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CONTENTS

SPEECHES

Financial Inclusion Empowers Monetary Policy
Michael Debabrata Patra

Ownership and Governance –
Building the Edifice for Digital Innovations
M. Rajeshwar Rao

*Financial Inclusion Empowers Monetary Policy**

Michael Debabrata Patra

Prof. Errol D'Souza, Director, Indian Institute of Management, Ahmedabad or IIMA; Prof. Umakant Dash, Director, Institute of Rural Management, Anand or IRMA; Dr. Supriya Sharma, Partner-Insights, Centre for Innovation Incubation and Entrepreneurship or CIIE; representatives of the Bill & Melinda Gates Foundation (BMGF); faculty, students and staff of IIMA; and friends, I commend all of you on this laudable initiative of Financial Inclusion for Rural Transformation. It raises the bar by seeking to examine the entire value chain of financial inclusion and its effect on women empowerment with the help of research, existing and new data, and field experiments. I look forward to the findings, especially which financial inclusion products work, where and why.

I am honoured to be given the opportunity to launch this project. Drawing from what I do for a living, I thought I will share my thoughts on how financial inclusion empowers monetary policy and why people matter for its effective conduct.

Financial inclusion in the sense of access to the formal financial system for basic financial services at a reasonable cost is now positioned as a policy objective in more than 60 countries. It is also central to the United Nation's (UN's) 2030 Sustainable Development Goals (SDGs) and the G 20's Action Plan on the 2030 Agenda for Sustainable Development. Several direct developmental effects are attributed to financial inclusion such as greater mobilisation of savings, improving conditions for remittances, boosting fiscal revenues and improving the effectiveness of fiscal transfers. Rather than a lever or a growth multiplier, however, it is widely viewed as enhancing the quality of growth by fostering inclusivity and by enabling other developmental goals such as poverty eradication, reduction of inequality and women empowerment, to name a few.

Given this overwhelmingly developmental focus on financial inclusion, the relationship between financial inclusion and monetary policy is obviously unfashionable. Recently, however, interest is growing in the effects of financial inclusion on the conduct of monetary policy and its contribution to human welfare through this channel. The initial conditions to spur this interest were always in existence. The UN's Capital Development Fund or UNCDF reports evidence of financial inclusion contributing to stabler financial systems. Financially included economic agents appear to be able to ride out interest rate cycles pro-cyclically instead of being impacted counter-cyclically.

In my remarks today, I would like to contribute to this growing interest in the symbiosis between financial inclusion and monetary policy by (a) assimilating the received wisdom and empirical evidence that has been accumulated so far on the subject; and (b) drawing applicable lessons therefrom for India. This assumes relevance in the context of the pandemic during which the loss of life and livelihood impacted the financially disadvantaged and vulnerable households and businesses the most. Drawing upon its experience with financial inclusion, the RBI crafted a pandemic response that reached out in the form of unconventional measures to those afflicted sections of society, keeping finance flowing, and financial institutions and markets functional, especially when personal incomes were lost and the future was highly uncertain.

* Keynote Address delivered by Dr. Michael Debabrata Patra, Deputy Governor, Reserve Bank of India in the project on Financial Inclusion, a joint initiative by the Indian Institute of Management Ahmedabad (IIMA), Institute of Rural Management Anand (IRMA) and Centre for Innovation, Incubation and Entrepreneurship (CIIE) organised by the Indian Institute of Management, Ahmedabad on December 24, 2021. Valuable comments from Sitikantha Pattanaik, Binod B Bhoi, Snehal S Herwadkar, and editorial help from Vineet Kumar Srivastava are gratefully acknowledged.

In this endeavour, I am emboldened by the significant milestone that the Reserve Bank of India (RBI) has passed in its journey towards financially empowering all Indians – I refer to the construction and public release of a national financial inclusion index (FI-Index) in September 2021. The index is based on 97 indicators, representing 'access' or the supply of financial inclusion infrastructure, 'usage' or demand for financial services and 'quality', or inequality in access and usage due to lack of financial literacy and protection. The index takes values from 0 to 100 and implicitly sets the goal for the RBI – 100 per cent financial inclusion for India. By 2021, we have passed the half-way mark, doing best in access or the supply of the financial infrastructure, and lagging the most in usage or demand to be financially included. This assumes importance from the point of view of the ambitious agenda set up by the National Strategy for Financial Inclusion (NSFI), 2019-24 and the National Strategy for Financial Education (NFSE) 2020-25 in its vision of a financially literate and empowered India.

There are other collateral benefits attached to the FI-Index. For the first time, efforts towards expanding financial inclusion can be transparently evaluated against a publicly available and quantifiable metric. Furthermore, a measurable indicator of financial inclusion can be incorporated into monetary policy rules and reaction functions to examine its correlation with output and inflation and their volatility. For the first time, the influence of financial inclusion on the size and timing of policy rate changes can be gauged.

Monetary policy maximises human welfare by minimising the deviations of output from its potential and inflation from the target. Although it is empirically observed that there is a two-way relationship between monetary policy and financial inclusion, it is unambiguous that financial inclusion is able to dampen inflation and output volatility. This is achieved by smoothing consumption by enabling people to draw down financial savings in difficult times for everyday needs. In the process, it makes people interest-sensitive. Moreover, inflation targeting monetary policy ensures that even those at the fringe of financial inclusion are secured from adverse income shocks that hit them when prices rise unconscionably.

At the cost of being slightly technical, therefore, the rest of my remarks will address four issues that sit at the heart of this confluence: first, the choice of the appropriate price index as the population gets progressively included financially; second, the impact of financial inclusion on output and inflation variability and the trade-off between them – the dilemma that is central to the conduct of monetary policy; third, the transmission of monetary policy impulses through the economy; and fourth, the impact of financial awareness on expectations and hence on the credibility of monetary policy.

In the final analysis, financial inclusion fosters societal intolerance to inflation, a social preference for macroeconomic stability and a sense of the long and variable lags with which monetary policy operates. This makes it possible for smaller monetary policy actions to achieve the same goals in a shorter period of time than otherwise.

II. The Choice of Price Index

Which measure of inflation should monetary policy target to maximise welfare? Financial inclusion appears to be the lowest in rural, agriculture-dependent areas where food is the main source of income. Recent work in the tradition of dualistic models shows that in the presence of financial frictions – in this case, financially excluded or credit-constrained consumers existing alongside those that have full access to formal finance – flexibly determined food prices have a critical role to play in influencing the real wages and incomes of the excluded and hence their aggregate demand. Interest rate change don't matter so much. When food prices rise, the extra income earned by the financially excluded is not saved but instead consumption is increased, leading to higher aggregate demand. In this kind of a situation, the efficacy of monetary policy in achieving its stabilisation objective increases by targeting a measure of prices that includes food prices rather than one that excludes them such as core inflation. The lower the level of financial inclusion, therefore, the stronger is the case for price stability being defined in terms of headline inflation rather than any measure of core inflation that strips out food and fuel.

In India, food accounts for 46 per cent of the CPI, among the highest shares anywhere in the world. Furthermore, the CPI combines a rural index and an urban index, with the share of food being even higher in the rural index at 54.2 per cent. In the urban index too, the share of food at 36.3 per cent is also sizable in a cross-country perspective. Consequently, aggregate demand is highly influenced by the behaviour of food prices and farm output, rather than interest rate changes to which the urban index could be sensitive. It is in this context that the monetary policy framework overhaul in 2016 to usher in a flexible inflation targeting regime wisely chose the headline CPI as its metric for measuring the inflation target rather than any measure of core inflation, despite persuasive arguments for the latter that are made even today. Headline CPI inflation averaged 3.9 per cent since the institution of flexible inflation targeting right up to the onset of the pandemic in March 2020 (*i.e.*, during October 2016 – March 2020). With the first onslaught of COVID-19, headline inflation breached the upper tolerance band and averaged 6.2 per cent in 2020-21. Strong supply side interventions to expand access to buffer stocks and imports, to incentivise productivity, and lowering of taxes tamed the upsurge and aligned headline inflation again with the target, barring short-lived spikes due to inclement weather in key vegetable producing areas. Food inflation has been volatile throughout this period, reflecting the incidence of supply shocks on the production of items to which inflation is particularly reactive. It rose from an average of 2.9 per cent during the FIT period of 2016-20 to 7.4 per cent in 2020-21 at the height of the first wave of the pandemic, but the policy interventions have managed to temper it to 3.5 per cent in April-November 2021. Stabilising farm incomes and food availability through the pandemic via transfers of both cash and kind has been a key policy mission. Coincidentally, financial inclusion appears to have gone up, with the level of the RBI's financial inclusion index rising from 49.9 in March 2019 to 53.1 in March 2020 and further to 53.9 in March 2021.

The evidence is still forming and strong conclusions from its analysis may be premature, but India's monetary policy is by design financially inclusive and it will reap the benefits of this strategy in the future in terms of effectiveness and welfare maximisation.

III. Stabilising Output-Inflation Variability

As I mentioned earlier, the responsibility assigned to monetary policy is to keep output close to or at its potential and inflation aligned to its target. Financially included consumers are able to smooth consumption in the face of shocks because of their access to savings (deposits) and credit from the formal financial system in the event of income losses. On the other hand, financially excluded consumers are not able to do so and hence they are vulnerable to higher volatility in consumption spending and output. An economy with all consumers financially included would expect to experience less output volatility due to lower consumption volatility. In an economy with financially excluded consumers, monetary policy has to assign a greater weight to stabilising output. Overarchingly, however, it is inflation volatility that affects all consumers, whether included or excluded. Therefore, minimising inflation volatility should be the predominant objective of monetary policy in its welfare maximising role. It follows that the larger the share of financially excluded people in an economy, the more the central bank has to pay attention to output stabilisation at the cost of focusing on inflation stabilisation. As financial inclusion rises, monetary policy can hone its ability to stabilise inflation and reap welfare gains for society at large.

In India, the issue of financial inclusion and its role in shaping the monetary policy reaction function was recognised from the very outset while instituting the flexible inflation targeting framework. Accordingly, price stability was assigned primacy among the goals of monetary policy, with output being a secondary objective to turn to only after price stability as defined numerically in terms of 4 per cent with a tolerance band of +/-2 per cent around it has been achieved. To quote from the RBI Act as amended in 2016: "The primary objective of monetary policy is to maintain price stability, while keeping in mind the objective of growth." As I pointed out earlier, this has been largely achieved, but for the exceptional experience with the pandemic, and looking ahead, inflation is expected to trend down over the next two years to converge to the target, as pointed out in the RBI's October 2021 Monetary Policy Report.

Furthermore, there is some evidence that financial inclusion has worked in the same direction as the reforms in the monetary policy framework in the assignment of weights to inflation and output gaps. The Report on Currency and Finance, 2020-21 estimates that the coefficient on the deviation of inflation from the target was 0.41 in the period 2000-11, with 0.75 as the coefficient on the deviation of output from its potential. During 2016-20, the period of the flexible inflation targeting framework up to the pandemic's first wave, the weight on the inflation gap rose to 0.70 while the weight on the output gap fell to 0.26, clearly revealing an increasing focus on stabilising inflation relative to output. This resulted in stabilising expectations, winning foreign investor confidence and earning credibility for the conduct of monetary policy.

Although relatively unsung, rising financial inclusion has had a significant contribution to this virtuous outcome. It has been argued that as financial inclusion increases, the ratio of output volatility to inflation volatility should also rise if the central bank cares about both and sets monetary policy to optimise their trade-off. In India, this ratio has gone up from 0.6 in mid-2015 to 1.3 in the last quarter of 2020-21 just before the pandemic struck. In the pandemic period, this ratio has shot up to above 5, but this is clearly an outlier which has to be tackled differently. Looking ahead, as financial inclusion rises even further in India, consumption volatility as a source of output volatility can be expected to wane, providing headroom for monetary policy to remain focused on minimising inflation volatility, which brings welfare gains for all.

IV. Monetary Policy Transmission

Modern central banks mostly employ the interest rate to convey the stance of monetary policy to the rest of the economy. Briefly put, policy rate changes immediately influence short-term money market rates from which they are transmitted through the continuum of financial markets to longer-term interest rates, which impact spending decisions of businesses and households and eventually aggregate demand. Financial inclusion is found to improve the transmission of interest rate-based monetary policy impulses in two ways. First, the financially excluded would typically prefer 'inside the pillow' savings and for this, cash is the preferred instrument. As inclusion increases, their preference shifts from cash to interest-bearing bank deposits and other financial assets. Consequently, the interest sensitivity of financial savings in the economy goes up. In view of compositional changes due to interest-bearing deposits replacing currency in people's portfolios, the interest rate sensitivity of money balances also goes up. Second, financial inclusion is expected to expand the access to bank credit, which is interest sensitive and affected by changes in the policy rate. All in all, financial inclusion enhances the potency of interest-rate based monetary policy by causing an increasing number of people to become responsive to interest rate cycles. In turn, this prompts appropriate smoothing behaviour. There is also some evidence to suggest that as interest rate sensitivity of the population increases, central banks need to move interest rates by less to achieve their objectives.

In India, the growing involvement of people in the monetary policy process has led to more democratic approaches to interest rate setting. The RBI moved away from regulating interest rates during the 1990s. This was followed by guideline-based loan pricing norms – prime lending rates; base rates; marginal cost of funds-based lending rates. The goal is transparency, customer protection and awareness, and being as market-based as feasible, all of which are intended to foster inclusiveness. Across these regimes, transmission of policy rate changes to both deposit and lending rates has improved. The process has come full circle with the external benchmark-based lending rates – applied first to retail loans and credit to micro and small units – under which transmission is even fuller. Clearly, sustaining the thrust on financial inclusion will leave the RBI better off in achieving monetary policy transmission.

V. Expectations and Monetary Policy Credibility

The role of expectations is crucial to the conduct of monetary policy. People's expectations about the future are typically conditioned by the past. For instance, inflation expectations tell about the future course of prices as people see them in the rear-view mirror. For central banks, such expectations are a crucial input for policy making because they can crystallise into actual outcomes if the number of people sharing the same expectations gains critical mass. Furthermore, central banks can assess whether expectations are anchored or not, which has a bearing on their credibility. Therefore, what drives expectations is a question that is valuable for both people and the central banks that serve them. It is observed that financial literacy empowers people to choose more relevant information and to make better use of it. Closer assessment of future inflation helps inform choices on personal finance decisions, including opening of a bank account, taking a bank loan or even bargaining for wages.

India has recently stepped up its drive for financial inclusion to reach unserved and underserved sections of society. The JAM trinity - Jan Dhan Yojana; Aadhaar; Mobile - is an internationally acclaimed gamechanger in this regard and is widely regarded as having completed inclusion on the deposit side. During the pandemic, the JAM trinity was leveraged to support and save livelihoods. The NABARD's self-help group bank linkage programme has emerged as the world's largest microfinance programme in terms of number of beneficiaries and microcredit extended. The RBI has taken a number of outreach and public awareness campaigns for financial literacy, the most visible being RBI Kehta Hai, Interactive Voice Response System (IVRS), and these initiatives have spanned all types of media. As these efforts intensify, it is expected that an included and aware population will participate more in monetary policy formulation and implementation, develop more rational expectations and induce financial intermediaries to transmit policy impulses more swiftly and effectively across the financial system.

