,298.1	24,247.0
2.3.1 Gold	1,334.3	1,216.1	1,366.2	1,391.3	1,391.3
2.3.2 Foreign Currency Assets	22,500.6	21,253.2	23,020.7	22,907.0	22,855.9
2.4 Capital Account	8,728.0	7,929.3	9,033.9	8,709.4	8,599.7
2.5 Other Items (net)	813.7	671.4	971.1	1,068.9	1,118.5

No. 11: Reserve Money - Components and Sources

(₹ Billion)

Item	Outstanding as on March 31/ last Fridays of the month/ Fridays						
	2015-16	2015	2016				
		Jul. 31	Jun. 24	Jul. 8	Jul. 15	Jul. 22	Jul. 29
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	21,807.4	18,810.1	21,663.9	21,817.5	21,896.5	21,628.4	21,673.1
1 Components							
1.1 Currency in Circulation	16,634.6	14,752.6	17,331.1	17,535.4	17,514.4	17,361.8	17,237.2
1.2 Bankers' Deposits with RBI	5,018.3	3,894.4	4,200.3	4,147.5	4,244.9	4,130.7	4,291.0
1.3 'Other' Deposits with RBI	154.5	163.2	132.5	134.6	137.3	135.9	144.9
2 Sources							
2.1 Net Reserve Bank Credit to Government	4,250.0	5,009.2	6,604.6	7,061.8	7,129.3	6,996.2	7,031.7
2.2 Reserve Bank Credit to Banks	2,844.5	-282.0	376.4	-53.5	-63.8	-198.6	-259.5
2.3 Reserve Bank Credit to Commercial Sector	200.8	53.6	75.3	63.3	71.7	75.9	75.6
2.4 Net Foreign Exchange Assets of RBI	23,834.8	22,496.6	24,386.7	24,298.1	24,268.4	24,247.0	24,402.3
2.5 Government's Currency Liabilities to the Public	219.1	202.4	226.0	226.0	226.0	226.0	226.0
2.6 Net Non- Monetary Liabilities of RBI	9,541.7	8,669.7	10,005.0	9,778.2	9,735.3	9,718.2	9,803.1

No. 12: Commercial Bank Survey

(₹ Billion)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2015-16	2015	2016		
		Jul. 24	Jun. 24	Jul. 8	Jul. 22
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	90,263.3	85,482.7	92,864.5	93,659.7	93,706.4
1.1.1 Demand Deposits	8,890.0	7,886.3	8,939.5	8,661.6	8,765.2
1.1.2 Time Deposits of Residents	81,373.4	77,596.4	83,925.0	84,998.1	84,941.2
1.1.2.1 Short-term Time Deposits	36,618.0	34,918.4	37,766.2	38,249.2	38,223.5
1.1.2.1.1 Certificates of Deposits (CDs)	2,068.2	2,233.8	3,211.6	1,731.2	1,755.5
1.1.2.2 Long-term Time Deposits	44,755.4	42,678.0	46,158.7	46,749.0	46,717.7
1.2 Call/Term Funding from Financial Institutions	2,989.8	2,391.0	2,966.0	2,972.8	2,916.3
2 Sources					
2.1 Domestic Credit	104,171.4	97,446.9	106,056.3	106,851.9	106,742.0
2.1.1 Credit to the Government	26,239.3	26,348.9	27,577.8	27,943.8	28,044.9
2.1.2 Credit to the Commercial Sector	77,932.1	71,097.9	78,478.5	78,908.1	78,697.1
2.1.2.1 Bank Credit	72,496.1	66,279.8	72,559.5	72,923.0	72,676.7
2.1.2.1.1 Non-food Credit	71,443.6	65,194.1	71,555.7	71,889.1	71,622.1
2.1.2.2 Net Credit to Primary Dealers	97.8	62.9	82.6	89.4	93.3
2.1.2.3 Investments in Other Approved Securities	15.8	21.7	16.6	16.8	25.8
2.1.2.4 Other Investments (in non-SLR Securities)	5,322.4	4,733.6	5,819.9	5,878.9	5,901.3
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	–2,247.8	–2,602.8	–2,061.8	–2,052.6	–1,979.2
2.2.1 Foreign Currency Assets	1,847.4	1,208.7	2,034.5	2,021.0	2,041.9
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	3,009.6	2,829.4	3,090.9	3,054.7	3,034.2
2.2.3 Overseas Foreign Currency Borrowings	1,085.6	982.1	1,005.4	1,018.9	986.9
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	2,290.1	4,212.1	4,244.7	4,597.0	4,725.6
2.3.1 Balances with the RBI	3,874.4	3,692.7	3,940.2	3,884.5	3,867.4
2.3.2 Cash in Hand	574.4	555.6	680.8	659.0	659.6
2.3.3 Loans and Advances from the RBI	2,158.7	36.2	376.4	–53.5	–198.6
2.4 Capital Account	9,341.1	8,938.1	9,987.3	10,008.4	9,984.1
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	1,619.5	2,244.2	2,421.4	2,755.5	2,881.6
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	3,954.8	3,343.4	3,816.7	3,654.7	3,609.2
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	–256.0	–456.6	–379.8	–448.4	–287.7

No. 13: Scheduled Commercial Banks' Investments

(₹ Billion)

Item	As on March 18, 2016	2015	2016		
		Jul. 24	Jun. 24	Jul. 08	Jul. 22
	1	2	3	4	5
1 SLR Securities	26,255.1	26,370.6	27,462.6	27,960.7	28,070.8
2 Commercial Paper	817.9	594.9	887.5	841.4	910.7
3 Shares issued by					
3.1 PSUs	77.1	77.8	77.8	78.2	76.8
3.2 Private Corporate Sector	435.5	386.5	454.4	477.6	477.2
3.3 Others	55.9	31.6	42.9	43.2	43.5
4 Bonds/Debentures issued by					
4.1 PSUs	930.7	754.1	1,168.8	1,135.5	1,135.9
4.2 Private Corporate Sector	1,324.4	1,097.6	1,270.0	1,334.5	1,293.1
4.3 Others	511.2	536.4	681.9	664.9	649.2
5 Instruments issued by					
5.1 Mutual funds	641.7	706.1	715.3	706.3	726.3
5.2 Financial institutions	629.0	644.6	625.7	597.4	588.6

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

(₹ Billion)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2015-16	2015	2016		2015-16	2015	2016	
		Jul.	Jun.	Jul.		Jul.	Jun.	Jul.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	214	212	218	218	147	145	147	147
1 Liabilities to the Banking System	**2,312.4**	**1,727.9**	**2,243.2**	**2,140.9**	**2,250.3**	**1,670.7**	**2,113.1**	**2,072.0**
1.1 Demand and Time Deposits from Banks	1,583.2	1,344.7	1,472.3	1,534.4	1,522.1	1,288.8	1,405.8	1,467.4
1.2 Borrowings from Banks	645.0	326.1	639.6	553.8	644.0	325.0	604.9	551.9
1.3 Other Demand and Time Liabilities	84.2	57.1	131.3	52.7	84.2	57.0	102.5	52.7
2 Liabilities to Others	**103,899.7**	**99,126.8**	**106,274.8**	**108,367.1**	**101,303.1**	**96,657.5**	**103,205.8**	**105,616.3**
2.1 Aggregate Deposits	95,756.3	91,820.2	98,035.8	100,031.8	93,272.9	89,459.2	95,435.2	97,397.9
2.1.1 Demand	9,095.8	8,605.0	9,059.4	9,314.6	8,890.0	8,407.9	8,847.1	9,084.3
2.1.2 Time	86,660.5	83,215.2	88,976.4	90,717.2	84,382.9	81,051.3	86,588.1	88,313.7
2.2 Borrowings	3,011.5	2,660.2	3,311.1	3,173.7	2,989.8	2,636.1	2,954.9	3,143.1
2.3 Other Demand and Time Liabilities	5,131.9	4,646.4	4,927.8	5,161.6	5,040.4	4,562.2	4,815.6	5,075.3
3 Borrowings from Reserve Bank	**2,324.7**	**292.9**	**827.4**	**261.2**	**2,324.7**	**292.9**	**827.4**	**261.2**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	2,324.7	292.9	827.4	261.2	2,324.7	292.9	827.4	261.2
4 Cash in Hand and Balances with Reserve Bank	4,571.0	4,349.2	4,683.8	4,766.9	4,448.8	4,233.9	4,559.3	4,641.3
4.1 Cash in Hand	586.7	588.0	634.3	629.6	574.38	576.7	619.1	616.0
4.2 Balances with Reserve Bank	3,984.4	3,761.2	4,049.5	4,137.4	3,874.4	3,657.3	3,940.2	4,025.4
5 Assets with the Banking System	**2,980.4**	**2,535.2**	**2,900.4**	**2,858.3**	**2,604.0**	**2,174.9**	**2,387.8**	**2,467.6**
5.1 Balances with Other Banks	1,759.6	1,707.7	1,684.2	1,856.2	1,616.8	1,546.4	1,523.5	1,684.4
5.1.1 In Current Account	124.9	108.5	148.9	175.2	108.8	90.3	131.5	157.7
5.1.2 In Other Accounts	1,634.7	1,599.1	1,535.3	1,680.9	1,508.0	1,456.1	1,392.0	1,526.7
5.2 Money at Call and Short Notice	513.6	216.7	517.0	379.8	348.9	84.0	304.3	218.3
5.3 Advances to Banks	273.3	227.4	302.5	273.7	260.5	219.1	262.5	263.8
5.4 Other Assets	433.8	383.5	396.7	348.6	377.8	325.4	297.4	301.0
6 Investment	**27,000.9**	**27,410.2**	**28,514.1**	**28,816.1**	**26,255.1**	**26,679.5**	**27,462.6**	**28,061.0**
6.1 Government Securities	26,981.7	27,387.6	28,216.2	28,785.6	26,239.3	26,659.3	27,445.8	28,038.8
6.2 Other Approved Securities	19.2	22.6	297.9	30.5	15.8	20.2	16.8	22.2
7 Bank Credit	**74,689.6**	**68,950.9**	**74,511.4**	**75,062.0**	**72,496.1**	**66,918.0**	**72,279.6**	**72,847.5**
7a Food Credit	1,215.2	1,206.3	1,166.5	1,203.7	1,052.5	1,071.5	1,003.8	1,041.0
7.1 Loans, Cash-credits and Overdrafts	72,492.8	66,706.2	72,348.1	72,907.1	70,337.2	64,705.1	70,196.9	70,744.2
7.2 Inland Bills-Purchased	264.3	363.5	277.8	257.6	257.1	357.5	253.7	241.8
7.3 Inland Bills-Discounted	1,313.5	1,231.9	1,268.6	1,273.6	1,288.7	1,211.9	1,222.9	1,243.2
7.4 Foreign Bills-Purchased	205.5	220.1	223.7	219.2	204.4	219.4	218.2	218.7
7.5 Foreign Bills-Discounted	413.6	429.2	393.2	404.5	408.8	424.1	387.9	399.7