VI. Conclusion

Monetary policy authorities typically avoid discussions on inequality. They like to be seen in a macro-stabilisation role and prefer leaving distributional issues to fiscal authorities. Yet, increasingly, they realise that financial inclusion – or the equality of access to formal finance – impacts the conduct of monetary policy more fundamentally than they thought, in the choice of metric for measuring goal variables, in the choice of trade-off between their variances, and in the efficacy of monetary policy in reaching out to the broader economy. It is in this context that central banks find themselves integrally involved in policy drives to expand financial inclusion because they have to take into account the true financial structures of the economies in which they conduct monetary policy. As people get financially included, they can use their access to formal finance to deal with both good and bad times and in more accurately assessing future inflation. And this has monetary policy implications, as I pointed out. So, central banks do care about inequality. After all, social welfare – the mandate of institutions committed to the greater public good – hinges on it.

Thank you.

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*Ownership & Governance – Building the Edifice for Digital Innovations**

M. Rajeshwar Rao

Thank you for inviting me this evening to the Mint's Annual Banking Conclave. The organisers have quite aptly selected an extremely topical and contemporary theme, *i.e.*, **Future of Banking: Navigating a Digital Opportunity** for this year's conclave. During the previous edition of this conclave, I remember Governor Shaktikanta Das speaking about digital disruptions and blurring of boundaries between traditional banks and FinTech & BigTech. Looking at the constellation of speakers who have been engaging with you, I am sure you all have had an extremely enlightening discourse on several of the emerging issues during the conclave.

The technological and digital innovations have improved the efficiency, productivity, and competitiveness in the delivery of financial services. Their role in furthering the financial inclusion and reducing the cost of financial intermediation is well recognised. However, such innovations have also given rise to newer challenges for all stakeholders. While customers face issues of mis selling, data security and privacy as well as identity theft problems, regulators and supervisors need to increasingly engage with issues around customer protection, ethical conduct, regulatory arbitrage, and concerns about financial stability. In turn, the regulated entities need to be on their toes to face up to everchanging competition and business disruptions through technology driven innovations, requiring them to fine-tune and sometimes alter their business plans, re-orient their strategies and manage the concomitant risks.

Given this backdrop, I thought I could briefly focus the spotlight on business conduct and governance issues in financial services, which assume greater relevance in times of innovation, change and business disruptions. These in my view are the key soft pillars which build the edifice of a successful financial institution, more so in these challenging times. In particular, there is a need to reflect on the role and expectations from the governance architecture *viz.*, the Board and its Committees, the Independent Directors and the assurance functions in banks and other financial institutions.

Before I talk about governance related issues, let me briefly dwell upon the concerns around the ownership and corporate structure for private sector banks drawing largely on the recommendations of the Internal Working Group (IWG) constituted by the Reserve Bank to examine these issues. The Reserve Bank has accepted 21 out of the 33 recommendations made by the group and had announced this decision on November 26, 2021. However, there are some issues where the recommendations have been extensively debated and therefore require further examination.

Licensing and ownership of private banks in India

It is generally accepted that a deep, stable, and sound financial system contributes to economic growth. But for growth to be truly inclusive, broadening and deepening the reach of formal finance is a pre-requisite. Access to formal finance is especially critical for the lower income groups as it provides them with the opportunities to save, invest, avail of credit, and grow their incomes through productive enterprises and activities. This provides them the much-needed insurance against future income shocks and helps them to manage emergencies. The guidelines for licensing of new banks in the private sector issued by the Reserve Bank since the initiation

* Remarks delivered by Shri M. Rajeshwar Rao, Deputy Governor, Reserve Bank of India – December 15, 2021 - in the Mint Annual Conclave at Mumbai. The inputs provided by Shri Navin Nambiar and Shri Pradeep Kumar are gratefully acknowledged.

of financial sector reforms in early nineties, have been guided by the above philosophy. In addition, the choices have also been informed by the need to instil greater competition in the banking system to increase productivity and efficiency. So far, eight sets of licensing guidelines have been issued by the Reserve Bank, of which four are for universal banks and four pertain to differentiated banks.

After the recent IWG report, the public discourse has mostly been concentrated on their recommendation for granting banking license to large industrial houses. However, a little historical perspective on this issue would be helpful. In the licensing guidelines issued in 1993, there was no explicit ban on setting up banks by large corporate/ industrial houses; The licensing guidelines of 2001 did not allow banks to be promoted by a large corporate/ industrial house, while in terms of the 2005 guidelines on ownership and governance in private sector banks, large industrial houses were allowed to acquire up to 10 per cent holding in a bank with the prior approval of the Reserve Bank. Under the licensing guidelines issued in 2013, the banks were to be mandatorily set up through a wholly owned Non-Operative Financial Holding Company (NOFHC). Individuals were not allowed to promote banks under these guidelines, but again there was no bar on large corporate/ industrial houses to be promoters. The 'on-tap' guidelines of 2016 defined large industrial houses and restricted them from promoting a bank, but at the same time, they were permitted to invest in a bank to the extent of 10 per cent. The small finance banks (SFBs) licensing guidelines issued in 2014 and 2019 made large public sector entities and industrial houses, including NBFCs promoted by them explicitly ineligible to set up such banks.

Many committees set-up on the subject in the past as well the IWG have acknowledged that the large corporates/industrial houses can be an important source of capital and can provide management expertise and strategic direction given their pool of entrepreneurial and managerial talent. There is also the issue of finding fit and able promoters with deep pockets to set up a large technologically equipped universal bank. However, at the same time concerns were raised by all of them, including the IWG, on the attendant risks which come to fore. These include - conflicts of interest through self-dealing at the expense of bank clients and in the transactions between the bank and its affiliates, favouring associates for extending loans and undermining the neutrality and independence in deciding allocation of credit and constricting the flow of credit to competitors. Caution was also warranted around issues of connected lending, complex web of group structures, crossholding as well as presence of large number of unregulated entities in the group, as these would stretch the RBI's regulatory and supervisory resources. Another oft-quoted argument also points to the principles of separation of banking and industry/business. While it is an accepted fact that the relationship between financial economy and real economy is symbiotic, *de facto* merger of the segments may actually aggravate the systemic risks.

Given that banking is a highly leveraged business dealing with public money, it makes sense to keep Industry/ business and banking separate. This separation is expected to avoid spill over risks - where trouble anywhere in the group entity may result in transferring risks on to the depositors, leading in turn to claims on deposit insurance with subsequent ripple effects cascading across the largely interconnected financial systems, creating concerns around financial stability. These issues have been flagged by the IWG also and therefore, it is necessary that we closely examine the related matters before thinking of permitting large industrial houses or NBFCs owned by such houses to set up any new bank. To conclude, let me just say that the jury is still out on the issue.

Shareholding and Structure

Diversification of ownership in banks is considered desirable in the long run as concentrated shareholding may expose them to the problem of moral hazard. As such there was a regulatory cap of 15% prescribed on promoters' holding in long run. At the same time, diversified ownership alone is not a panacea for corporate governance concerns. The views expressed by P. J. Nayak Committee (Committee to Review Governance of Boards of Bank in India) in 2014 was that if the maximum shareholding for promoter investor(s) is set very low, banks could be more vulnerable as the alignment of incentives between shareholders and management could weaken (managements could then be primarily concerned with their own interests rather than those of shareholders). This issue could be a greater concern than the risks emanating from concentrated holding. Further, the shareholders, if very small can become disengaged from the affairs of the bank. Recognising this dilemma, the IWG has recommended that the cap on promoters' holding in long run be raised to 26% (from existing 15%). We have agreed with the views of the IWG which have tried to strike a balance between the challenges posed by concentration of ownership on the one hand and diffusion of ownership on the other. Even for non-promoter holdings, lower sub limits (10 per cent) for natural persons and non-financial entities on one hand and slightly higher (15 per cent) limit for well diversified financial entities (excluding those belonging to industrial houses) has been prescribed. This stance allows for greater flexibility for augmentation of capital even while drawing comfort from the statutory ceiling of 26% on voting rights. Needless to mention, the Reserve Bank can also exercise its judgement on such matters using the "fit and proper" requirements as is the case in various global jurisdictions.

From the perspective of addressing the issues which may emanate from complex group structures and opaque cross holdings, NOFHC has been considered as one of the most appropriate structure to ring-fence a bank from the spill over effects of other entities in the group. Recognising this fact, RBI has made NOFHC structure mandatory for the banks licensed since 2013. However, the transition of banks, which were licensed before 2013 and have other entities in the group, to NOFHC structure is another challenge that needs to be addressed due to various complex issues involved. These issues too need careful examination.

Finally, the overwhelming number of responses/comments on the report of IWG gave us a very diverse set of views from a wide spectrum of stakeholders. This corroborates the importance and complexities of the issues around ownership, control, and corporate structure of private banks. It is precisely for these reasons, we have decided that some of the recommendations of the IWG need wider stakeholder consultation, deeper examination from various angles, including legalities, and may also require engagement with various other agencies and regulators.

Let me now discuss on the important issue in current milieu – corporate governance.

Importance of Governance in Financial Institutions

A sound, efficient and robust financial intermediation structure facilitates optimal allocation of financial resources in the economy. For this, the trust of all stakeholders, especially of depositors in case of banks, is a pre-requisite. While legal and regulatory architectures provide a broad framework to maintain this trust, the trust needs to be grounded in good governance and ethical conduct of the institutions and their functionaries. The banks tend to be well regulated and are intensively supervised but any erosion of public trust in financial institutions cannot be countered with regulatory prescriptions or supervisory rigours alone. Therefore, to mitigate the 'risk of failure' emanating from governance issues, the standards expected of banks are always higher than those from other entities. The same principle would apply to other regulated entities engaged in financial intermediation, *albeit* in varying degrees.

For ensuring sound corporate governance, we need to be mindful of two key challenges. First, dominant shareholders exercising relatively more control may not optimise the interest of all stakeholders. Second, a self-serving management may have perverse incentives to take advantage of the diversified, diffused, or passive nature of other stakeholders. While separation of ownership from control must be a dominant response to address the first challenge, in order to address the second challenge, it is important to ensure that the incentives of the management are aligned with the interest of depositors and other stakeholders.

In the domestic context, growing size and complexity of India's financial system highlights the need to strengthen the governance standards in banks by increasing scrutiny of the role of promoter(s), major shareholder(s) and senior management *vis-a-vis* the role of the Board. To this end, Reserve Bank issued a discussion paper on 'Governance in Commercial Banks in India' in June 2020, the intention of this Discussion Paper was to enhance governance standards in banks and to align the current regulatory framework with global best practices *albeit* with the domestic contextualisation. Based on the suggestions made in the Discussion Paper and the public feedback on these suggestions, the Reserve Bank issued instructions[1] earlier this year regarding the Chair and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors (WTDs).

In the parlance of regulation, prudential regulation and conduct regulation denote what is commonly known as twin peaks. In RBI, we are looking at these two important aspects through the prism of governance with equal emphasis on conduct of business besides prudence, which I suppose would have been visible to you by now. It's no doubt essential for the management to deliver good performance but more importantly this should be achieved by adhering to acceptable customer and market conduct and best corporate governance practices. RBI has also taken some initial steps for direct interface with board or board/ committee chairs when there are concerns to show its seriousness or when there is a need for direct dialogue.

Roles and Expectations from the Board and its Committees

The overall responsibility of fostering a culture of good governance in banks rests with their Board of Directors. The Board should set the "tone at the top[2]" and oversee management's role in fostering and maintaining a sound governance, compliance, and risk culture. This responsibility has been bestowed on the Board and its Directors irrespective of the fact that who appoints them. The Board is expected to ensure that the bank is run by professionals with integrity, complies with all regulatory and legal requirements, and conducts its business in accordance with high professional and ethical standards.

For the Board to gain deeper insights to engage with the management in a credible and constructive manner, it would be necessary.

- For the committees of the board to have directors with the necessary specialist knowledge or practical experience consistent with the mandate given to various committees.
- To ensure the presence of majority of independent directors on board and various committees, to increase the probability of credible critique of the management proposals.

1 https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12078&Mode=0

2 BCBS (https://www.bis.org/bcbs/publ/d328.pdf)

- To ensure that the channels of information to the specialised supervisory committees of the Board are independent of the influence of the risk takers.

These measures could significantly enhance the quality of decisions by the Board and its committees, especially the key committees *viz.*, the Audit Committee, the Risk Management Committee and the Nomination and Remuneration Committee. There is often a fine balancing act to be played by the Board in response to the complex interplay between dominant shareholder(s), minority shareholders and management. The ability of steer through this distinguishes an effective Board from an ordinary one.

'Independence' of Independent Directors

Independent Directors are necessary to counterbalance interests that are well represented on the Board with those who do not have representation or are inadequately represented on the board. Independent Directors help to bring in clarity regarding responsibilities and also enhance accountability of the management to the stakeholders. The most effective Boards are the ones that can overcome the challenges of the 'principal-agent' relationship and resolve the information asymmetry conundrum. The degree of this asymmetry is bound to increase in large and complex entities. To resolve this challenge, the independent directors need to recognise that they are the ones who must overcome the information asymmetry. Remember, it is the management which functions under the superintendence, control, and direction of the board. Why else would a board need to exist? Of course, for this to happen, the Independent Directors need to be truly independent in form and in substance.

Compensation practices

Remuneration policy forms an integral component of internal governance structure of the bank which enables the Board to reward good performance and acceptable risk-taking behaviour. It also gives a tangible tool in the hands of the Board (or by delegation to Nomination and Remuneration Committee of the Board) to align risk taking behaviour of the key risk takers with the approved risk appetite and strategic direction. Within this perimeter, it is the entrepreneurial spirit of various risk takers which drives the entity towards achieving its objectives.

While existing guidelines for private sector banks in India require that compensation of CEOs, whole time directors, control function staff and material risk takers (MRTs) shall be adjusted for all types of risks and is sensitive to the time horizon of the risks, we often see misalignment in the performance of the entity and compensation proposals recommended to the NRC/ Board. Let me emphasize- the last thing RBI would like to do is to decide remuneration of individual bank executives which is essentially a board / NRC function. But there are at times situations where the internal and external equity of such compensation is not adequately justified in the proposal. We need to remember that perverse incentives may lead to reckless behaviour or higher risk taking which may manifest itself over a period. The compensation practices, where employees were often rewarded for increasing short-term profit without adequate recognition of the risks and long-term consequences amplified excessive risk taking that severely threatened the global financial system in 2008.

Concluding thoughts

Covid has all of us taking a new perspective of everything in our life. In the beginning of the first wave of the epidemic, everybody was scrambling for 'immunity boosters' in whatever form it could be sold to them. Corporate Governance to banks during tough times is what immunity is to an individual at times of health scare. The development of immunity is complex and takes lifelong ingestion of healthy and positive practices. Like human longevity, the sustainability of banking business comes from the healthy corporate governance practices.

As we collectively aspire for an efficient financial intermediation with positive spill over to the real sectors, we need to remind ourselves that these aspirations are set in an increasingly competitive, diverse, interconnected and market driven ecosystem. It is important in this context to gain and retain the trust of other stakeholders such as depositors and various providers of financial resources. This is best ensured by the governance, control, and assurance functions in financial institutions. Governance frameworks can be pictured of as a complex mesh of nuts and bolts holding the financial pillars of capital, assets, deposits, and investments in place and keeping the structure of the bank upright. As we strive to recover from the pandemic, financial institutions will need extraordinary amounts of financial resources to support growth to realise our visions for a brighter tomorrow. Raising these resources would not be a constraint for financial intermediaries with robust governance frameworks as they can command a governance premium. This premium in turn will be driven by expectations from the leadership at the top. After all, it only takes a few to make a difference.