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

(₹ Billion)

Item	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		Jul. 24	Jun. 24	Jul. 22	2016-17	2016
	1	2	3	4	5	6
1 Gross Bank Credit	**66,500**	**61,592**	**66,295**	**66,321**	**-0.3**	**7.7**
1.1 Food Credit	**1,031**	**1,105**	**757**	**794**	**–23.0**	**–28.1**
1.2 Non-food Credit	**65,469**	**60,487**	**65,538**	**65,527**	**0.1**	**8.3**
1.2.1 Agriculture & Allied Activities	**8,829**	**8,043**	**9,044**	**9,123**	**3.3**	**13.4**
1.2.2 Industry	**27,307**	**26,220**	**26,469**	**26,365**	**–3.4**	**0.6**
1.2.2.1 Micro & Small	3,715	3,720	3,598	3,597	–3.2	–3.3
1.2.2.2 Medium	1,148	1,193	1,090	1,089	–5.1	–8.7
1.2.2.3 Large	22,444	21,307	21,782	21,679	–3.4	1.7
1.2.3 Services	**15,411**	**14,039**	**15,651**	**15,559**	**1.0**	**10.8**
1.2.3.1 Transport Operators	997	940	1,055	1,061	6.3	12.8
1.2.3.2 Computer Software	191	194	192	183	–4.0	–5.5
1.2.3.3 Tourism, Hotels & Restaurants	371	368	376	384	3.7	4.4
1.2.3.4 Shipping	104	103	100	101	–3.5	–2.6
1.2.3.5 Professional Services	1,046	876	1,135	1,145	9.5	30.7
1.2.3.6 Trade	3,811	3,705	3,872	3,894	2.2	5.1
1.2.3.6.1 Wholesale Trade	1,686	1,795	1,711	1,746	3.6	–2.7
1.2.3.6.2 Retail Trade	2,125	1,910	2,161	2,148	1.1	12.4
1.2.3.7 Commercial Real Estate	1,776	1,669	1,832	1,815	2.2	8.8
1.2.3.8 Non-Banking Financial Companies (NBFCs)	3,527	2,964	3,451	3,424	–2.9	15.5
1.2.3.9 Other Services	3,587	3,220	3,639	3,551	–1.0	10.3
1.2.4 Personal Loans	**13,922**	**12,184**	**14,374**	**14,480**	**4.0**	**18.8**
1.2.4.1 Consumer Durables	178	159	187	188	6.0	18.4
1.2.4.2 Housing	7,468	6,672	7,734	7,816	4.7	17.2
1.2.4.3 Advances against Fixed Deposits	667	581	613	612	–8.3	5.2
1.2.4.4 Advances to Individuals against share & bonds	64	54	56	58	–10.4	6.9
1.2.4.5 Credit Card Outstanding	377	331	425	429	13.8	29.4
1.2.4.6 Education	682	649	683	691	1.3	6.5
1.2.4.7 Vehicle Loans	1,529	1,305	1,564	1,575	3.0	20.7
1.2.4.8 Other Personal Loans	2,958	2,433	3,112	3,112	5.2	27.9
1.2A Priority Sector	**22,259**	**20,755**	**22,588**	**22,805**	**2.5**	**9.9**
1.2A.1 Agriculture & Allied Activities	8,826	8,043	9,034	9,087	3.0	13.0
1.2A.2 Micro & Small Enterprises	8,476	7,975	8,495	8,502	0.3	6.6
1.2A.2.1 Manufacturing	3,715	3,720	3,598	3,597	–3.2	–3.3
1.2A.2.2 Services	4,761	4,255	4,898	4,905	3.0	15.3
1.2A.3 Housing	3,423	3,305	3,473	3,512	2.6	6.2
1.2A.4 Micro-Credit	188	178	184	182	–3.2	2.6
1.2A.5 Education Loans	601	593	599	607	0.9	2.2
1.2A.6 State-Sponsored Orgs. for SC/ST	5	5	6	6	16.1	32.4
1.2A.7 Weaker Sections	4,774	4,290	4,927	4,939	3.4	15.1
1.2A.8 Export Credit	424	395	475	471	11.1	19.1

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

(₹ Billion)

Industry	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		Jul. 24	Jun. 24	Jul. 22	2016-17	2016
	1	2	3	4	5	6
1 Industry	**27,307**	**26,220**	**26,469**	**26,365**	**–3.4**	**0.6**
1.1 Mining & Quarrying (incl. Coal)	**390**	**343**	**338**	**338**	**–13.3**	**–1.4**
1.2 Food Processing	**1,501**	**1,583**	**1,460**	**1,441**	**–4.0**	**–9.0**
1.2.1 Sugar	400	376	372	364	–9.0	–3.2
1.2.2 Edible Oils & Vanaspati	199	192	194	189	–5.1	–1.5
1.2.3 Tea	36	30	33	35	–1.8	18.7
1.2.4 Others	866	986	861	853	–1.5	–13.5
1.3 Beverage & Tobacco	**181**	**174**	**166**	**168**	**–7.2**	**–3.0**
1.4 Textiles	**2,058**	**1,970**	**1,992**	**1,976**	**–4.0**	**0.3**
1.4.1 Cotton Textiles	1,035	974	977	963	–7.0	–1.1
1.4.2 Jute Textiles	22	21	20	20	–9.0	–7.9
1.4.3 Man-Made Textiles	208	209	199	194	–6.6	–7.0
1.4.4 Other Textiles	793	766	796	800	0.8	4.3
1.5 Leather & Leather Products	**105**	**100**	**105**	**106**	**1.0**	**5.7**
1.6 Wood & Wood Products	**95**	**97**	**103**	**103**	**8.4**	**5.7**
1.7 Paper & Paper Products	**355**	**340**	**341**	**340**	**–4.2**	**0.2**
1.8 Petroleum, Coal Products & Nuclear Fuels	**512**	**433**	**523**	**516**	**0.6**	**18.9**
1.9 Chemicals & Chemical Products	**1,645**	**1,510**	**1,558**	**1,531**	**–7.0**	**1.4**
1.9.1 Fertiliser	285	226	251	241	–15.5	6.6
1.9.2 Drugs & Pharmaceuticals	535	497	522	501	–6.3	0.8
1.9.3 Petro Chemicals	365	336	336	345	–5.5	2.8
1.9.4 Others	461	451	448	444	–3.7	–1.7
1.10 Rubber, Plastic & their Products	**374**	**363**	**366**	**365**	**–2.3**	**0.7**
1.11 Glass & Glassware	**89**	**86**	**84**	**86**	**–2.9**	**0.5**
1.12 Cement & Cement Products	**543**	**560**	**548**	**541**	**–0.3**	**–3.3**
1.13 Basic Metal & Metal Product	**4,160**	**3,862**	**4,195**	**4,178**	**0.4**	**8.2**
1.13.1 Iron & Steel	3,115	2,861	3,139	3,111	–0.1	8.8
1.13.2 Other Metal & Metal Product	1,046	1,001	1,056	1,067	2.0	6.5
1.14 All Engineering	**1,542**	**1,504**	**1,529**	**1,516**	**–1.6**	**0.8**
1.14.1 Electronics	382	364	377	356	–7.0	–2.2
1.14.2 Others	1,159	1,141	1,152	1,161	0.1	1.8
1.15 Vehicles, Vehicle Parts & Transport Equipment	**690**	**673**	**686**	**694**	**0.6**	**3.2**
1.16 Gems & Jewellery	**727**	**699**	**695**	**690**	**–5.2**	**–1.4**
1.17 Construction	**745**	**729**	**755**	**758**	**1.7**	**4.0**
1.18 Infrastructure	**9,648**	**9,388**	**9,140**	**9,101**	**–5.7**	**–3.1**
1.18.1 Power	5,799	5,744	5,288	5,245	–9.5	–8.7
1.18.2 Telecommunications	913	903	910	883	–3.3	–2.3
1.18.3 Roads	1,775	1,698	1,840	1,835	3.4	8.1
1.18.4 Other Infrastructure	1,161	1,043	1,102	1,138	–2.0	9.1
1.19 Other Industries	**1,945**	**1,806**	**1,884**	**1,915**	**–1.6**	**6.1**