My best wishes for you to get the governance right as you get ready to navigate through the digital opportunities that lie ahead!

Thank you.

ARTICLES

State of the Economy*

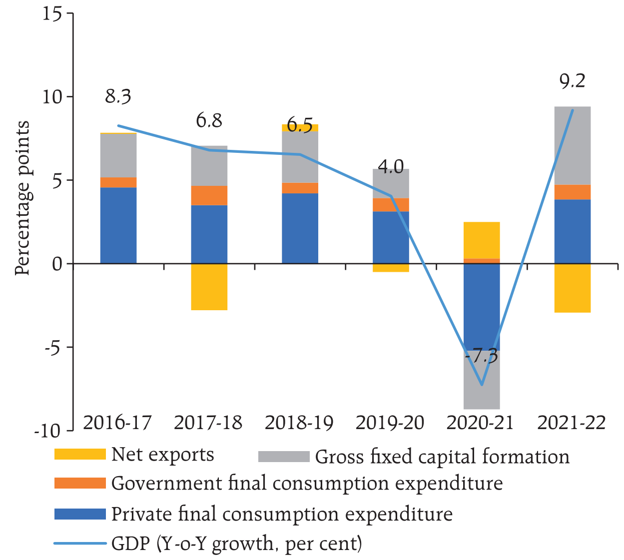
As the world stepped into the new year, the path of the recovery in India as in the rest of the global economy encountered headwinds from a rapid surge in infections due to Omicron. Nonetheless, amidst upbeat consumer and business confidence and an uptick in bank credit, aggregate demand conditions stay resilient, while on the supply front, rabi sowing has exceeded last year's level and the normal acreage. Manufacturing and several categories of services remain in expansion. More recently, expectations that Omicron may turn out to be more of a flash flood than a wave have brightened near-term prospects.

Introduction

As the world stepped into the new year, India set its course on a path of recovery. As per the first advance estimates by the National Statistical Office (NSO), the Indian economy surpassed its pre-pandemic level in 2021-22. With the recovery unevenly gaining traction, all the constituents of aggregate demand entered into expansion, with investment, exports and imports exceeding their pre-COVID levels (Chart 1). Government final consumption expenditure (GFCE) accelerated in 2021-22, providing an upward thrust to aggregate demand. On the supply side, the farm sector remained upbeat on the back of record *kharif* production. Industrial and services activity exhibited a halting recovery, while services are yet to catch up with their 2019-20 levels.

Since the December 2021 issue of the State of the Economy article, there has been moderation in some sectors. On the external front, however, India's robust export performance in December reflects resilient demand for Indian goods, while imports also surged on the back of improvement in domestic demand. Building competency in high-tech products like electrical machinery, mechanical appliances, optical and surgical apparatus would be critical for sustaining export growth in the coming decades.

Chart 1: Weighted Contribution to GDP Growth



Source: NSO.

Policy measures initiated by the Reserve Bank in the wake of the pandemic reached their pre-announced sunset dates in 2021-22. While certain liquidity measures have been wound down as a result, other regulatory measures, including deferment of implementation of net stable funding ratio (NSFR), restrictions on dividend payouts by scheduled commercial banks (SCBs), and deferment of implementation of the last tranche of capital conservation buffer, have been realigned to avoid extended forbearance and risks to financial stability while providing targeted support to needy sectors.

Bank credit growth is indicating signs of a gradual recovery, led by the retail segment, although flow of credit to lower rated corporates remains hesitant. In this regard, the Reserve Bank recently released its

* This article has been prepared by Kunal Priyadarshi, Shashidhar M. Lokare, Rajeev Jain, Shahbaaz Khan, Vineet Kumar Srivastava, Abhilasha, Priyanka Sachdeva, Abhinandan Borad, Prashant Kumar, Deepika Rawat, Akshara Awasthi, Rishabh Kumar, Satyarth Singh, Rachit Solanki, Saksham Sood, Avnish Kumar, Sakshi Awasthy, Radheshyam Verma, Asish Thomas George, Deba Prasad Rath and Samir Ranjan Behera. Views expressed in this article are those of the authors and do not necessarily represent the views of the Reserve Bank of India.

Report on Trend and Progress of Banking in India, 2020-21. The highlights of the Report are:

- Scheduled commercial banks' (SCBs') gross non-performing assets (GNPA) ratio declined from 8.2 per cent at end-March 2020 to 7.3 per cent at end-March 2021 and further to 6.9 per cent at end-September 2021. The provisioning coverage ratio (PCR) increased to 68.1 per cent by September 2021 from 66.2 in March 2020.
- Profitability of SCBs, as indicated by return on assets (RoA), improved to 0.7 per cent at end-March 2021 and further to 0.8 per cent in September-2021 from 0.2 per cent at end-March 2020 aided by stable income and decline in expenditure.
- The capital to risk weighted assets (CRAR) ratio of SCBs strengthened from 14.8 per cent at end-March 2020 to 16.3 per cent at end-March 2021 and further to 16.6 per cent at end-September 2021, aided by higher retained earnings, recapitalisation of public sector banks (PSBs) and capital raising from the market by both PSBs and private sector banks (PVBs).
- The share of restructured standard advances (RSA) in total advances rose to 0.8 per cent at end-March 2021 from 0.4 per cent at end March 2020, largely reflecting the one-time restructuring scheme for standard advances announced by the Reserve Bank in August 2020, and further to 1.8 per cent by September 2021 due to Resolution Framework 2.0 for retail loans and MSMEs.

The rest of this article is structured into four sections. Section II outlines recent global economic developments. An assessment of domestic macroeconomic conditions is presented in section III. Section IV reviews financial conditions in India and the last section concludes the article.

II. The Global Setting

The resurgence of COVID-19 and the emergence of newer variants pose a major risk to near-term economic prospects. By January 10, 2022, about 306 million cases have been confirmed globally. With the Omicron variant showing high transmissibility, several countries have again clamped lockdowns, travel restrictions and other containment measures. Inflation continues to spiral across economies as pent up demand unlocks, boosted by stimulus-induced step-up in consumer demand, and disruptions in production and supply chains continue. This is prompting the hastening of normalisation of monetary policy. Some easing of supply chain disruptions and shipping charges is underway, however, the waning of pandemic-induced inflation is expected to be lagged until the latter part of 2022. Overall, there has been a slowdown in the momentum of global growth.

The World Bank in its latest Global Economic Prospects (GEP) report issued on January 11, 2022 forecast that global recovery will sharply decelerate in the wake of continued COVID-19 resurgences, lesser policy support and persisting supply bottlenecks. Growth projections for the US and China have been markedly revised down for both 2021 and 2022 (Table 1). Sharp deceleration in major economies will drag down external demand for emerging market economies (EMEs). The World Bank expects that advanced economies (AEs) would achieve a full recovery in output by 2023, while EMEs would still be 4 per cent lower than their pre-pandemic trend.

The global composite purchasing managers' index (PMI) ended 2021 at a three-month low of 54.3 in December, *albeit*, remaining in expansion for 18 consecutive months. Concomitantly, the global services PMI also slid to a three-month low of 54.6 in December, although it continued to outperform its manufacturing counterpart, which remained steady at the previous month's level of 54.2 (Chart 2). Even as

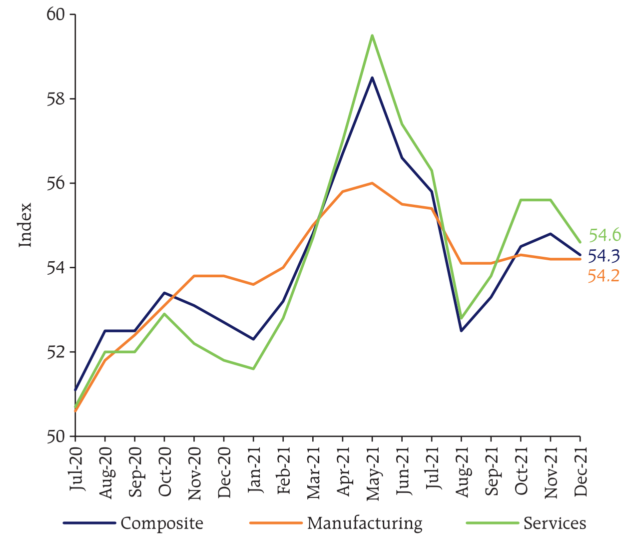
Table 1: GDP Growth Projections for – Select AEs and EMEs

(Per cent)

Country	2021		2022	
	Jun 2021	Jan 2022	Jun 2021	Jan 2022
World*	5.7	5.7	4.5	4.4
Advanced Economies				
US	6.8	5.6	4.2	3.7
Euro area	4.2	5.2	4.4	4.2
Japan	2.9	1.7	2.6	2.9
Emerging Market Economies				
Brazil	4.5	4.9	2.5	1.4
Russia	3.2	4.3	3.2	2.4
India #	**8.3**	**8.3**	**7.5**	**8.7**
China	8.5	8.0	5.4	5.1
South Africa	3.5	4.6	2.1	2.1

*: PPP weighted. #: India's data on a fiscal year basis.
Source: World Bank.

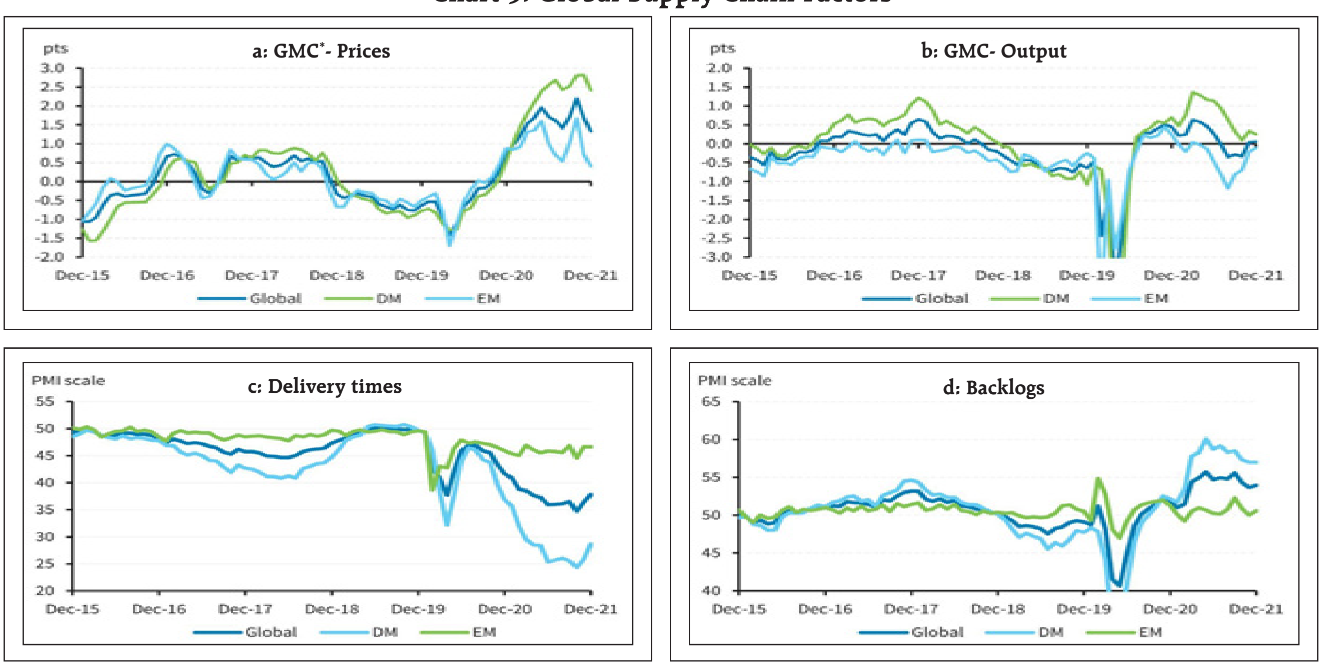
Chart 2: Global PMIs



Note: Index>50 means expansion.
Source: IHS Markit.

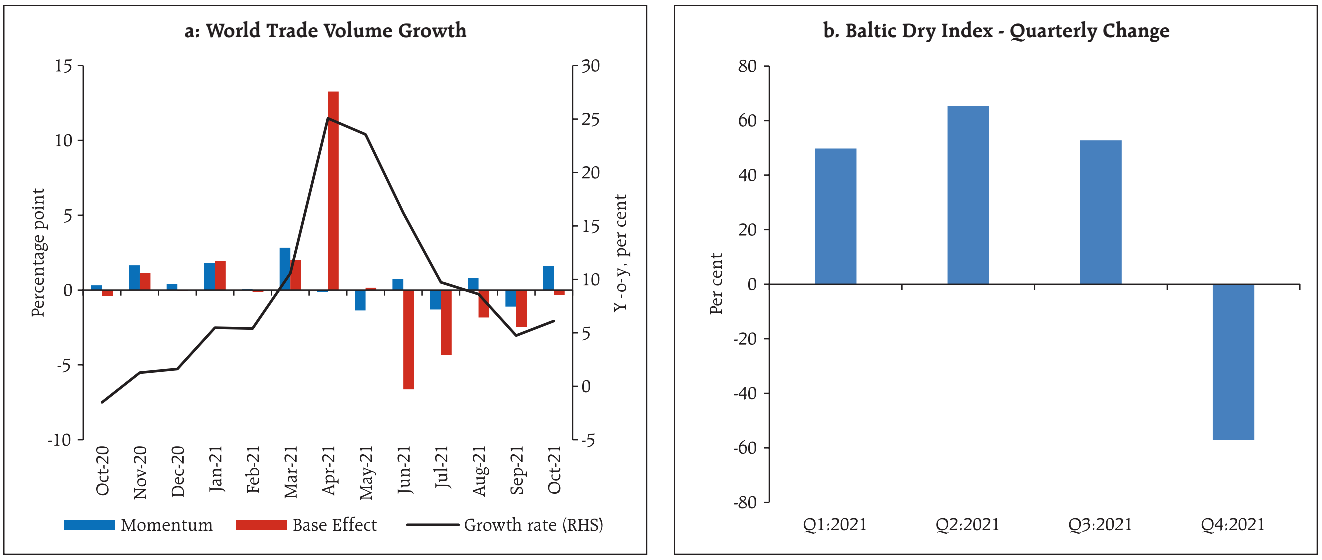
inflationary pressures and supply chain disruptions remain elevated, there are tentative signs of some easing. Input costs and output prices registered their weakest increase in eight months, while vendor delivery time rose by the lowest extent in nine months (Chart 3). The New York Fed's Global Supply

Chart 3: Global Supply Chain Factors



*: Global Manufacturing Confidence
Source: Barclays.