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

(₹ Billion)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday					
	2015-16	2015	2016			
		Apr, 24	Mar, 25	Apr, 01	Apr, 15	Apr, 29
	1	2	3	4	5	6
Number of Reporting Banks	31	31	31	30	29	29
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	491.4	415.8	491.4	501.4	490.5	486.7
2 Demand and Time Liabilities						
2.1 Demand Liabilities	155.4	139.3	155.4	152.9	156.5	156.9
2.1.1 Deposits						
2.1.1.1 Inter-Bank	33.0	25.3	33.0	30.6	35.7	34.9
2.1.1.2 Others	82.3	78.5	82.3	85.2	84.3	83.4
2.1.2 Borrowings from Banks	9.5	9.0	9.5	9.7	8.3	8.7
2.1.3 Other Demand Liabilities	30.6	26.5	30.6	27.3	28.1	29.9
2.2 Time Liabilities	885.9	853.0	885.9	912.2	896.7	891.4
2.2.1 Deposits						
2.2.1.1 Inter-Bank-Bank	467.0	505.9	467.0	484.4	480.6	478.4
2.2.1.2 Others	409.1	337.2	409.1	416.2	406.1	403.3
2.2.2 Borrowings from Banks	0.1	0.1	0.1	1.3	0.0	0.1
2.2.3 Other Time Liabilities	9.7	9.7	9.7	10.3	10.0	9.7
3 Borrowing from Reserve Bank	0.0	0.0	0.0	0.0	0.0	0.0
4 Borrowings from a notified bank / Government	435.1	448.6	435.1	435.1	425.9	421.8
4.1 Demand	164.0	174.7	164.0	165.5	162.4	164.5
4.2 Time	271.1	273.9	271.1	269.5	263.5	257.3
5 Cash in Hand and Balances with Reserve Bank	44.9	38.9	44.9	46.1	43.7	42.9
5.1 Cash in Hand	2.2	2.1	2.2	2.5	2.2	2.4
5.2 Balance with Reserve Bank	42.6	36.8	42.6	43.6	41.5	40.5
6 Balances with Other Banks in Current Account	6.2	7.6	6.2	11.5	7.1	6.3
7 Investments in Government Securities	291.1	262.9	291.1	292.3	287.4	291.6
8 Money at Call and Short Notice	172.2	183.0	172.2	178.5	172.7	170.2
9 Bank Credit (10.1+11)	484.0	425.9	484.0	487.6	483.7	487.6
10 Advances.						
10.1 Loans, Cash-Credits and Overdrafts	483.9	425.8	483.9	487.6	483.7	487.6
10.2 Due from Banks	693.9	668.6	693.9	698.0	681.9	674.4
11 Bills Purchased and Discounted	0.0	0.1	0.0	0.0	0.0	0.0

Prices and Production

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

Group/Sub group	2015-16			Rural			Urban			Combined		
	Rural	Urban	Combined	Jul. 15	Jun. 16	Jul. 16	Jul. 15	Jun. 16	Jul. 16	Jul. 15	Jun. 16	Jul. 16
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**129.2**	**129.8**	**129.4**	**127.5**	**136.0**	**137.6**	**129.5**	**138.2**	**139.8**	**128.2**	**136.8**	**138.4**
1.1 Cereals and products	125.3	123.9	124.9	124.0	128.6	129.3	123.2	125.9	126.8	123.7	127.7	128.5
1.2 Meat and fish	130.9	132.1	131.3	131.5	138.6	139.5	134.3	143.9	144.2	132.5	140.5	141.2
1.3 Egg	122.1	120.5	121.5	122.0	126.6	129.6	119.5	130.9	136.6	121.0	128.3	132.3
1.4 Milk and products	129.2	128.2	128.8	128.7	133.6	134.6	127.7	131.0	131.8	128.3	132.6	133.6
1.5 Oils and fats	115.7	107.6	112.7	113.5	118.6	119.5	106.3	110.2	111.0	110.9	115.5	116.4
1.6 Fruits	132.7	125.6	129.4	133.3	137.4	138.5	132.8	135.5	137.0	133.1	136.5	137.8
1.7 Vegetables	142.1	148.5	144.2	140.8	152.5	158.3	153.5	173.7	179.5	145.1	159.7	165.5
1.8 Pulses and products	146.4	166.1	153.0	133.8	169.2	171.8	149.5	184.4	188.4	139.1	174.3	177.4
1.9 Sugar and confectionery	96.0	91.7	94.5	94.1	108.8	110.3	85.7	112.0	113.3	91.3	109.9	111.3
1.10 Spices	125.9	134.7	128.8	123.4	133.1	134.3	131.5	142.8	143.9	126.1	136.3	137.5
1.11 Non-alcoholic beverages	122.3	119.2	121.0	121.0	126.4	127.4	118.3	121.6	121.7	119.9	124.4	125.0
1.12 Prepared meals, snacks, sweets	133.2	132.6	132.9	131.7	139.2	140.0	131.1	136.9	137.5	131.4	138.1	138.8
2 Pan, tobacco and intoxicants	**130.9**	**135.6**	**132.2**	**129.4**	**137.2**	**138.0**	**133.1**	**142.7**	**142.9**	**130.4**	**138.7**	**139.3**
3 Clothing and footwear	**130.2**	**123.5**	**127.5**	**128.3**	**135.6**	**136.5**	**122.7**	**126.6**	**126.9**	**126.1**	**132.0**	**132.7**
3.1 Clothing	130.7	124.3	128.2	128.8	136.3	137.2	123.5	127.6	127.9	126.7	132.9	133.5
3.2 Footwear	127.0	118.7	123.6	125.5	131.6	132.2	117.9	121.1	121.1	122.3	127.2	127.6
4 Housing	**--**	**121.7**	**121.7**	**--**	**--**	**--**	**119.9**	**125.5**	**126.4**	**119.9**	**125.5**	**126.4**
5 Fuel and light	**124.4**	**115.3**	**121.0**	**123.0**	**128.0**	**128.2**	**115.3**	**115.5**	**115.5**	**120.1**	**123.3**	**123.4**
6 Miscellaneous	**118.9**	**116.3**	**117.6**	**118.1**	**123.3**	**123.8**	**116.3**	**119.6**	**119.9**	**117.2**	**121.5**	**121.9**
6.1 Household goods and services	124.5	120.4	122.6	123.0	129.3	129.9	119.5	123.2	123.5	121.3	126.4	126.9
6.2 Health	121.9	117.3	120.1	120.8	126.2	126.6	116.0	120.6	120.9	119.0	124.1	124.4
6.3 Transport and communication	113.7	109.7	111.5	114.1	116.3	116.4	111.5	112.3	111.7	112.7	114.2	113.9
6.4 Recreation and amusement	119.6	117.4	118.4	118.0	124.1	125.2	116.6	119.9	120.3	117.2	121.7	122.4
6.5 Education	124.2	125.4	124.9	122.9	130.2	130.9	125.4	129.3	130.8	124.4	129.7	130.8
6.6 Personal care and effects	114.0	113.4	113.7	112.7	119.9	120.8	111.7	118.8	120.0	112.3	119.4	120.5
General Index (All Groups)	**126.1**	**123.0**	**124.7**	**124.7**	**131.9**	**133.0**	**122.4**	**128.1**	**129.0**	**123.6**	**130.1**	**131.1**

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2015-16	2015	2016	
				Jul.	Jun.	Jul.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2001	4.63	265	263	277	280
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	835	822	869	877
3 Consumer Price Index for Rural Labourers	1986-87	–	839	827	874	881

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

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

Item	2015-16	2015	2016	
		Jul.	Jun.	Jul.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	26,534	25,539	29,745	30,942
2 Silver (₹ per kilogram)	36,318	35,257	41,196	46,943

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

No. 21: Wholesale Price Index

(Base: 2004-05 = 100)

Commodities	Weight	2015-16	2015	2016		
			Jul.	May	Jun. (P)	Jul. (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**176.7**	**177.6**	**180.2**	**182.0**	**183.9**
1.1 PRIMARY ARTICLES	**20.118**	**249.6**	**246.4**	**257.6**	**262.8**	**269.5**
1.1.1 Food articles	**14.337**	**262.1**	**255.6**	**272.0**	**279.0**	**285.8**
1.1.1.1 Food Grains	4.090	253.0	246.9	269.1	272.7	280.4
1.1.1.1.1 Cereals	3.373	235.2	231.7	244.1	245.6	248.0
1.1.1.1.2 Pulses	0.717	336.7	318.8	386.5	400.2	432.8
1.1.1.2 Fruits & Vegetables	3.843	254.0	242.7	257.7	277.4	296.9
1.1.1.2.1 Vegetables	1.736	268.5	252.4	254.8	297.3	323.2
1.1.1.2.2 Fruits	2.107	242.0	234.7	260.0	260.9	275.3
1.1.1.3 Milk	3.238	250.6	250.3	255.6	258.0	258.4
1.1.1.4 Eggs, Meat & Fish	2.414	288.0	280.4	304.9	305.4	301.4
1.1.1.5 Condiments & Spices	0.569	342.6	333.8	353.2	352.3	351.4
1.1.1.6 Other Food Articles	0.183	245.1	249.2	243.8	248.1	246.4
1.1.2 Non-Food Articles	**4.258**	**219.5**	**216.1**	**226.9**	**231.2**	**236.6**
1.1.2.1 Fibres	0.877	207.2	207.3	220.5	238.8	261.0
1.1.2.2 Oil Seeds	1.781	214.9	213.5	223.4	224.1	224.8
1.1.2.3 Other Non-Food Articles	1.386	233.8	233.3	240.9	244.2	247.3
1.1.2.4 Flowers	0.213	215.7	163.3	191.3	174.0	165.3
1.1.3 Minerals	**1.524**	**216.2**	**243.7**	**208.3**	**199.0**	**208.9**
1.1.3.1 Metallic Minerals	0.489	286.3	326.8	264.6	259.4	264.6
1.1.3.2 Other Minerals	0.135	203.8	205.5	194.3	194.7	194.3
1.1.3.3 Crude Petroleum	0.900	180.0	204.3	179.8	166.8	181.0
1.2 FUEL & POWER	**14.910**	**179.8**	**189.8**	**180.9**	**186.5**	**187.9**
1.2.1 Coal	2.094	189.9	189.9	189.9	180.1	191.2
1.2.2 Mineral Oils	9.364	179.5	194.5	182.1	193.1	192.9
1.2.3 Electricity	3.452	174.3	177.2	172.3	172.3	172.3
1.3 MANUFACTURED PRODUCTS	**64.972**	**153.4**	**153.6**	**156.1**	**156.0**	**156.4**
1.3.1 Food Products	**9.974**	**174.2**	**171.7**	**185.6**	**186.9**	**189.2**
1.3.1.1 Dairy Products	0.568	206.7	207.5	206.8	207.4	209.1
1.3.1.2 Canning, Preserving & Processing of Food	0.358	165.1	164.3	167.1	167.1	167.2
1.3.1.3 Grain Mill Products	1.340	178.7	174.2	183.7	185.9	191.0
1.3.1.4 Bakery Products	0.444	150.5	152.7	150.4	150.8	151.2
1.3.1.5 Sugar, Khandsari & Gur	2.089	167.1	158.1	198.3	199.6	203.5
1.3.1.6 Edible Oils	3.043	148.6	148.3	153.0	154.3	154.5
1.3.1.7 Oil Cakes	0.494	250.4	244.6	265.4	269.5	271.1
1.3.1.8 Tea & Coffee Proccessing	0.711	192.8	201.1	200.0	201.7	207.1
1.3.1.9 Manufacture of Salt	0.048	201.5	199.8	199.8	199.8	199.8
1.3.1.10 Other Food Products	0.879	207.9	204.1	225.4	225.4	227.3
1.3.2 Beverages, Tobacco & Tobacco Products	**1.762**	**206.5**	**206.2**	**220.5**	**220.7**	**220.7**
1.3.2.1 Wine Industries	0.385	137.5	136.6	144.7	148.5	152.5
1.3.2.2 Malt Liquor	0.153	181.3	180.6	188.9	188.9	187.5
1.3.2.3 Soft Drinks & Carbonated Water	0.241	167.7	167.8	181.6	181.5	181.6
1.3.2.4 Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	247.0	246.9	264.7	263.6	262.2
1.3.3 Textiles	**7.326**	**140.2**	**140.5**	**140.8**	**140.9**	**141.5**
1.3.3.1 Cotton Textiles	2.605	156.6	157.5	158.3	158.5	159.9
1.3.3.1.1 Cotton Yarn	1.377	166.2	168.5	168.2	168.6	171.1
1.3.3.1.2 Cotton Fabric	1.228	145.8	145.3	147.1	147.2	147.4
1.3.3.2 Man-Made Textiles	2.206	131.3	133.4	128.6	128.4	128.7
1.3.3.2.1 Man-Made Fibre	1.672	130.1	132.7	126.9	126.8	126.9
1.3.3.2.2 Man-Made Fabric	0.533	134.9	135.8	133.8	133.6	134.5
1.3.3.3 Woollen Textiles	0.294	153.3	150.3	151.4	152.2	152.0
1.3.3.4 Jute, Hemp & Mesta Textiles	0.261	219.2	207.9	243.7	243.4	244.6
1.3.3.5 Other Misc. Textiles	1.960	115.8	115.4	116.2	116.2	116.1
1.3.4 Wood & Wood Products	**0.587**	**195.7**	**197.1**	**199.3**	**196.6**	**196.1**
1.3.4.1 Timber/Wooden Planks	0.181	164.5	163.9	164.1	166.5	163.7
1.3.4.2 Processed Wood	0.128	193.9	192.5	199.1	199.1	196.3
1.3.4.3 Plywood & Fibre Board	0.241	227.3	232.1	233.3	225.1	227.1
1.3.4.4 Others	0.038	150.0	149.9	151.5	150.0	152.9

No. 21: Wholesale Price Index (Concld.)

(Base: 2004-05 = 100)

Commodities	Weight	2015-16	2015	2016		
			Jul.	May	Jun. (P)	Jul. (P)
	1	2	3	4	5	6
1.3.5 Paper & Paper Products	**2.034**	**154.5**	**153.8**	**155.8**	**155.9**	**156.7**
1.3.5.1 Paper & Pulp	1.019	151.3	151.3	151.3	151.4	151.2
1.3.5.2 Manufacture of boards	0.550	135.6	134.9	135.0	135.3	136.8
1.3.5.3 Printing & Publishing	0.465	184.3	181.4	190.1	190.1	192.3
1.3.6 Leather & Leather Products	**0.835**	**144.9**	**145.1**	**146.3**	**145.5**	**146.3**
1.3.6.1 Leathers	0.223	116.1	117.3	114.6	114.7	115.8
1.3.6.2 Leather Footwear	0.409	160.6	160.7	163.7	161.7	162.3
1.3.6.3 Other Leather Products	0.203	144.9	144.1	146.3	146.5	147.5
1.3.7 Rubber & Plastic Products	**2.987**	**147.2**	**149.2**	**146.0**	**146.1**	**146.5**
1.3.7.1 Tyres & Tubes	0.541	176.8	177.0	176.0	175.4	176.2
1.3.7.1.1 Tyres	0.488	177.5	177.8	176.7	176.0	176.0
1.3.7.1.2 Tubes	0.053	170.6	170.0	169.7	169.7	177.7
1.3.7.2 Plastic Products	1.861	136.3	139.3	134.6	135.1	134.8
1.3.7.3 Rubber Products	0.584	154.6	154.8	154.6	153.9	156.4
1.3.8 Chemicals & Chemical Products	**12.018**	**150.5**	**151.4**	**150.8**	**150.9**	**151.1**
1.3.8.1 Basic Inorganic Chemicals	1.187	155.3	155.8	155.0	155.5	156.2
1.3.8.2 Basic Organic Chemicals	1.952	140.2	142.8	140.2	141.2	141.1
1.3.8.3 Fertilisers & Pesticides	3.145	155.0	154.9	156.9	156.7	156.4
1.3.8.3.1 Fertilisers	2.661	158.2	158.2	159.5	159.8	159.3
1.3.8.3.2 Pesticides	0.483	137.7	136.5	142.6	139.8	140.6
1.3.8.4 Paints, Varnishes & Lacquers	0.529	152.2	152.0	152.5	152.6	152.5
1.3.8.5 Dyestuffs & Indigo	0.563	141.9	141.7	143.3	143.6	143.6
1.3.8.6 Drugs & Medicines	0.456	129.6	130.2	128.7	129.0	129.2
1.3.8.7 Perfumes, Cosmetics, Toiletries etc.	1.130	163.2	163.4	164.4	163.9	165.1
1.3.8.8 Turpentine, Plastic Chemicals	0.586	154.1	155.6	154.2	153.8	155.1
1.3.8.9 Polymers including Synthetic Rubber	0.970	146.0	147.3	145.4	145.5	145.7
1.3.8.10 Petrochemical Intermediates	0.869	150.1	153.1	146.4	146.1	146.0
1.3.8.11 Matches, Explosives & other Chemicals	0.629	153.9	154.9	153.3	153.2	153.3
1.3.9 Non-Metallic Mineral Products	**2.556**	**177.3**	**175.4**	**177.4**	**177.7**	**178.6**
1.3.9.1 Structural Clay Products	0.658	198.4	197.5	199.1	197.8	198.7
1.3.9.2 Glass, Earthenware, Chinaware & their Products	0.256	141.5	141.3	143.0	142.9	143.4
1.3.9.3 Cement & Lime	1.386	173.6	170.4	173.4	174.8	176.0
1.3.9.4 Cement, Slate & Graphite Products	0.256	179.2	179.9	177.6	176.8	175.9
1.3.10 Basic Metals, Alloys & Metal Products	**10.748**	**154.6**	**156.6**	**155.4**	**153.9**	**153.0**
1.3.10.1 Ferrous Metals	8.064	141.7	144.6	141.5	139.5	137.6
1.3.10.1.1 Iron & Semis	1.563	139.4	143.6	138.3	135.5	131.7
1.3.10.1.2 Steel: Long	1.630	148.8	151.8	149.4	145.3	142.5
1.3.10.1.3 Steel: Flat	2.611	132.5	135.4	134.3	132.5	130.4
1.3.10.1.4 Steel: Pipes & Tubes	0.314	127.8	130.3	126.5	127.0	126.8
1.3.10.1.5 Stainless Steel & alloys	0.938	160.6	162.2	157.6	157.2	157.3
1.3.10.1.6 Castings & Forgings	0.871	144.0	145.6	140.2	140.1	141.1
1.3.10.1.7 Ferro alloys	0.137	149.8	151.8	152.4	152.4	151.7
1.3.10.2 Non-Ferrous Metals	1.004	164.2	165.2	164.1	164.2	164.1
1.3.10.2.1 Aluminium	0.489	137.3	138.6	137.0	137.6	137.1
1.3.10.2.2 Other Non-Ferrous Metals	0.515	189.7	190.3	189.8	189.6	189.8
1.3.10.3 Metal Products	1.680	210.4	208.9	217.3	217.1	220.0
1.3.11 Machinery & Machine Tools	**8.931**	**135.0**	**135.1**	**135.4**	**135.3**	**135.3**
1.3.11.1 Agricultural Machinery & Implements	0.139	149.1	149.0	149.6	149.6	149.8
1.3.11.2 Industrial Machinery	1.838	153.5	153.7	153.9	154.0	154.3
1.3.11.3 Construction Machinery	0.045	141.5	141.5	141.5	141.5	141.5
1.3.11.4 Machine Tools	0.367	167.6	165.8	175.8	175.0	174.9
1.3.11.5 Air Conditioner & Refrigerators	0.429	120.8	120.5	121.3	121.2	121.3
1.3.11.6 Non-Electrical Machinery	1.026	127.6	127.5	128.5	128.5	128.5
1.3.11.7 Electrical Machinery, Equipment & Batteries	2.343	138.2	138.3	139.2	138.9	138.7
1.3.11.8 Electrical Accessories, Wires, Cables etc.	1.063	155.5	156.8	152.3	152.2	152.1
1.3.11.9 Electrical Apparatus & Appliances	0.337	121.8	121.7	123.7	123.7	123.7
1.3.11.10 Electronics Items	0.961	89.2	89.1	89.4	89.2	89.1
1.3.11.11 IT Hardware	0.267	91.7	91.7	91.7	91.7	91.7
1.3.11.12 Communication Equipments	0.118	99.0	98.5	98.1	98.1	98.1
1.3.12 Transport, Equipment & Parts	**5.213**	**138.1**	**137.8**	**139.6**	**139.4**	**139.6**
1.3.12.1 Automotives	4.231	137.1	136.7	139.1	138.9	139.0
1.3.12.2 Auto Parts	0.804	140.3	140.3	140.0	139.9	139.9
1.3.12.3 Other Transport Equipments	0.178	151.0	150.9	150.9	150.9	150.9