Chart 4: World Trade and Shipping Charges



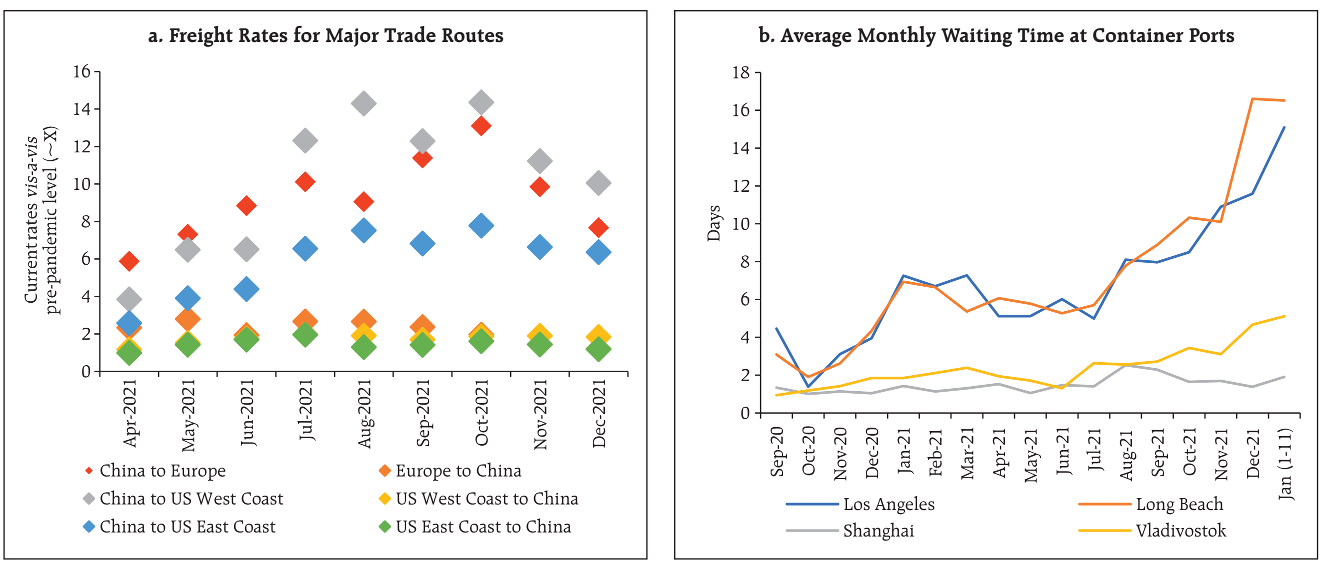
Sources: CPB Netherlands; and Bloomberg.

Chain Pressure Index[1] has peaked and might start to moderate going forward.

On the external demand front, world trade volume growth (y-o-y) accelerated to 6.1 per cent in October 2021 after decelerating for five consecutive months (Chart 4a). The Baltic Dry Index also moderated in Q4:2021 after rising to a 13-year high in early October (Chart 4b).

Freight rates also moderated across routes in December 2021, but they still remain above their pre-pandemic levels (Chart 5a). The immediate reaction to Omicron has, however, caused supply chain

Chart 5: Freight Rates and Disruption in Shipping Industry



Source: Reuters.

1 *https://libertystreeteconomics.newyorkfed.org/2022/01/a-new-barometer-of-global-supply-chain-pressures/*

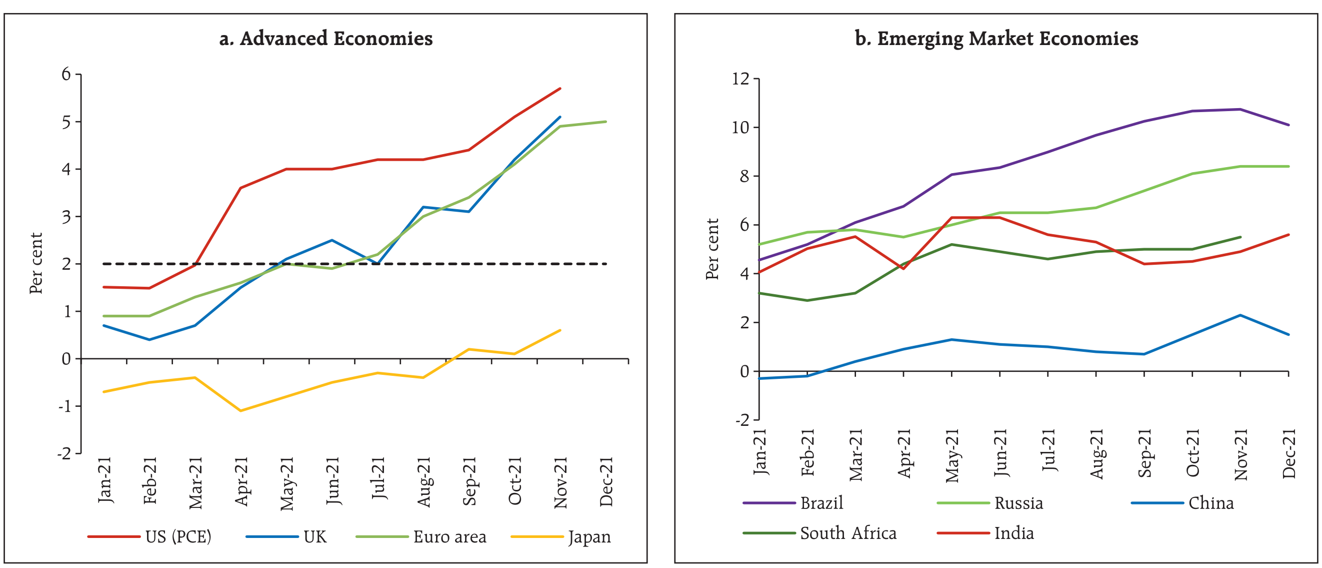
restrictions to rise, pushing up turn-around time and waiting time for containers headed for the US (Chart 5b).

Inflation surged to multi-decadal highs in several regions (Chart 6). In the US, inflation measured by the y-o-y change in personal consumption expenditure (PCE) price index soared to a near 40-year high of 5.7 per cent in November, with core PCE inflation also accelerating to a 32-year high of 4.7 per cent. Euro area inflation surged to a new high of 5.0 per cent in December. Among BRICS economies, CPI inflation in December 2021 registered a moderation in Brazil to 10.1 per cent from the 18-year high level of 10.7 per cent in the previous month. In Russia, inflation remained steady at 8.4 per cent in December.

A key driver of inflation across the world in 2021 has been the rapid surge in energy, food and commodity prices. According to the World Bank, crude oil prices increased by 67.2 per cent in 2021, following a decline of 32.8 per cent in 2020 (Chart 7a). Natural gas prices registered a near three-fold increase in 2021, with prices in Europe rising steeply to record highs in December (Chart 7b). The Bloomberg commodity price index edged up by 32.3 per cent in 2021, with metal prices increasing on the back of recovery in manufacturing, greater demand for 'green' metals and also pandemic-related supply disruptions (Charts 7c and 7d). On the other hand, gold prices registered only a marginal pick up in 2021 as safe haven demand for the yellow metal waned and dollar strengthened (Chart 7e). Notwithstanding a marginal moderation in December, food prices surged to a decadal high in 2021 on account of weather-related supply disruptions and higher import demand from China for select food items (Chart 7f).

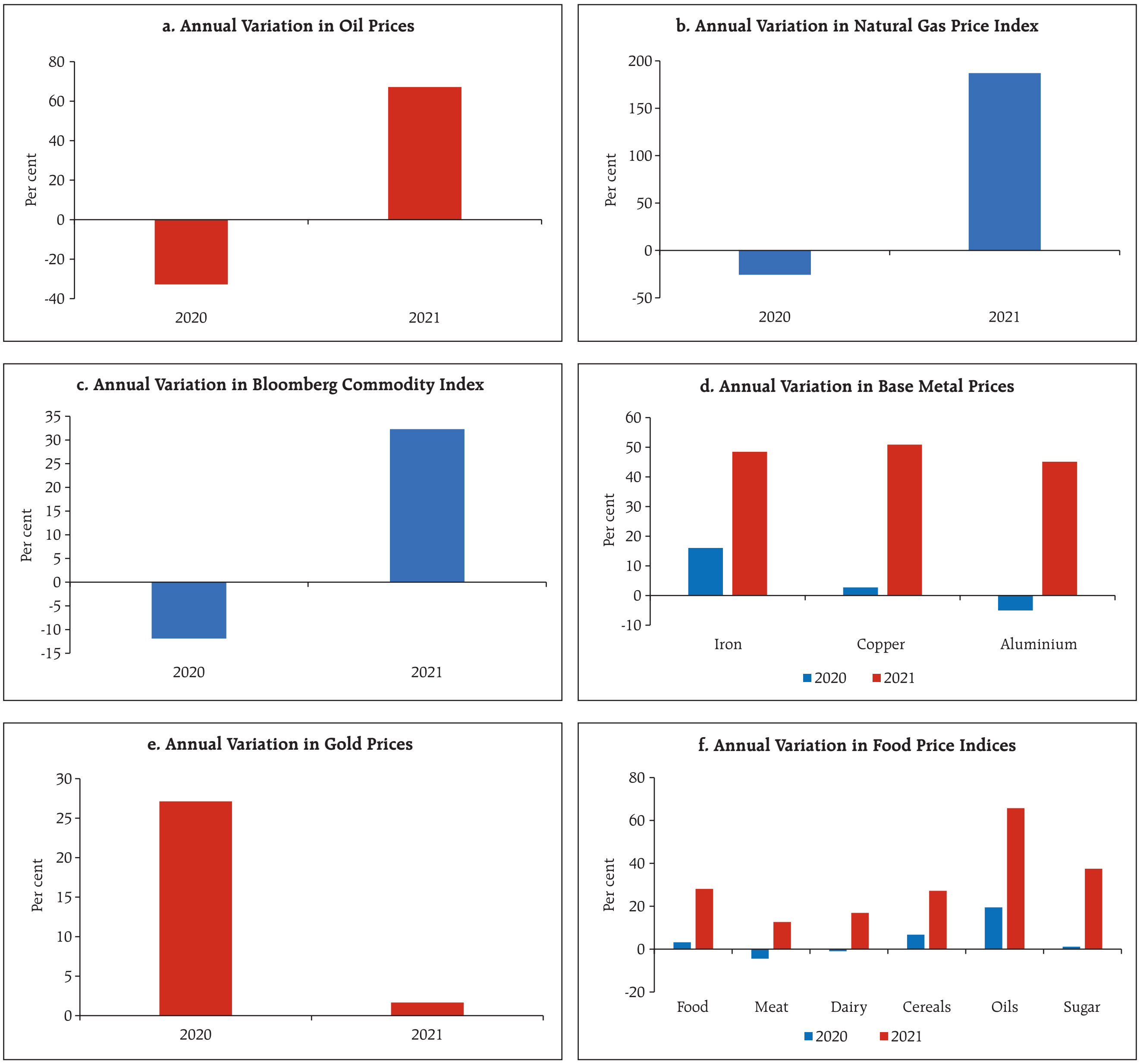
Financial markets were unsettled by the trajectory of the virus and shifts in the monetary policy stances of major central banks. Stock markets remained buoyant in AEs, while those in EMEs underperformed due to less sanguine growth prospects as also due to country-specific factors (Chart 8a). In the US Treasury market, the benchmark 10-year yield generally rose in the latter half of 2021 in response to high inflation and growth outcomes, but the 2-year yield began hardening only in Q4:2021 in response to shifts in the monetary policy stance.

Chart 6: Inflation



Source: Bloomberg.

Chart 7: Commodity and Food Prices

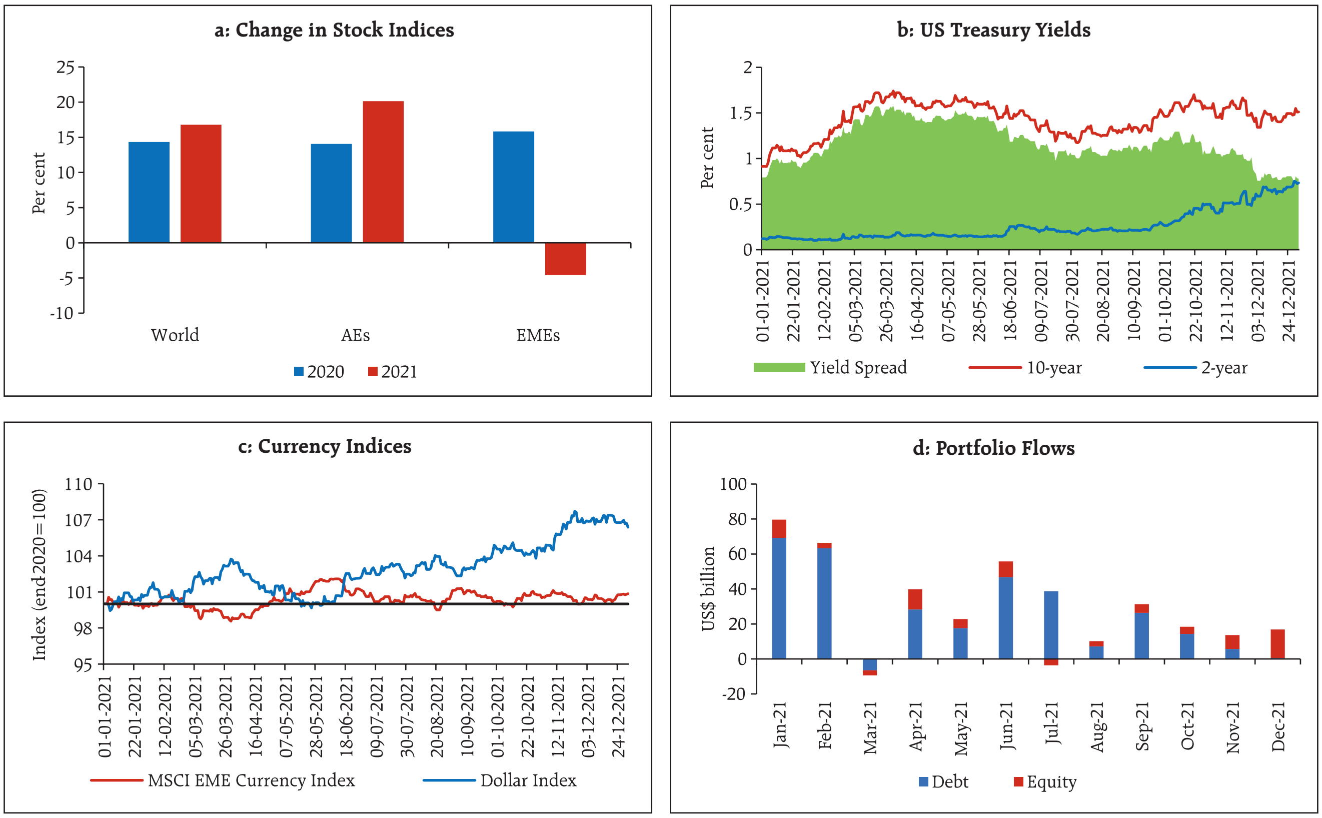


Sources: World Bank; Food and Agriculture Organisation; and Bloomberg.

Resultantly, the yield spread narrowed gradually (Chart 8b). The US dollar rallied strongly in H2:2021 in view of strong safe haven demand and the policy pivot towards faster normalisation by the Federal Reserve (Chart 8c). As risk appetite waned, there was a moderation of capital flows to EMEs in the final months of 2021, with a sharper slowdown in debt flows (Chart 8d). The International Monetary Fund (IMF) has noted that in an environment of elevated risks to global growth, a faster pace of rate hikes by the Fed could tighten financial conditions across the world. A possible slowing of US demand and trade could lead to capital outflows and currency depreciation in EMEs.