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

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

Industry	Weight	2014-15	2015-16	April-June		June	
				2015-16	2016-17	2015	2016
	1	2	3	4	5	6	7
General Index	**100.00**	**176.9**	**181.1**	**179.0**	**180.1**	**179.3**	**183.0**
1 Sectoral Classification							
1.1 Mining and Quarrying	14.16	126.5	129.3	123.8	126.7	121.6	127.3
1.2 Manufacturing	75.53	186.1	189.8	188.4	187.1	189.5	191.3
1.3 Electricity	10.32	178.6	188.7	185.3	202.0	183.7	198.9
2 Use-Based Classification							
2.1 Basic Goods	45.68	167.8	173.8	172.2	180.4	171.9	182.0
2.2 Capital Goods	8.83	258.0	250.5	249.4	204.5	265.4	221.7
2.3 Intermediate Goods	15.69	153.8	157.6	154.6	160.9	153.1	162.4
2.4 Consumer Goods	29.81	178.9	184.3	181.4	182.5	179.0	184.1
2.4.1 Consumer Durables	8.46	231.0	257.2	252.4	272.2	246.1	259.9
2.4.2 Consumer Non-Durables	21.35	158.3	155.4	153.3	147.0	152.4	154.0

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(Amount in ₹ Billion)

Item	Financial Year	April–July			
	2016-17 (Budget Estimates)	2016-17 (Actuals)	2015-16 (Actuals)	Percentage to Budget Estimates	
				2016-17	2015-16
	1	2	3	4	5
1 Revenue Receipts	13,770.2	2,557.7	2,089.8	18.6	18.3
1.1 Tax Revenue (Net)	10,541.0	2,216.7	1,538.5	21.0	16.7
1.2 Non-Tax Revenue	3,229.2	341.0	551.3	10.6	24.9
2 Capital Receipts	6,010.4	4,009.2	3,920.0	66.7	61.6
2.1 Recovery of Loans	106.3	42.5	35.1	40.0	32.7
2.2 Other Receipts	565.0	31.8	33.8	5.6	4.9
2.3 Borrowings and Other Liabilities	5,339.0	3,934.9	3,851.0	73.7	69.3
3 Total Receipts (1+2)	19,780.6	6,566.9	6,009.8	33.2	33.8
4 Non-Plan Expenditure	14,280.5	4,589.4	4,431.4	32.1	33.8
4.1 On Revenue Account	13,274.1	4,291.2	4,087.5	32.3	33.9
4.1.1 Interest Payments	4,926.7	1,404.8	1,276.4	28.5	28.0
4.2 On Capital Account	1,006.4	298.2	344.0	29.6	32.4
5 Plan Expenditure	5,500.1	1,977.5	1,578.4	36.0	33.9
5.1 On Revenue Account	4,036.3	1,562.8	1,062.0	38.7	32.2
5.2 On Capital Account	1,463.8	414.7	516.3	28.3	38.2
6 Total Expenditure (4+5)	19,780.6	6,566.9	6,009.8	33.2	33.8
7 Revenue Expenditure (4.1+5.1)	17,310.4	5,854.0	5,149.5	33.8	33.5
8 Capital Expenditure (4.2+5.2)	2,470.2	712.8	860.3	28.9	35.6
9 Revenue Deficit (7-1)	3,540.1	3,296.4	3,059.7	93.1	77.6
10 Fiscal Deficit {6-(1+2.1+2.2)}	5,339.0	3,934.9	3,851.0	73.7	69.3
11 Gross Primary Deficit [10-4.1.1]	412.3	2,530.1	2,574.7	613.6	258.7

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

No. 24: Treasury Bills – Ownership Pattern

(₹ Billion)

Item	2015-16	2015	2016					
		Jul. 31	Jun. 24	Jul. 1	Jul. 8	Jul. 15	Jul. 22	Jul. 29
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	436.1	402.6	390.7	333.2	297.7	286.1	253.3	239.8
1.2 Primary Dealers	219.0	261.7	321.7	281.6	213.3	181.5	160.2	168.5
1.3 State Governments	453.0	683.8	589.2	666.2	647.2	631.2	681.2	645.2
1.4 Others	362.4	519.5	646.8	669.4	772.9	817.4	873.5	882.0
2 182-day								
2.1 Banks	186.5	354.7	224.2	236.2	239.4	249.6	264.3	307.8
2.2 Primary Dealers	412.7	259.2	340.5	331.1	303.9	292.5	286.1	278.9
2.3 State Governments	50.0	15.1	95.7	95.7	95.7	95.7	95.7	95.7
2.4 Others	62.9	166.9	153.9	151.6	175.5	178.0	169.6	133.0
3 364-day								
3.1 Banks	442.8	399.4	416.8	464.9	437.0	471.5	517.7	502.2
3.2 Primary Dealers	662.6	674.7	668.7	652.8	660.6	668.0	617.4	670.2
3.3 State Governments	19.6	23.2	25.2	25.2	25.2	25.2	25.2	25.2
3.4 Others	354.9	383.2	434.6	401.6	421.8	380.8	385.2	347.9
4 14-day Intermediate								
4.1 Banks	–	–	–	–	–	–	–	–
4.2 Primary Dealers	–	–	–	–	–	–	–	–
4.3 State Governments	1,224.9	643.4	915.5	1,113.5	737.6	721.9	803.3	841.8
4.4 Others	10.1	8.5	5.0	10.5	12.7	8.8	7.8	4.6
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	3,662.4	4,143.9	4,307.9	4,309.5	4,290.3	4,277.5	4,329.4	4,296.4

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

No. 25: Auctions of Treasury Bills

(Amount in ₹ Billion)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2016-17										
Jun. 29	90	72	684.33	101.01	46	90.00	101.01	191.01	98.35	6.7292
Jul. 5	90	90	1,074.56	32.03	15	90.00	32.03	122.03	98.38	6.6048
Jul. 13	90	81	870.05	59.00	58	90.00	59.00	149.00	98.39	6.5634
Jul. 20	90	70	827.10	67.00	59	90.00	67.00	157.00	98.39	6.5634
Jul. 27	90	73	755.35	32.00	47	90.00	32.00	122.00	98.39	6.5634
182-day Treasury Bills										
2016-17										
Jun. 29	60	67	297.56	–	18	60.00	–	60.00	96.71	6.8225
Jul. 13	60	65	273.82	10.00	24	60.00	10.00	70.00	96.76	6.7154
Jul. 27	60	56	268.87	–	31	60.00	–	60.00	96.77	6.6940
364-day Treasury Bills										
2016-17										
Jun. 8	60	71	309.61	–	24	60.00	–	60.00	93.52	6.9480
Jun. 22	60	62	213.63	25.17	19	60.00	25.17	85.17	93.56	6.9022
Jul. 5	60	71	208.46	–	9	60.00	–	60.00	93.64	6.8106
Jul. 20	60	80	260.99	–	24	60.00	–	60.00	93.70	6.7421

Financial Markets

No. 26: Daily Call Money Rates

(Per cent per annum)

As on		Range of Rates	Weighted Average Rates
		Borrowings/ Lendings	Borrowings/ Lendings
		1	2
July	1, 2016	5.00-6.60	6.25
July	2, 2016	4.70-6.15	5.70
July	4, 2016	5.00-6.50	6.22
July	5, 2016	5.20-6.60	6.21
July	7, 2016	5.20-6.55	6.29
July	8, 2016	5.00-6.65	6.44
July	11, 2016	5.00-6.60	6.42
July	12, 2016	5.00-6.60	6.34
July	13, 2016	5.25-6.60	6.38
July	14, 2016	5.10-6.60	6.34
July	15, 2016	5.00-6.55	6.32
July	16, 2016	4.80-6.40	5.84
July	18, 2016	5.00-6.65	6.39
July	19, 2016	5.15-6.65	6.39
July	20, 2016	5.00-6.70	6.44
July	21, 2016	5.45-6.70	6.34
July	22, 2016	5.25-6.60	6.41
July	25, 2016	5.40-6.70	6.39
July	26, 2016	5.00-6.55	6.35
July	27, 2016	5.00-6.60	6.39
July	28, 2016	5.45-6.60	6.38
July	29, 2016	5.00-6.90	6.45
July	30, 2016	4.90-6.25	5.94
August	1, 2016	5.00-6.55	6.37
August	2, 2016	5.00-6.55	6.38
August	3, 2016	5.20-6.75	6.39
August	4, 2016	5.40-6.60	6.40
August	5, 2016	5.40-6.70	6.37
August	6, 2016	4.75-6.75	6.16
August	8, 2016	5.25-6.70	6.45
August	9, 2016	5.25-6.80	6.47
August	10, 2016	5.45-6.65	6.46
August	11, 2016	5.25-6.65	6.45
August	12, 2016	5.00-6.65	6.43

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2015	2016			
	Jul. 24	Jun. 10	Jun. 24	Jul. 8	Jul. 22
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	2,271.1	1,875.3	1,802.4	1,760.4	1,691.6
1.1 Issued during the fortnight (₹ Billion)	37.6	216.3	170.1	129.2	92.3
2 Rate of Interest (per cent)	7.25-8.11	6.96-7.66	6.76-7.56	6.52-7.57	6.65-7.39

No. 28: Commercial Paper

Item	2015	2016			
	Jul. 31	Jun. 15	Jun. 30	Jul. 15	Jul. 31
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	3,149.4	3,831.7	3,376.4	4,031.1	3,811.9
1.1 Reported during the fortnight (₹ Billion)	571.9	899.4	959.4	932.1	566.3
2 Rate of Interest (per cent)	7.36-11.76	6.69-13.30	6.54-13.84	6.42-11.95	6.42-13.84

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Billion)

Item	2015-16	2015	2016					
		Jul. 31	Jun. 24	Jul. 1	Jul. 8	Jul. 15	Jul. 22	Jul. 29
	1	2	3	4	5	6	7	8
1 Call Money	221.1	148.9	274.8	213.7	257.3	207.8	333.4	232.0
2 Notice Money	49.3	36.5	3.1	74.1	8.4	53.8	2.9	89.0
3 Term Money	4.9	2.2	5.4	13.1	11.4	8.9	11.1	8.2
4 CBLO	1,287.62	1,387.1	1,322.0	1,825.3	1,220.6	1,706.1	1,362.6	1,872.8
5 Market Repo	1,245.0	955.6	1,583.5	1,771.5	1,860.6	1,672.1	1,888.8	1,704.9
6 Repo in Corporate Bond	1.2	1.2	0.7	1.2	8.8	1.0	0.4	0.2
7 Forex (US $ million)	55,345	57,532	59,331	71,563	53,098	57,456	47,884	53,982
8 Govt. of India Dated Securities	712.8	602.2	889.9	1,709.0	1,779.6	2,185.2	2,003.6	1,853.0
9 State Govt. Securities	27.5	36.7	37.4	64.9	39.4	70.2	58.5	76.6
10 Treasury Bills								
10.1 91-Day	40.8	43.1	44.2	52.9	48.5	43.7	36.4	44.7
10.2 182-Day	11.8	8.2	11.0	12.5	15.2	19.3	10.3	17.6
10.3 364-Day	19	19.9	23.3	28.5	40.2	26.5	53.1	24.8
10.4 Cash Management Bills		–	–	–	–	–	–	–
11 Total Govt. Securities (8+9+10)	811.9	710.0	1,005.8	1,867.8	1,922.9	2,344.9	2,161.7	2,016.8
11.1 RBI	4.5	6.2	21.0	5.2	5.2	1.6	0.2	0.1

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

(Amount in ₹ Billion)

Security & Type of Issue	2015-16		2015-16 (Apr.-Jul.)		2016-17 (Apr.-Jul.) *		Jul. 2015		Jul. 2016 *	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8	9	10
1 Equity Shares	**87**	**240.0**	**23**	**105.4**	**22**	**65.6**	**7**	**7.2**	**3**	**16.6**
1A Premium	78	225.7	21	102.7	21	62.1	7	6.2	3	16.6
1.1 Prospectus	73	142.5	20	29.4	21	64.8	6	6.2	3	16.6
1.1.1 Premium	65	134.2	18	27.8	20	61.5	6	5.9	3	16.6
1.2 Rights	14	97.5	3	76.0	1	0.8	1	1.0	–	–
1.2.1 Premium	13	91.4	3	75.0	1	0.7	1	0.3	–	–
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Prospectus	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Debentures	**9**	**27.1**	**3**	**8.0**	**5**	**24.0**	**2**	**3.9**	**1**	**5.0**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Prospectus	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	9	27.1	3	8.0	5	24.0	2	3.9	1	5.0
3.2.1 Prospectus	9	27.1	3	8.0	5	24.0	2	3.9	1	5.0
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Bonds	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 Prospectus	–	–	–	–	–	–	–	–	–	–
4.2 Rights	–	–	–	–	–	–	–	–	–	–
5 Total (1+2+3+4)	**96**	**267.2**	**26**	**113.4**	**27**	**89.6**	**9**	**11.1**	**4**	**21.6**
5.1 Prospectus	82	169.7	23	37.4	26	88.8	8	10.1	4	21.6
5.2 Rights	14	97.5	3	76.0	1	0.8	1	1.0	–	–

* : Data is Provisional

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

External Sector

No. 31: Foreign Trade

Item	Unit	2015-16	2015	2016				
			Jul.	Mar.	Apr.	May	Jun.	Jul.
		1	2	3	4	5	6	7
1 Exports	₹ Billion	17,144.2	1,481.5	1,527.7	1,378.7	1,495.6	1,529.6	1,457.7
	US $ Million	262,003.7	23,281.2	22,793.4	20,742.5	22,353.0	22,728.8	21,689.6
1.1 Oil	₹ Billion	1,985.8	203.1	145.5	139.0	145.1	176.4	167.8
	US $ Million	30,423.5	3,191.9	2,171.1	2,090.5	2,168.3	2,621.6	2,496.7
1.2 Non-oil	₹ Billion	15,158.5	1,278.4	1,382.1	1,239.8	1,350.5	1,353.1	1,289.9
	US $ Million	231,580.2	20,089.4	20,622.3	18,652.0	20,184.7	20,107.1	19,192.9
2 Imports	₹ Billion	24,859.3	2,314.5	1,809.3	1,696.3	1,876.2	2,057.3	1,979.3
	US $ Million	380,356.3	36,372.1	26,995.5	25,519.5	28,042.0	30,570.1	29,451.0
2.1 Oil	₹ Billion	5,400.7	603.6	321.7	377.9	399.0	488.0	458.4
	US $ Million	82,879.9	9,486.1	4,799.9	5,685.9	5,963.2	7,251.8	6,820.3
2.2 Non-oil	₹ Billion	19,458.6	1,710.9	1,487.6	1,318.3	1,477.2	1,569.2	1,521.0
	US $ Million	297,476.4	26,886.0	22,195.6	19,833.5	22,078.8	23,318.2	22,630.6
3 Trade Balance	₹ Billion	–7,715.0	–833.0	–281.6	–317.5	–380.6	–527.7	–521.6
	US $ Million	–118,352.6	–13,090.9	–4,202.1	–4,777.0	–5,689.0	–7,841.3	–7,761.4
3.1 Oil	₹ Billion	–3,414.9	–400.5	–176.2	–239.0	–253.9	–311.6	–290.6
	US $ Million	–52,456.4	–6,294.3	–2,628.8	–3,595.4	–3,794.9	–4,630.2	–4,323.6
3.2 Non-oil	₹ Billion	–4,300.1	–432.5	–105.4	–78.5	–126.7	–216.1	–231.0
	US $ Million	–65,896.2	–6,796.6	–1,573.3	–1,181.6	–1,894.1	–3,211.1	–3,437.8

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

No. 32: Foreign Exchange Reserves

Item	Unit	2015	2016					
		Aug. 28	Jul. 22	Jul. 29	Aug. 5	Aug. 12	Aug. 19	Aug. 26
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Billion**	**23,120**	**24,234**	**24,390**	**24,325**	**24,334**	**24,457**	**24,463**
	US $ Million	**351,920**	**362,687**	**365,496**	**365,749**	**365,823**	**367,169**	**366,777**
1.1 Foreign Currency Assets	₹ Billion	21,597	22,584	22,739	22,619	22,628	22,749	22,754
	US $ Million	328,307	338,257	341,044	340,278	340,360	341,676	341,285
1.2 Gold	₹ Billion	1,168	1,391	1,391	1,447	1,447	1,447	1,447
	US $ Million	18,250	20,576	20,576	21,585	21,585	21,585	21,585
1.3 SDRs	SDRs Million	2,889	1,066	1,066	1,066	1,066	1,066	1,066
	₹ Billion	269	99	100	100	99	100	100
	US $ Million	4,068	1,476	1,485	1,489	1,486	1,498	1,497
1.4 Reserve Tranche Position in IMF	₹ Billion	86	160	160	160	160	161	162
	US $ Million	1,295	2,377	2,391	2,398	2,392	2,412	2,410

No. 33: NRI Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2015-16	2015	2016		2015-16	2016-17
		Jul.	Jun.	Jul.	Apr.-Jul.	Apr.-Jul.
	1	2	3	4	5	6
1 NRI Deposits	**126,929**	**120,552**	**126,266**	**128,844**	**7,028**	**2,765**
1.1 FCNR(B)	45,316	44,231	45,075	44,949	1,407	–367
1.2 NR(E)RA	71,468	66,648	71,226	73,615	5,328	2,891
1.3 NRO	10,145	9,674	9,965	10,281	293	241

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2015-16	2015-16	2016-17	2015	2016	
		Apr.-Jul.	Apr.-Jul.	Jul.	Jun.	Jul.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**36,021**	**11,868**	**8,462**	**1,864**	**3,305**	**4,739**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**44,907**	**13,800**	**9,912**	**2,351**	**2,788**	**4,194**
1.1.1.1 Gross Inflows/Gross Investments	**55,559**	**17,215**	**16,404**	**3,086**	**3,768**	**5,174**
1.1.1.1.1 Equity	41,112	11,819	11,976	2,084	2,321	4,159
1.1.1.1.1.1 Government (SIA/FIPB)	3,574	841	814	91	126	106
1.1.1.1.1.2 RBI	32,494	9,758	7,612	1,750	1,800	3,627
1.1.1.1.1.3 Acquisition of shares	3,933	916	3,246	166	319	349
1.1.1.1.1.4 Equity capital of unincorporated bodies	1,111	304	304	77	76	77
1.1.1.1.2 Reinvested earnings	10,413	3,105	3,105	790	772	790
1.1.1.1.3 Other capital	4,034	2,292	1,324	213	675	225
1.1.1.2 Repatriation/Disinvestment	**10,652**	**3,415**	**6,493**	**735**	**980**	**980**
1.1.1.2.1 Equity	10,524	3,351	6,390	734	946	946
1.1.1.2.2 Other capital	128	64	103	2	34	34
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**8,886**	**1,933**	**1,450**	**487**	**–517**	**–546**
1.1.2.1 Equity capital	6,486	1,532	3,374	372	628	835
1.1.2.2 Reinvested Earnings	3,337	1,112	1,112	278	278	278
1.1.2.3 Other Capital	3,382	932	1,146	160	344	108
1.1.2.4 Repatriation/Disinvestment	4,320	1,644	4,182	323	1,767	1,767
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**–4,130**	**707**	**4,591**	**484**	**249**	**3,168**
1.2.1 GDRs/ADRs	373	373	–	100	–	–
1.2.2 FIIs	–4,016	132	3,282	348	–193	2,726
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	487	–202	–1,309	–35	–442	–442
1 Foreign Investment Inflows	**31,891**	**12,575**	**13,052**	**2,348**	**3,554**	**7,907**

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

(US$ Million)

Item	2015-16	2015	2016		
		Jul.	May	Jun.	Jul.
	1	2	3	4	5
1 Outward Remittances under the LRS	**4,642.6**	**386.2**	**628.3**	**683.7**	**682.7**
1.1 Deposit	109.9	9.5	13.1	16.3	16.6
1.2 Purchase of immovable property	90.8	7.3	9.1	7.5	9.0
1.3 Investment in equity/debt	317.9	24.6	25.8	26.4	41.1
1.4 Gift	533.0	52.0	62.4	56.3	59.1
1.5 Donations	3.9	0.1	0.3	0.9	0.4
1.6 Travel	651.4	27.0	229.1	221.9	206.0
1.7 Maintenance of close relatives	1,372.1	131.3	175.1	169.7	182.2
1.8 Medical Treatment	17.2	1.8	1.2	1.2	1.2
1.9 Studies Abroad	1,200.0	112.9	90.4	103.7	132.9
1.10 Others	346.4	19.5	21.7	79.8	34.2