On the monetary policy front, the US Fed in its December meeting signaled a faster pace of winding

Chart 8: Financial Markets

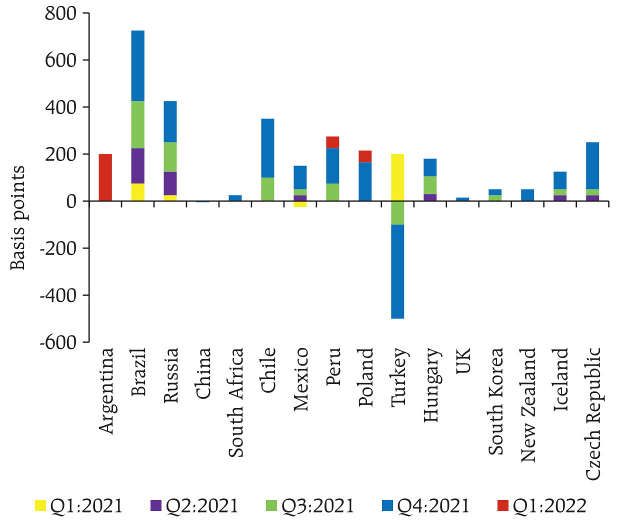


Sources: Bloomberg; and IIF.

down of its asset purchase programme by doubling the monthly quantum of taper. The European Central Bank has announced a slower pace of asset purchases under the Pandemic Emergency Purchase Programme (PEPP) in Q1:2022 and discontinuation of PEPP by end-March 2022. The ECB would, however, double the purchases under the Asset Purchase Programme (APP) in Q2:2022 and slowly revert to the actual pace by Q4:2022. The Bank of Japan has also signalled completion of additional purchases of commercial paper and corporate bonds by end-March 2022 and from April 2022, it would revert to the quantum of purchases prior to the pandemic. The Bank of England joined the rate-hiking club with a 15 basis points (bps) increase in its policy rate. Russia effected its seventh rate hike in December. Poland became the first country to raise rates in 2022 with a hike of 50 bps on January 4, which was the fourth consecutive increase since rate hikes commenced in October 2021. Peru, Argentina and Uruguay are the other central banks that have raised rates in 2022 so far (up to January 11). The People's Bank of China (PBoC) effected a rate cut of 5 bps in its 1-year Loan Prime Rate. This was the first cut in key policy rate since April 2020 and followed up a reduction in the reserve requirement ratio earlier in December. Turkey effected a fourth consecutive reduction in December, leading to a cumulative cut of 500 bps since September 2021 (Chart 9).

As we commence the new year, the near-term global outlook remains hazy. While Omicron surged faster than Delta, it was followed by a sharp collapse in South Africa. This has boosted hopes that Omicron will be more of a flash flood than a wave.

Chart 9: Rate Actions of Central Banks of Select Countries



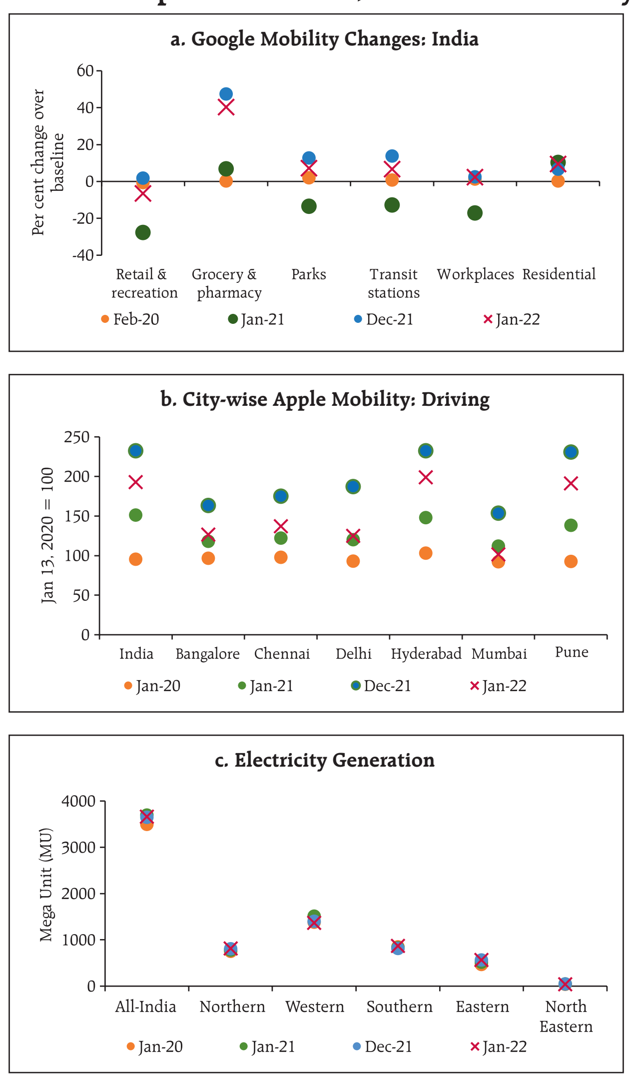
Sources: Central bank websites.

An overarching priority is being attached to stemming inflationary pressures, although there is a view that the worst of inflation is now behind the world economy. Few factors are cited: first, after surging to its highest level in a decade, the UN index of global food prices slid 0.9 per cent in December 2021. Second, the global supply chain pressures may have begun to moderate and are expected to ease further going forward. Third, metal prices seem to have stabilised in H2:2021 and are likely to soften in 2022. The World Bank expects that after surprising to the upside in 2021, inflation would remain above the pre-pandemic level in 2022 also. The Organisation for Economic Co-operation and Development (OECD) projected inflation to peak by the end-2021, and then soften to levels that are in sync with the gradually increasing labour costs and diminishing spare capacity across the world. Inflation in OECD economies is projected to ebb from 4.9 per cent in Q4:2021 to 3.4 per cent by Q4:2022. Since waning of inflation is largely expected only in the latter part of 2022, the policy trade-offs are getting increasingly complex as inflation continues to soar to record highs while the output gap remains negative.

III. Domestic Developments

The recovery that has been underway in the Indian economy with the ebbing of the second wave of the pandemic is encountering headwinds from a rapid surge in infections in a third wave marked by the rapid transmissibility of the Omicron variant. Consequently, mobility indicators exhibited a sequential moderation in January. Google mobility indices dropped below the baseline numbers for retail and recreation activities and around workplaces as offices made a quick transition to work from

Chart 10: Impact of COVID-19 on Economic Activity

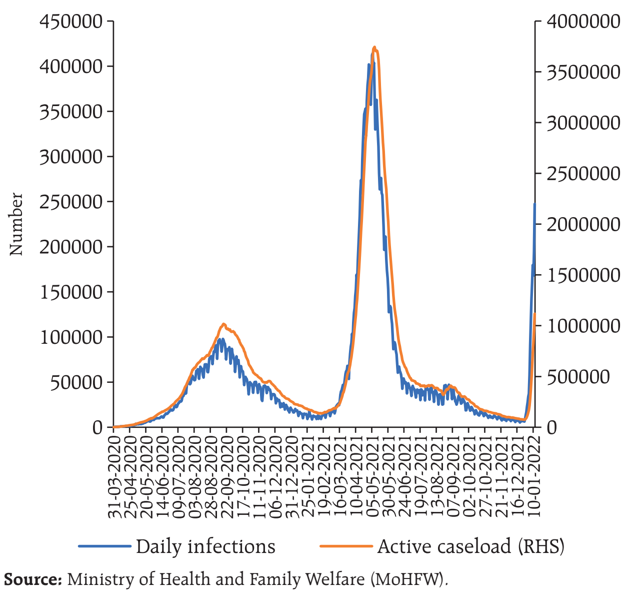


Sources: Google; CEIC; and Power System Operation Corporation Limited (POSOCO).

home protocols (up to January 8, 2022) (Chart 10a). The Apple mobility index tumbled across all major cities, although it remained above its pre-pandemic level (Chart 10b). Electricity generation accelerated through January so far, reaching pre-pandemic levels (Chart 10c).

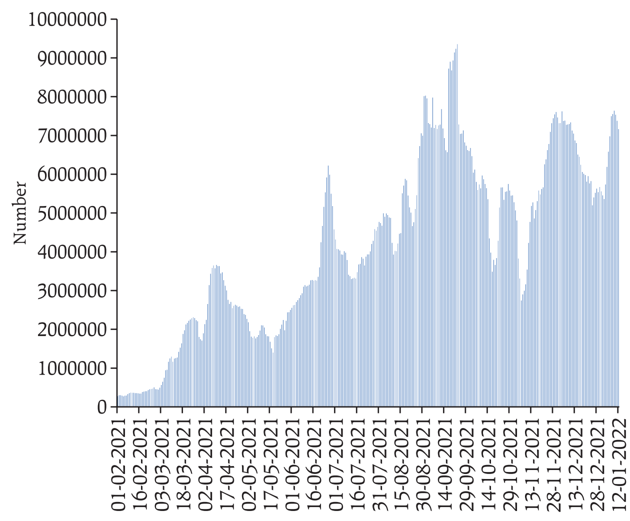
Daily infections surged to over 2.71 lakh on January 13, the highest since mid-May 2021, with active caseload hitting 15.5 lakh (Chart 11). On the vaccination front, India has made commendable progress, administering 155.4 crore jabs as on January 13, 2022 (Chart 12). The inoculation drive has been extended to adolescents in the age group 15-18 years since January 3, 2022 with 3.15 crore doses having been administered to them. Furthermore, the Central Drugs Standard Control Organisation (CDSCO) granted approval to two more vaccines for restricted use in emergency situations, *viz.*, Biological-E's CORBEVAX and Serum Institute of India's COVOVAX, in order to shore up its arsenal in the fight against the pandemic.

Chart 11: COVID-19 Cases



Source: Ministry of Health and Family Welfare (MoHFW).

Chart 12: 7-Day Moving Average of Daily Vaccinations



Source: MoHFW.

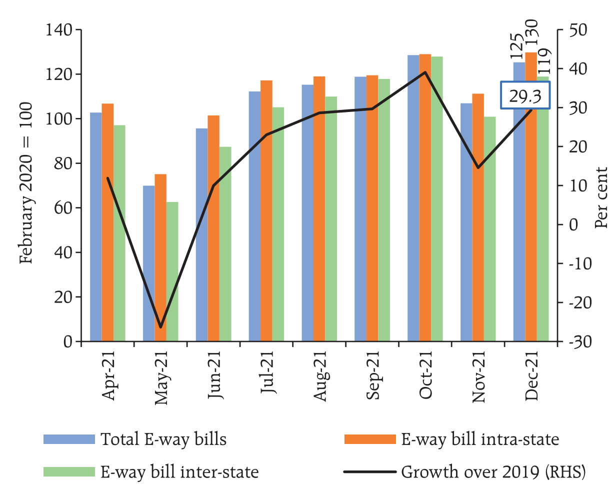
Aggregate Demand

Aggregate demand conditions have stayed resilient. The issuance of E-way bills – an indicator of freight movement – surged to 7.2 crore in December, the second highest in its history (Chart 13a). This is indicative of the likelihood of robust collection of the goods and services tax (GST) in January 2022. With a strong pick-up in manufacturing and construction, highway toll collections soared by 16 per cent month-on-month (m-o-m) in December (Chart 13b). Power consumption rose by 4.5 per cent to 110.3 billion units in December.

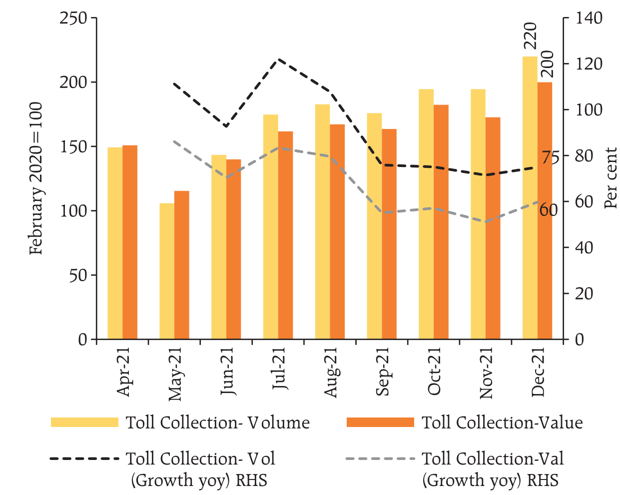
The increase in mobility in December 2021 increased fuel consumption, with the consumption of petrol surpassing pre-pandemic levels. Aviation turbine fuel (ATF) and diesel consumption also exhibited sequential improvement though ATF still remains below the pre-pandemic levels (Chart 14a). Domestic air passenger footfalls exhibited signs of moderation in early-January, reversing the gradual uptick since June 2021.

Chart 13: E-way Bills and Toll Collections

a. E-Way Bills



b.Toll Collections

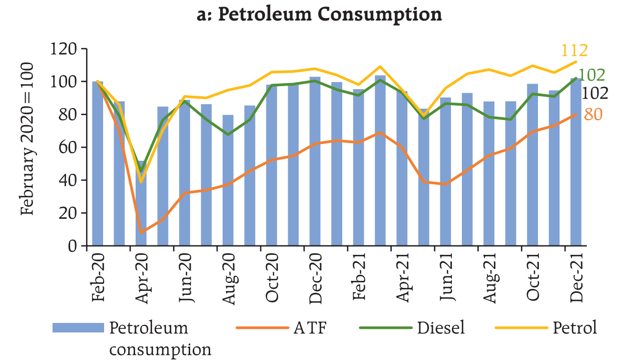


Sources: GSTN; Reserve Bank of India; and Authors' own calculations.

There was a broad-based decline in vehicle registrations in December 2021, primarily due to shortage of semiconductors amidst global supply chain disruptions (Chart 14b). The drop was led by two-wheelers registrations, which contracted by 19.9 per cent, and dragged overall registration

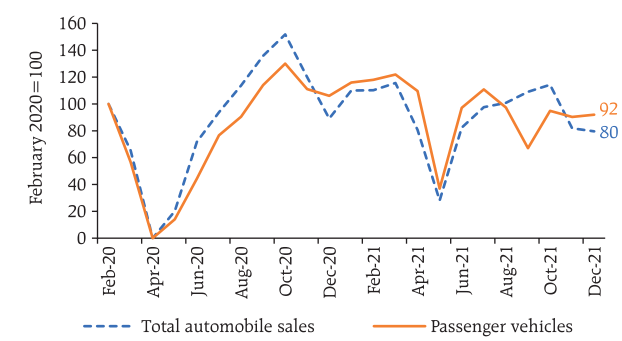
Chart 14: Transport Sector Indicators

a: Petroleum Consumption



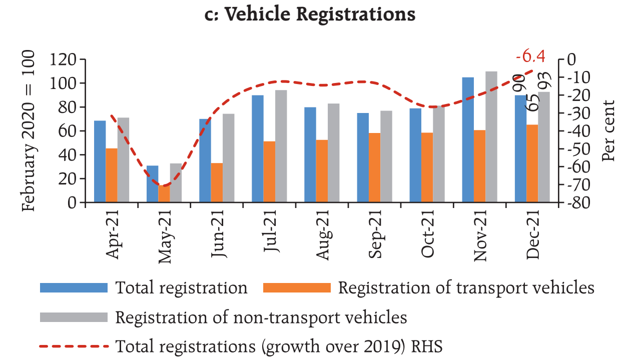
Sources: Petroleum Planning & Analysis Cell; and Authors' own calculations.

b: Automobile Sales



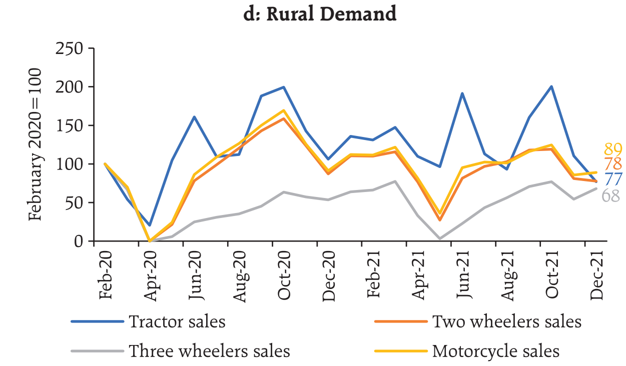
Sources: SIAM; and Authors' own calculations.

c: Vehicle Registrations



Sources: Vahan Dashboard; and Authors' own calculations.

d: Rural Demand



Sources: SIAM; and TMA; and Authors' own calculations.

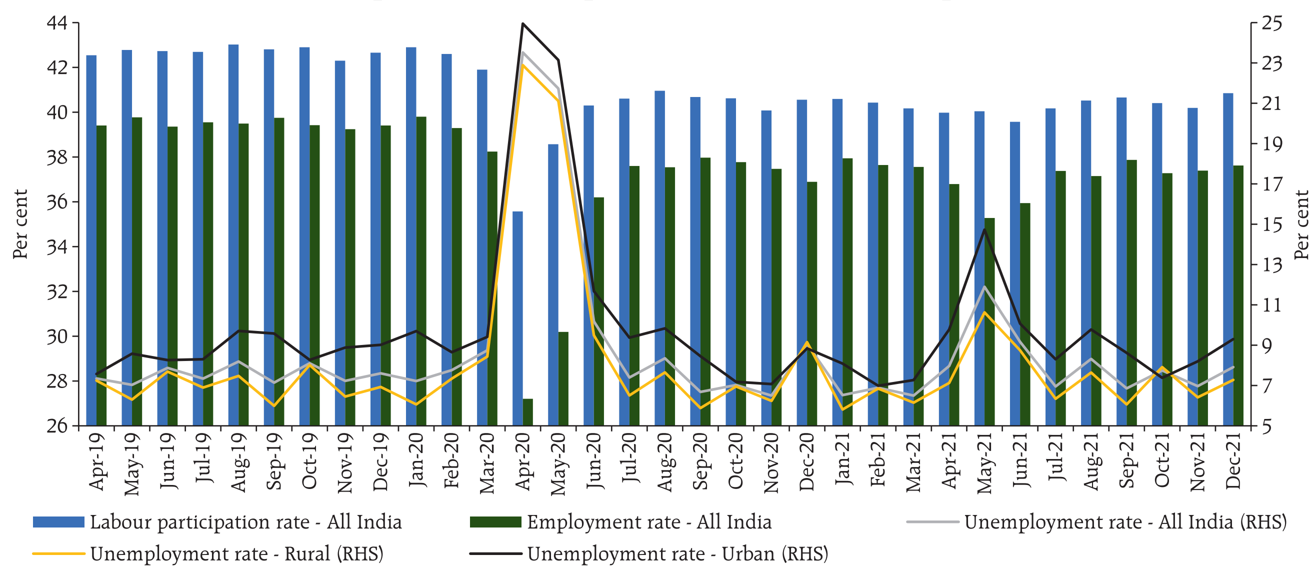
volumes. As per the Federation of Automobile Dealers Associations (FADA), higher cost of ownership, tepid rural sentiments and the recent threat from Omicron dampened sales in December 2021 (Chart 14c). Commercial vehicles sales, however, accelerated amidst a surge in freight rates. Tractor sales plunged by 27.5 per cent, indicative of a slump in rural demand (Chart 14d).

As consumer confidence resumed, the Refinitiv-Ipsos primary consumer sentiment index improved by 2.6 percentage points in December over a month ago. This was led by a boost in confidence for personal finances and investments. There was a sharp uptick in hotel bookings for celebrations during the year end, with several locations and resorts reporting full occupancy.[2] The sales of fast moving consumer goods inched up by 11 per cent in December, largely driven by packaged food and commodities.[3] Rural consumption benefited from the release of ₹20,900 crore under the 10th instalment of the PM-KISAN scheme. In the top 7 cities, housing sales jumped by 71 per cent in 2021 over a year ago, amidst decadal low interest rates and attractive discount offers by builders.[4]

As per the household survey of the Centre for Monitoring Indian Economy (CMIE), the labour participation rate turned up to 40.9 per cent in December, the highest since September 2020. The employment rate also improved by 23 bps, though the unemployment rate worsened to 7.9 per cent in December from 7.0 per cent a month ago (Chart 15). An industry-wise analysis by the CMIE indicates that jobs were lost in manufacturing, hotels, tourism, and education, while more jobs were created in construction, agriculture and retail trade. As per the CMIE's employment statistics, the total number of employed workers surpassed the 2019 level (pre-pandemic) for the first time in 2021 in December (Chart 16).

According to the staffing solutions provider TeamLease, hiring by e-commerce and allied sectors surged by 28 per cent in 2021.[5]

Chart 15: Employment, Unemployment and Labour Participation Rates



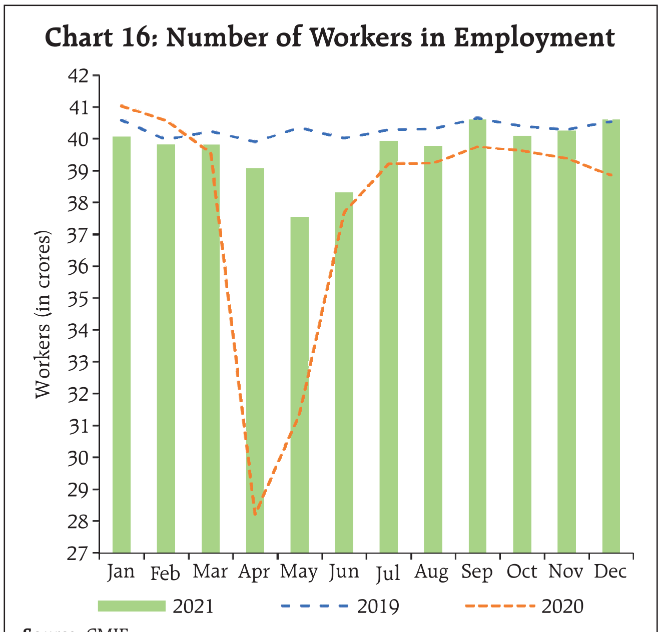
Sources: CMIE.

2 https://www.livemint.com/companies/news/new-year-s-eve-bookings-give-solid-boost-to-hospitality-biz-11641237663084.html

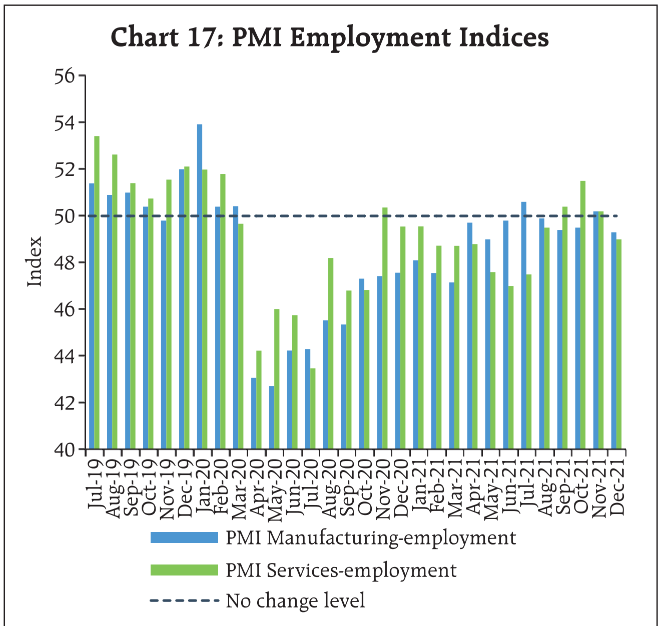
3 https://economictimes.indiatimes.com/industry/cons-products/fmcg/packaged-foods-commodities-push-fmcg-sales-up-11/articleshow/88700894.cms

4 https://www.thehindubusinessline.com/economy/housing-sales-in-india-rise-71-y-o-y-reach-90-of-pre-covid-levels/article38098621.ece

5 https://timesofindia.indiatimes.com/business/india-business/e-commercehiring-surges-28-in-2021-teamlease/articleshow/88604278.cms



Source: CMIE.

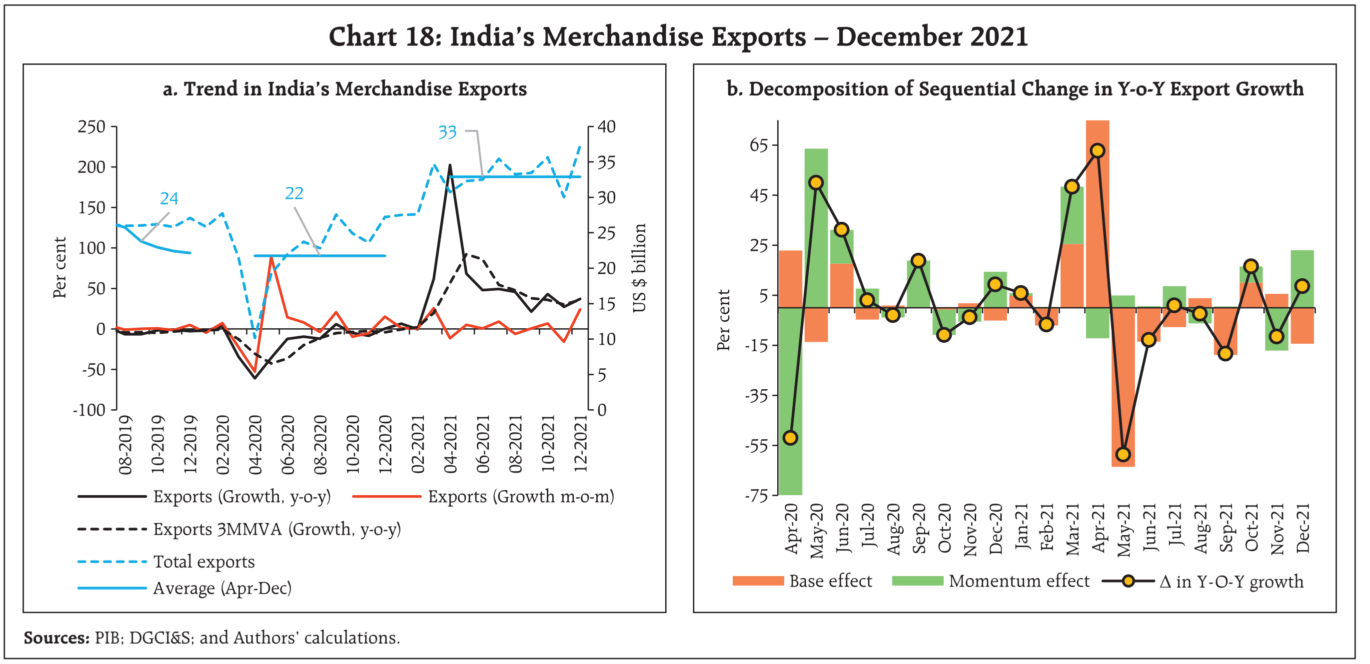


Source: IHS Markit.

In contrast, the employment segment of the purchasing managers' index (PMI) showed that employment under both manufacturing and services sectors slipped into contraction in December 2021 (Chart 17).

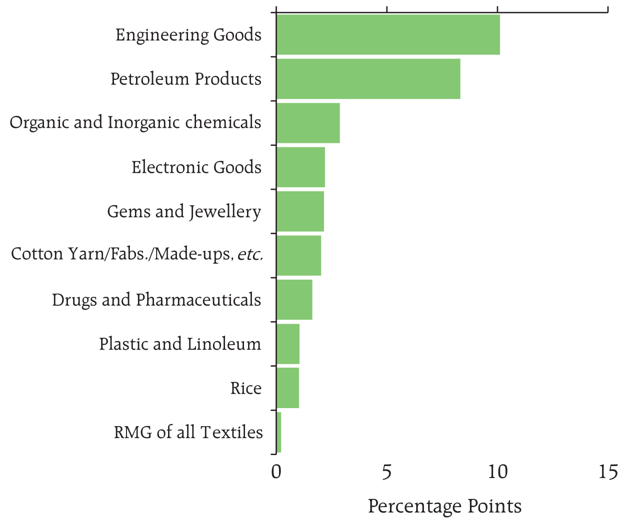
India's merchandise exports touched an all-time high of US$ 37.8 billion, recording a sequential improvement of 25.9 per cent in December and achieved 75 per cent of the target set for 2021-22 (Chart 18a and 18b).

Export growth was broad-based, with ten major commodity groups accounting for around 80 per cent of exports recording an expansion above their pre-COVID levels (Chart 19). The improvement in export performance stemmed from higher value of shipments of engineering goods, petroleum



Sources: PIB; DGCI&S; and Authors' calculations.

Chart 19: Relative Contribution to Export Growth (December 2021 over December 2019)



Sources: PIB; DGCI&S; and Authors' calculations.

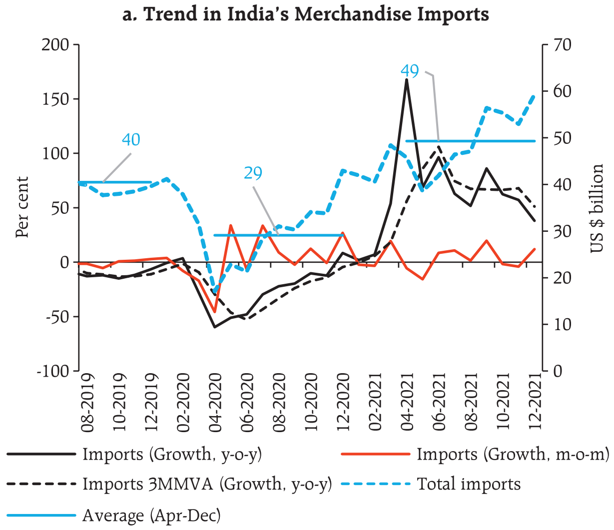
products, chemicals and electronic goods. Notably, engineering goods exports hit their highest level of US$ 9.7 billion, supported by a rise in global metal prices. Pharmaceuticals exports grew by 23.5 per cent over pre-COVID level supported by record exports of 422.4 lakh COVID-19 vaccine doses. Rice, the largest constituent of the agricultural export basket, has displayed robust growth compared, even relative to pre-pandemic levels. The expansion of world rice trade by 4.9 per cent in 2022 as projected by the Food and Agriculture Organisation (FAO) bodes well for India's rice exports.