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

Item	2014-15	2015-16	2015	2016	
			August	July	August
	1	2	3	4	5
36-Currency Export and Trade Based Weights (Base: 2004-05=100)					
1 Trade-Based Weights					
1.1 NEER	74.07	74.75	75.05	73.95	74.03
1.2 REER	108.96	112.07	112.45	113.53	113.67
2 Export-Based Weights					
2.1 NEER	75.22	76.45	76.67	75.13	75.18
2.2 REER	111.25	114.44	114.81	115.35	115.43
6-Currency Trade Based Weights					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	68.60	67.86	67.99	66.79	66.63
1.2 REER	119.92	123.57	123.70	126.08	125.79
2 Base: 2014-15 (April-March) =100					
2.1 NEER	100.00	98.93	99.11	97.36	97.14
2.2 REER	100.00	103.05	103.15	105.14	104.89

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

(Amount in US$ Million)

Item	2015-16	2015	2016	
		Jul.	Jun.	Jul.
	1	2	3	4
1 Automatic Route				
1.1 Number	671	57	65	54
1.2 Amount	13,412	694	909	1,020
2 Approval Route				
2.1 Number	46	5	3	3
2.2 Amount	10,961	1,450	163	184
3 Total (1+2)				
3.1 Number	717	62	68	57
3.2 Amount	24,373	2,144	1,072	1,204
4 Weighted Average Maturity (in years)	6.20	4.99	4.90	4.50
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.45	1.48	1.65	3.53
5.2 Interest rate range for Fixed Rate Loans	0.00-13.00	0.00-5.25	0.00-12.00	0.00-12.05

No. 38: India's Overall Balance of Payments

(US $ Million)

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

No. 39: India's Overall Balance of Payments

(₹ Billion)

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

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

(US $ Million)

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

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

(₹ Billion)

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

No. 42: International Investment Position

(US$ Million)

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

Payment and Settlement Systems

No. 43: Payment System Indicators

System	Volume (Million)				Value (₹ Billion)			
	2015-16	2016			2015-16	2016		
		May	Jun.	Jul.		May	Jun.	Jul.
	1	2	3	4	5	6	7	8
1 RTGS	**98.34**	**8.71**	**8.83**	**8.26**	**1,035,551.64**	**95,526.09**	**106,101.49**	**96,016.24**
1.1 Customer Transactions	93.95	8.34	8.46	7.92	700,899.82	64,939.73	72,024.19	64,718.26
1.2 Interbank Transactions	4.37	0.37	0.37	0.33	123,678.19	11,392.85	11,810.82	10,201.29
1.3 Interbank Clearing	0.016	0.001	0.002	0.002	210,973.63	19,193.51	22,266.48	21,096.69
2 CCIL Operated Systems	**3.12**	**0.29**	**0.31**	**0.35**	**807,370.42**	**81,983.85**	**87,278.50**	**89,800.06**
2.1 CBLO	0.22	0.02	0.02	0.02	178,335.28	16,217.58	17,272.29	17,332.33
2.2 Govt. Securities Clearing	1.02	0.10	0.11	0.19	269,778.20	27,902.87	31,205.54	40,872.50
2.2.1 Outright	0.88	0.08	0.09	0.17	97,285.41	9,053.82	11,238.84	21,145.09
2.2.2 Repo	0.134	0.014	0.016	0.014	172,492.78	18,849.05	19,966.70	19,727.41
2.3 Forex Clearing	1.89	0.17	0.18	0.14	359,256.94	37,863.40	38,800.68	31,595.23
3 Paper Clearing	**1,096.37**	**85.06**	**86.19**	**85.35**	**81,860.79**	**6,475.30**	**6,359.68**	**6,238.15**
3.1 Cheque Truncation System (CTS)	958.39	77.24	78.64	79.24	69,889.15	5,784.87	5,734.50	5,716.59
3.2 MICR Clearing	–	-	-	-	–	–	–	–
3.2.1 RBI Centres	–	-	-	-	–	–	–	–
3.2.2 Other Centres	–	-	-	-	–	–	–	–
3.3 Non-MICR Clearing	137.98	7.81	7.55	6.11	11,971.64	690.43	625.19	521.55
4 Retail Electronic Clearing	**3,141.53**	**307.51**	**316.88**	**336.73**	**91,408.14**	**8,533.18**	**9,622.29**	**9,045.69**
4.1 ECS DR	224.75	1.21	0.99	0.87	1,651.50	5.04	3.22	2.60
4.2 ECS CR (includes NECS)	39.00	0.54	0.80	0.60	1,059.44	9.11	9.64	7.46
4.3 EFT/NEFT	1,252.88	117.50	118.91	113.48	83,273.11	7,732.54	8,815.31	8,145.39
4.4 Immediate Payment Service (IMPS)	220.81	27.66	29.68	32.18	1,622.26	216.18	237.17	256.17
4.5 National Automated Clearing House (NACH)	1,404.08	160.59	166.50	189.60	3,801.83	570.30	556.96	634.06
5 Cards	**10,038.67**	**950.59**	**927.27**	**955.43**	**29,397.65**	**2,721.97**	**2,601.89**	**2,607.20**
5.1 Credit Cards	791.67	79.06	76.90	79.51	2,437.02	252.44	242.41	245.31
5.1.1 Usage at ATMs	6.00	0.58	0.59	0.60	30.41	2.84	2.86	2.89
5.1.2 Usage at POS	785.67	78.48	76.31	78.90	2,406.62	249.60	239.56	242.42
5.2 Debit Cards	9,247.00	871.54	850.37	875.92	26,960.63	2,469.52	2,359.48	2,361.89
5.2.1 Usage at ATMs	8,073.39	737.57	732.17	747.48	25,371.36	2,314.38	2,204.48	2,191.76
5.2.2 Usage at POS	1,173.61	133.97	118.20	128.44	1,589.27	155.15	155.01	170.13
6 Prepaid Payment Instruments (PPIs)	**748.02**	**70.95**	**76.98**	**77.85**	**487.58**	**49.95**	**53.47**	**53.40**
6.1 m-Wallet	603.98	50.31	58.63	59.45	205.84	24.35	27.74	27.60
6.2 PPI Cards	143.47	20.60	18.29	18.35	253.77	23.43	23.01	23.09
6.3 Paper Vouchers	0.56	0.04	0.05	0.05	27.97	2.18	2.71	2.71
7 Mobile Banking	**389.49**	**60.76**	**62.52**	**64.44**	**4,040.91**	**608.45**	**662.72**	**668.04**
8 Cards Outstanding	**686.04**	**705.16**	**713.64**	**713.74**	–	–	–	–
8.1 Credit Card	24.51	25.15	25.54	25.54	–	–	–	–
8.2 Debit Card	661.54	680.01	688.10	688.20	–	–	–	–
9 Number of ATMs (in actuals)	**212061**	**214213**	**215192**	**215760**	–	–	–	–
10 Number of POS (in actuals)	**1385668**	**1418324**	**1432727**	**1442653**	–	–	–	–
11 Grand Total (1.1+1.2+2+3+4+5+6)	**15,126.04**	**1,423.10**	**1,416.46**	**1,463.96**	**1,835,102.59**	**176,096.83**	**189,750.86**	**182,664.04**

Note : Data for latest 12 month period is provisional.

Occasional Series

Occasional Series

No. 44: Small Savings

(₹ Billion)

Scheme		2014-15	2015		2016	
			Feb.	Dec.	Jan.	Feb.
		1	2	3	4	5
1 Small Savings	**Receipts**	**2,411.58**	**208.25**	**340.50**	**347.66**	**375.07**
	Outstanding	**6,323.39**	**6,266.32**	**6,537.43**	**6,619.53**	**6,689.88**
1.1 Total Deposits	**Receipts**	**2,137.49**	**179.21**	**301.34**	**305.27**	**326.76**
	Outstanding	**3,961.81**	**3,947.00**	**4,163.20**	**4,189.82**	**4,224.29**
1.1.1 Post Office Saving Bank Deposits	Receipts	1,142.29	96.53	170.21	177.62	197.89
	Outstanding	474.28	464.27	567.51	586.76	606.63
1.1.2 MGNREG	Receipts	–	–	–	–	–
	Outstanding	–	–	–	–	–
1.1.3 National Saving Scheme, 1987	Receipts	0.44	–	0.01	–	0.05
	Outstanding	36.89	36.45	34.94	34.79	34.68
1.1.4 National Saving Scheme, 1992	Receipts	0.03	–	–	0.01	–
	Outstanding	2.32	2.34	1.28	1.26	1.22
1.1.5 Monthly Income Scheme	Receipts	215.69	17.76	35.26	33.77	35.20
	Outstanding	2,005.57	2,010.35	1,951.46	1,943.21	1,935.86
1.1.6 Senior Citizen Scheme	Receipts	30.11	2.79	13.14	12.76	12.87
	Outstanding	179.75	181.76	196.79	203.69	213.51
1.1.7 Post Office Time Deposits	Receipts	330.69	27.35	43.69	43.34	43.12
	Outstanding	517.57	508.76	641.52	659.80	678.18
1.1.7.1 1 year Time Deposits	Outstanding	361.53	354.68	458.18	470.89	482.51
1.1.7.2 2 year Time Deposits	Outstanding	20.31	20.03	25.37	26.48	27.77
1.1.7.3 3 year Time Deposits	Outstanding	41.42	41.32	44.34	45.08	45.96
1.1.7.4 5 year Time Deposits	Outstanding	94.31	92.73	113.63	117.35	121.94
1.1.8 Post Office Recurring Deposits	Receipts	418.24	34.78	39.03	37.77	37.63
	Outstanding	745.13	742.75	769.35	759.96	753.85
1.1.9 Post Office Cumulative Time Deposits	Outstanding	0.08	0.10	0.08	0.08	0.08
1.1.10 Other Deposits	Receipts	–	–	–	–	–
	Outstanding	0.22	0.22	0.27	0.27	0.28
1.2 Saving Certificates	**Receipts**	**192.52**	**22.07**	**34.14**	**35.83**	**39.44**
	Outstanding	**1,834.10**	**1,827.80**	**1,889.18**	**1,902.23**	**1,916.46**
1.2.1 National Savings Certificate VIII issue	Receipts	165.84	15.27	8.47	9.97	12.94
	Outstanding	856.08	844.62	873.42	874.61	877.22
1.2.2 Indira Vikas Patras	Receipts	0.04	–	–	–	–
	Outstanding	8.87	7.97	8.90	8.86	8.87
1.2.3 Kisan Vikas Patras	Receipts	5.54	1.48	1.41	1.39	1.49
	Outstanding	848.41	872.57	702.45	689.26	675.76
1.2.4 Kisan Vikas Patras - 2014	Receipts	21.1	5.32	24.24	24.47	25.01
	Outstanding	26.71	9.27	193.33	217.8	242.81
1.2.5 National Saving Certificate VI issue	Receipts	–	–	0.02	–	–
	Outstanding	–0.82	–0.81	–0.86	–0.88	–0.89
1.2.6 National Saving Certificate VII issue	Outstanding	–0.53	–0.53	–0.55	–0.56	–0.59
1.2.7 Other Certificates	Outstanding	95.38	94.71	112.49	113.14	113.28
1.3 Public Provident Fund	**Receipts**	**81.57**	**6.97**	**5.02**	**6.56**	**8.87**
	Outstanding	**527.48**	**491.52**	**485.05**	**527.48**	**549.13**