Merchandise imports rose to their highest level of US$ 59.5 billion in December 2021, staying well above the US$ 50 billion mark for the fourth consecutive month and indicating a strong underlying momentum of domestic demand (Chart 20a and 20b).

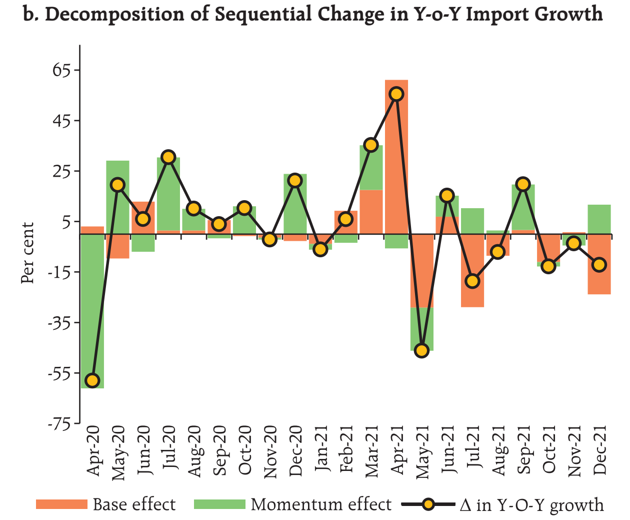
Robust import demand was driven by petroleum products, gold and electronic goods (Chart 21). Moreover, nine out of ten major commodity groups comprising more than 70 per cent of imports recorded an expansion over pre-COVID levels, mirroring the broad-based demand uptick. Gold imports at US$ 4.7 billion in December 2021 expanded by 91.7 per cent over the pre-COVID period. At 720.3 tonnes during April-December 2021, India has already imported 88.1 per cent of the average annual import volume of the last five years.

Chart 20: India's Merchandise Imports – December 2021

a. Trend in India's Merchandise Imports

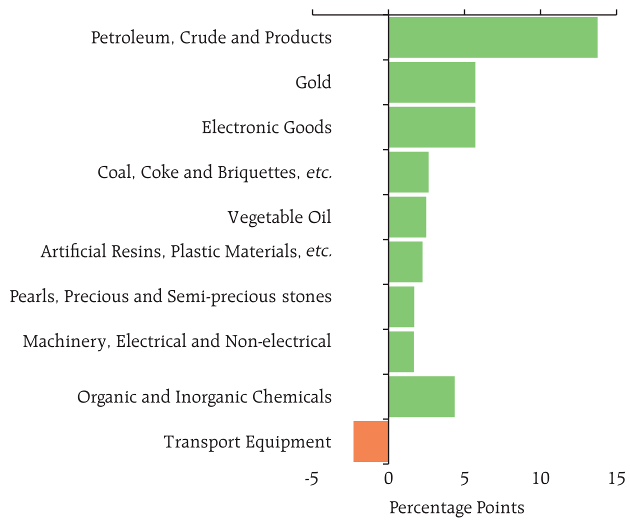


b. Decomposition of Sequential Change in Y-o-Y Import Growth



Sources: PIB; DGCI&S; and Authors' calculations.

Chart 21: Relative Contribution to Import Growth (December 2021 over December 2019)



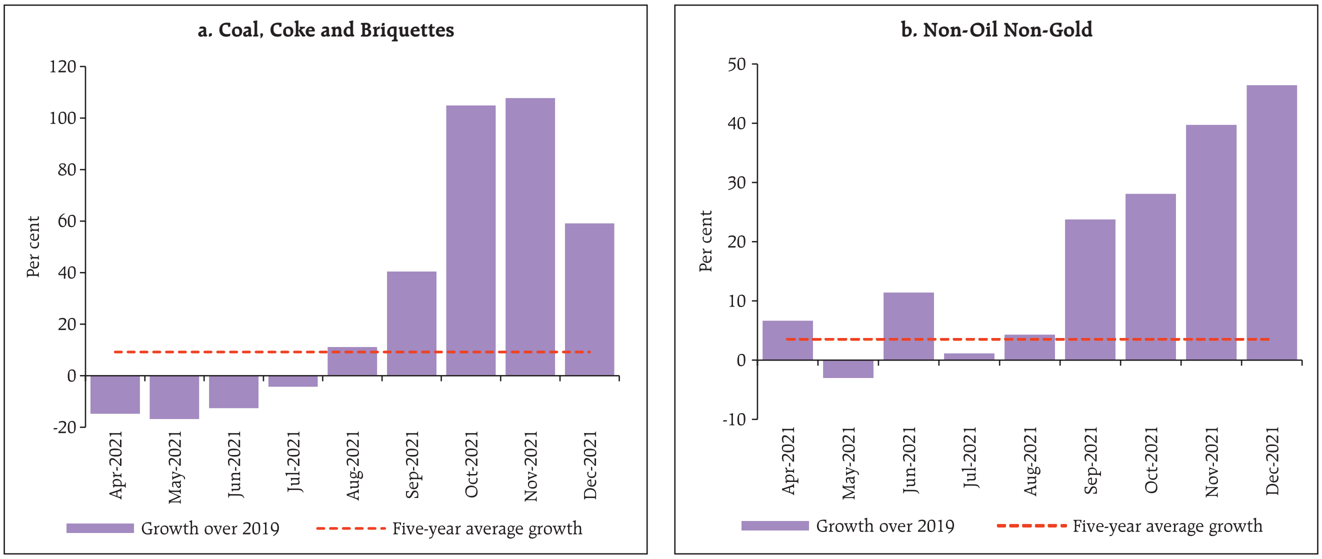
Sources: PIB; DGCI&S; and Authors' own calculations.

The imports of coal, coke and briquettes recorded a sequential deceleration during December 2021 (Chart 22a). Overall non-oil non-gold imports maintained strong growth for the seventh consecutive month in December over pre-pandemic levels (Chart 22b).

After the all-time high monthly trade deficit of US$ 22.9 billion in November 2021, the trade deficit eased to US$ 21.7 billion in December 2021. On a quarterly basis, the trade deficit reached a record level of US$ 62.4 billion during Q3:2021-22 (Chart 23).

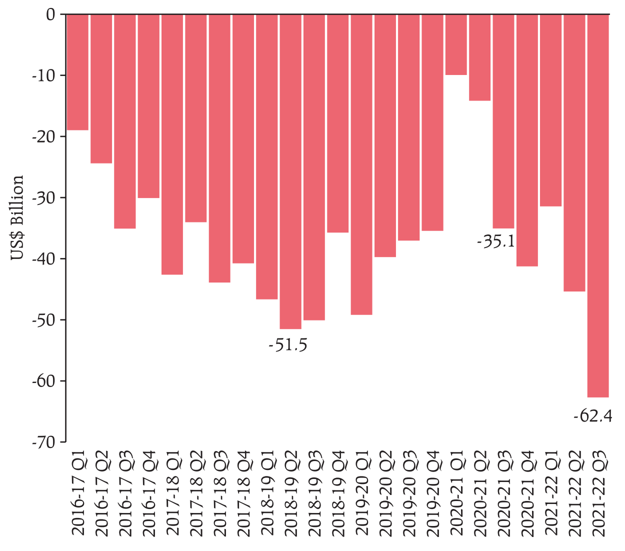
The fiscal position of the Union government continued to post improvement, with net tax revenues touching an all-time high of 73.5 per cent of budget estimates (BE) and the gross fiscal deficit plummeting to 46.2 per cent of BE during April-November 2021, as against the five-year average of 50.6 per cent and 112.5 per cent, respectively (Chart 24). On the expenditure front, capital expenditure improved by 13.5 per cent while revenue expenditure was up by 8.2 per cent over 2020-21. The growth in capital expenditure was led by the Ministry of Road Transport and Highways which has exhausted 68.3 per cent of its budgeted capital expenditure. As per cent of BE, however, both revenue and capital expenditure during April-November 2021-22 trail below trend.

Chart 22: Growth in Imports of Key Commodities (Growth over 2019 Level)



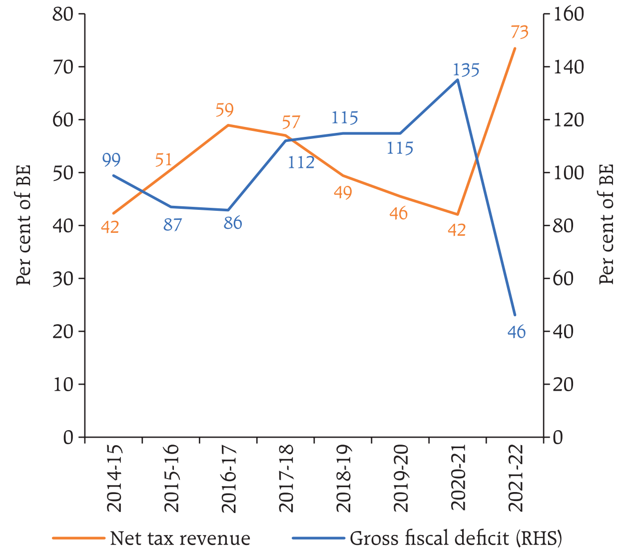
Sources: PIB; DGCI&S; and Authors' own calculations.

Chart 23: India's Merchandise Trade Deficit



Source: DGCI&S.

Chart 24: Net Tax Revenue during April-November



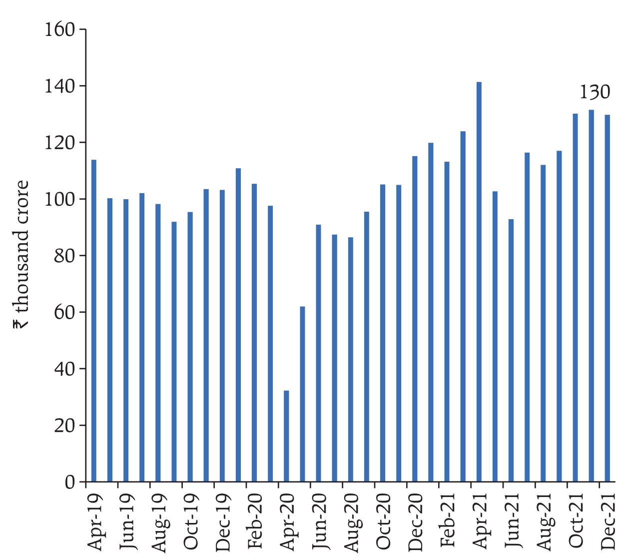
Sources: Controller General of Accounts (CGA); and Union budget documents.

If the budget estimates for 2021-22 and expenditure proposals contained in the two supplementary demand for grants are realised, revenue expenditure less interest payments and major subsidies (an indicator of government final consumption expenditure) may increase by 29.0 per cent over 2020-21 (70.3 per cent over 2019-20), providing a boost to aggregate demand. Increased expenditure will be partially offset by buoyant tax collections. Additionally, the Union government will also benefit from the higher nominal GDP, which stands at ₹232.15 lakh crore as against the assumption of ₹222.87 lakh crore used for budget estimates for 2021-22.

Collections under GST posted a y-o-y growth of 12.7 per cent in December 2021 (Chart 25). In Q3:2021-22, the highest quarterly GST collections of ₹3.9 lakh crore since the introduction of GST were recorded. This is an outcome of various policy and administrative measures to improve compliance and would perhaps demonstrate the inherent advantages of having a GST.

State finances have exhibited significant improvement, with their revenues surpassing pre-pandemic levels. States' tax and non-tax receipts recorded a y-o-y growth of 29.2 per cent and 53.8 per cent, respectively, during April-November 2021. All the major heads of states' taxes have exceeded the levels of 2019-20 and have seen high growth during April-

Chart 25: GST Collections



Source: Press Information Bureau (PIB).

November 2021. In particular, states' GST revenue and sales tax collections have seen a robust growth of 35.2 per cent and 37.3 per cent, respectively. Until November 2021, states' have mobilised a relatively higher share of their budgeted revenue receipts than the past trend since 2018-19 (Chart 26a).

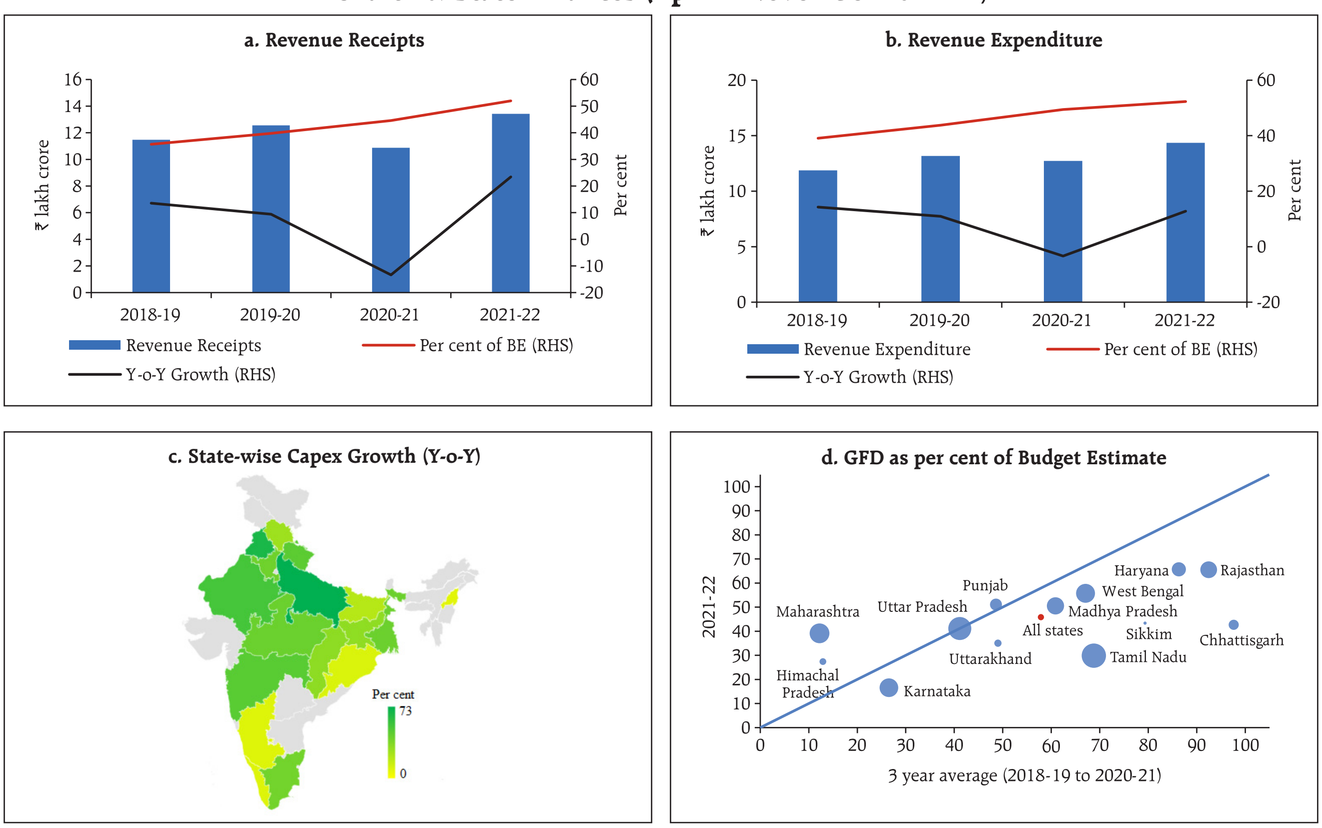
On the expenditure front, states' revenue expenditure grew by 12.8 per cent during April-November 2021, up 9.0 per cent over the corresponding period of the pre-pandemic year of 2019-20 (Chart 26b). The quality of expenditure has also seen an improvement, which is reflected in states' capex recording a growth of 67.6 per cent in April-November 2021 (Chart 26c). The thrust on capex augurs well for a durable growth revival. Overall, the states' gross fiscal deficit has come down sharply as per cent of BE for majority of the states, reflecting improved fiscal management (Chart 26d).