Source: Accountant General, Post and Telegraphs.

No. 45: Ownership Pattern of Central Government Dated Securities

(Per cent)

Category	2015			2016	
	Jun.	Sep.	Dec.	Mar.	Jun.
	1	2	3	4	5
1 Commercial Banks	43.14	43.03	43.59	41.81	39.90
2 Non-Bank PDs	0.35	0.54	0.35	0.33	0.45
3 Insurance Companies	21.37	22.09	21.90	22.18	22.63
4 Mutual Funds	2.37	2.69	2.52	2.09	2.09
5 Co-operative Banks	2.73	2.64	2.71	2.75	2.68
6 Financial Institutions	0.70	0.60	0.68	0.72	0.71
7 Corporates	1.12	0.84	0.86	1.28	1.31
8 Foreign Portfolio Investors	3.59	3.57	3.68	3.65	3.63
9 Provident Funds	7.08	7.17	7.11	6.01	5.89
10 RBI	13.06	12.08	12.07	13.47	14.88
11 Others	4.49	4.75	4.51	5.72	5.83

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

(₹ Billion)

Item	2011-12	2012-13	2013-14	2014-15	2015-16 RE	2016-17 BE
	1	2	3	4	5	6
1 Total Disbursements	**24,217.68**	**26,949.34**	**30,002.99**	**31,400.43**	**38,228.87**	**42,712.81**
1.1 Developmental	14,209.38	15,741.62	17,142.21	17,713.84	22,768.64	24,836.58
1.1.1 Revenue	11,394.64	12,807.14	13,944.26	14,012.43	17,308.01	19,336.38
1.1.2 Capital	2,163.39	2,446.11	2,785.08	3,147.05	4,272.11	4,837.73
1.1.3 Loans	651.35	488.38	412.88	554.36	1,188.52	662.47
1.2 Non-Developmental	9,695.88	10,850.47	12,427.83	13,239.96	14,942.97	17,303.67
1.2.1 Revenue	8,923.61	9,991.40	11,413.65	12,280.50	13,742.61	15,932.34
1.2.1.1 Interest Payments	4,000.03	4,543.06	5,342.30	5,741.79	6,424.44	7,273.27
1.2.2 Capital	754.79	837.14	990.37	933.76	1,159.12	1,339.39
1.2.3 Loans	17.48	21.93	23.81	25.70	41.24	31.95
1.3 Others	312.42	357.24	432.95	446.62	517.27	572.56
2 Total Receipts	**24,540.62**	**27,690.29**	**30,013.72**	**30,492.31**	**38,204.57**	**42,659.84**
2.1 Revenue Receipts	16,926.79	19,716.19	22,114.75	22,753.49	27,942.30	32,443.51
2.1.1 Tax Receipts	14,427.52	16,879.59	18,465.45	19,594.38	22,955.03	25,780.22
2.1.1.1 Taxes on commodities and services	8,745.55	10,385.91	11,257.81	11,685.04	14,261.00	16,057.96
2.1.1.2 Taxes on Income and Property	5,654.12	6,462.73	7,176.34	7,877.31	8,654.55	9,681.05
2.1.1.3 Taxes of Union Territories (Without Legislature)	27.85	30.94	31.30	32.04	39.48	41.21
2.1.2 Non-Tax Receipts	2,499.27	2,836.60	3,649.30	3,159.11	4,987.27	6,663.29
2.1.2.1 Interest Receipts	288.70	355.43	401.62	389.88	327.50	379.24
2.2 Non-debt Capital Receipts	441.23	389.20	391.13	559.95	435.45	745.08
2.2.1 Recovery of Loans & Advances	253.70	129.29	93.85	172.47	171.82	178.58
2.2.2 Disinvestment proceeds	187.53	259.91	297.28	387.47	263.63	566.49
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	**6,849.66**	**6,843.95**	**7,497.11**	**8,086.98**	**9,851.12**	**9,524.23**
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	6,725.18	6,771.94	7,424.19	7,957.65	9,736.28	9,333.28
3A.1.1 Net Bank Credit to Government	3,898.30	3,352.80	3,358.58	–374.76	2,310.90	...
3A.1.1.1 Net RBI Credit to Government	1,391.80	548.40	1,081.30	–3,341.85	604.72	...
3A.1.2 Non-Bank Credit to Government	2,826.88	3,419.14	4,065.61	8,332.41	7,425.38	...
3A.2 External Financing	124.48	72.01	72.92	129.33	114.85	190.94
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	6,725.18	6,771.94	7,424.19	7,957.65	9,736.28	9,333.28
3B.1.1 Market Borrowings (net)	6,195.07	6,536.94	6,391.99	6,428.45	7,286.27	7,537.36
3B.1.2 Small Savings (net)	190.88	–85.70	–142.81	–565.80	–809.63	–140.80
3B.1.3 State Provident Funds (net)	334.33	329.94	312.90	304.29	336.13	362.07
3B.1.4 Reserve Funds	178.51	–4.12	34.63	51.09	–4.99	–80.02
3B.1.5 Deposits and Advances	122.10	27.22	255.45	275.45	304.46	239.90
3B.1.6 Cash Balances	–322.94	–740.96	–10.72	908.12	24.30	52.97
3B.1.7 Others	27.23	708.62	582.75	556.06	2,599.73	1,361.80
3B.2 External Financing	124.48	72.01	72.92	129.33	114.85	190.94
4 Total Disbursements as per cent of GDP	*27.7*	*27.1*	*26.6*	*25.1*	*28.2*	*28.4*
5 Total Receipts as per cent of GDP	*28.1*	*27.8*	*26.6*	*24.4*	*28.1*	*28.3*
6 Revenue Receipts as per cent of GDP	*19.4*	*19.8*	*19.6*	*18.2*	*20.6*	*21.5*
7 Tax Receipts as per cent of GDP	*16.5*	*17.0*	*16.4*	*15.7*	*16.9*	*17.1*
8 Gross Fiscal Deficit as per cent of GDP	*7.8*	*6.9*	*6.7*	*6.5*	*7.3*	*6.3*

Source : Budget Documents of Central and State Governments.

Explanatory Notes to the Current Statistics

Table No. 1
1.2 & 6: Annual data are averages of months.
3.5 & 3.7: Relate to ratios of increments over financial year so far.
4.1 to 4.4, 4.8, 4.12 & 5: Relate to the last day of the month/financial year.
4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.
4.9 to 4.11: Relate to the last auction day of the month/financial year.

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

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

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

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

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

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

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

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

Table No. 15 & 16

Data are provisional and relate to select banks which cover 95 per cent of total non-food credit extended by all scheduled commercial banks (excludes ING Vysya which has been merged with Kotak Mahindra since April 2015).

Export credit under priority sector relates to foreign banks only.

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

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

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

Table No. 17

2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks

2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.

4: Include borrowings from IDBI and NABARD.

Table No. 24

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30

Exclude private placement and offer for sale.

1: Exclude bonus shares.

2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32

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

Table No. 34

1.1.1.1.2 & 1.1.1.1.1.4: Estimates.

1.1.1.2: Estimates for latest months.

'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.

Data may not tally with the BoP data due to lag in reporting.

Table No. 35

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

Table No. 36

Increase in indices indicates appreciation of rupee and vice versa. For 6-Currency index, base year 2012-13 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). Methodological details are available in December 2005 and April 2014 issues of the Bulletin.

Table No. 37

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

Table Nos. 38, 39, 40 & 41

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

Table No. 43

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

Table No. 45

The holdings of RBI have been revised since December 2014, based on the revised liquidity management framework.

Table No. 46

(-): Indicates surplus/net outflow.
Total receipts and total expenditure exclude National Calamity Contingency Fund expenditure.
1 & 2: Data are net of repayments of the Central Government (including repayments to the NSSF) and State Governments.
1.3: Represents compensation and assignments by States to local bodies and Panchayati Raj institutions.
2: Data are net of variation in cash balances of the Central and State Governments and includes borrowing receipts of the Central and State Governments.
3A.1.1: Data as per RBI records.
3B.1.1: Includes borrowings through dated securities and 364-day Treasury Bills.
3B.1.2: Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).
3B.1.6: Include Ways and Means Advances by the Centre to the State Governments.
3B.1.7: Include Treasury Bills (excluding 364-day Treasury Bills), loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

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

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Notes

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

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