Aggregate Supply

On the supply side, aggregate supply, as measured by gross value added (GVA) at basic prices, increased by 8.6 per cent[6] in 2021-22, as against a contraction of 6.2 per cent a year ago. The acceleration in GVA growth was facilitated by robust growth in agriculture, coupled with recovery in industry and in several constituents of services, *albeit*, on a favourable base (Chart 27).

Supported by replenished reservoir levels (Chart 28a) and spatially and temporally well-distributed north-east (NE) monsoon rainfall, an area of 664.6 lakh hectares has been covered under *rabi*

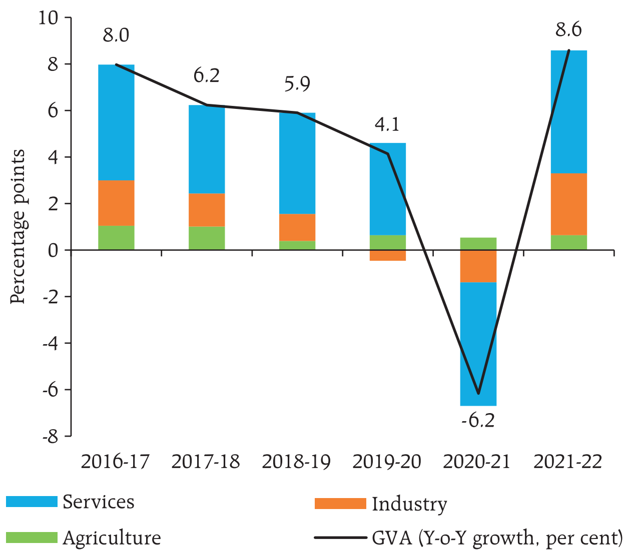
Chart 26: State Finances (April – November 2021-22)



Note: All data pertains to 18 states for which data is available till November 2021.
Sources: Comptroller and Auditor General of India; and Budget documents of state governments.

6 This is as per the first advance estimates released by the NSO on January 7, 2022.

Chart 27: Weighted Contribution to GVA Growth



Source: NSO.

sowing so far, which is 106.3 per cent of the full season normal *rabi* acreage. Notably, rapeseed and mustard oilseed acreage surpassed the full season normal area by 46.9 per cent, reflecting the impetus given by the government in the form of price assurance (Chart 28b). As on January 14, 2022, the area sown under oilseeds recorded growth over last year (21.8 per cent) while that of wheat, rice and coarse cereals lagged. Despite the supply of major fertilisers staying below the level of the previous year, the monthly availability (as on January 12, 2022) was higher in comparison to required levels (Chart 28c). Reflecting the employment generated by the ongoing *rabi* sowing in the rural hinterland, the demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) slid y-o-y for the fourth consecutive month in December 2021 (Chart 28d).

As on January 12, the cumulative procurement of rice at 37.3 million tonnes (*kharif* marketing

Chart 28: Rural Economy

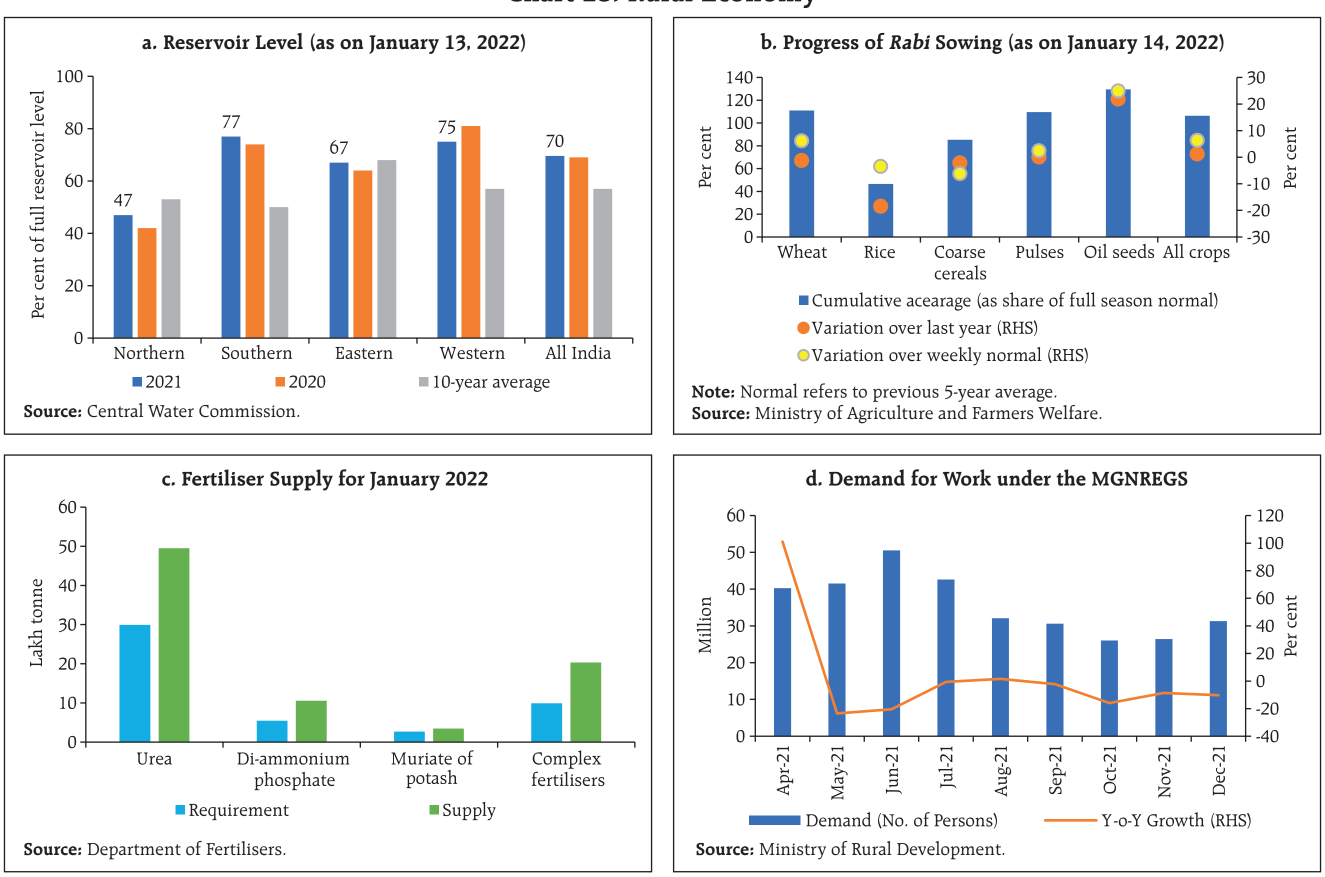
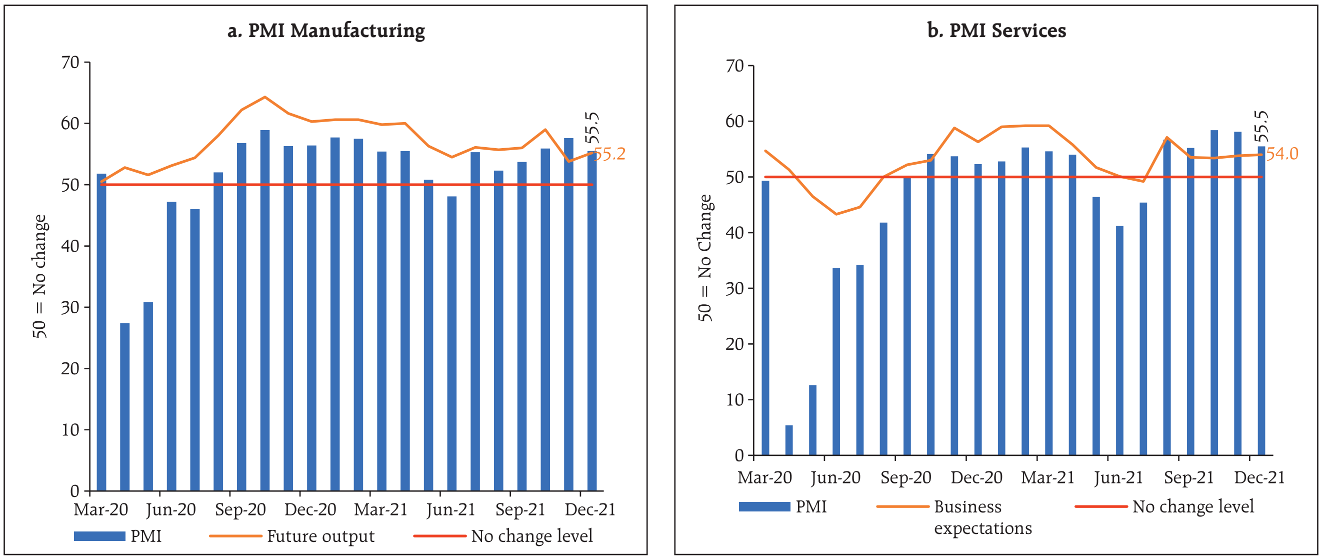


Chart 29: Purchasing Managers' Index



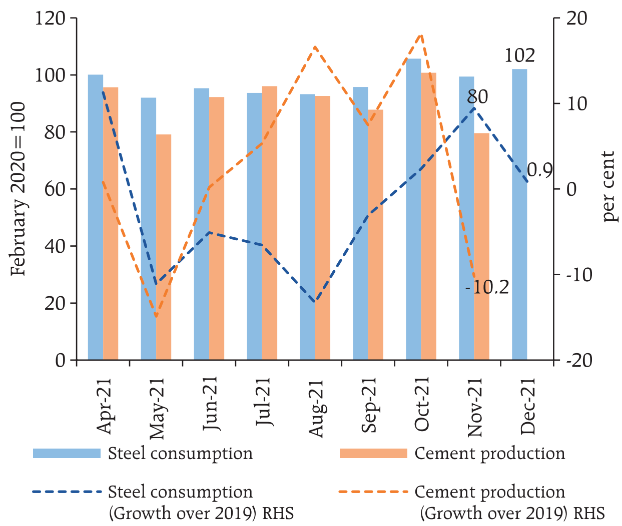
Source: IHS Markit.

season 2021-22) exceeded the level of previous year (36.3 million tonnes). As per the quarterly buffer norms (January-March), stock levels for both rice and wheat remained comfortable (7.1 and 2.4 times, respectively). On December 20, 2021, as part of policy measures to curb inflationary pressures, the Securities and Exchange Board of India (SEBI) suspended derivatives trading in paddy (non-basmati), wheat, *chana*, moong, soybean, mustard seed, and crude palm oil in all commodity exchanges for a period of one year.

In the industrial sphere, the headline manufacturing PMI remained in expansion at 55.5 in December 2021. It moderated, however, from the level of 57.6 in November due to a dip in output, stock of purchases and new orders. India's coal production surged to 74.8 million tonnes in December, marking an increase of 6.8 per cent over its pre-pandemic level. The services PMI stood at 55.5 in December, recording an expansion for the fifth consecutive month. The business expectations index (BEI) for services expanded to 54.0 in December 2021, up from 53.8 in November 2021 (Chart 29).

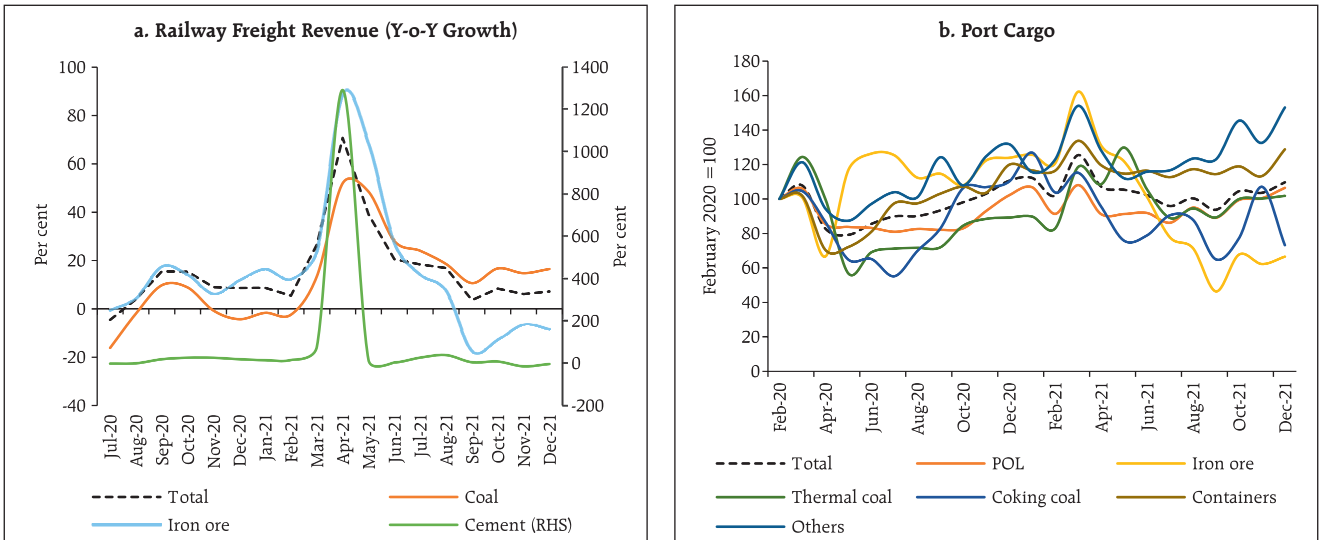
Construction activity has tapered in recent months, as evident in the performance of its coincident indicators. Steel consumption continued to contract in December, although it was primarily on account of lower demand from the automobile sector. Cement production contracted for the first time in the last ten months in November 2021, reflective of waning of pent-up demand (Chart 30).

Chart 30: Construction Sector Indicators



Sources: Joint Plant Committee; and Office of the Economic Advisor, Ministry of Commerce and Industry.

Chart 31: Railway and Port Cargo



Source: Rail Drishti.

Source: Indian Ports Association.

In the services sector, railways freight traffic accelerated to 7.2 per cent in December from 6.3 per cent in the preceding month (Chart 31a). As shipping hurdles and container shortages eased globally, cargo traffic at India's major ports in December 2021 picked up sequentially. Over a year ago, cargo traffic declined marginally by 0.8 per cent, led by a fall in iron ore and coking coal cargo (Chart 31b).

In the aviation sector, both passenger and cargo traffic have exhibited a gradual recovery since August 2021, with both international and domestic cargo freight normalising in November 2021. Passenger traffic also gathered steam on the back of travels during the festival season. In the wake of the recent threat from Omicron, new travel guidelines might delay growth of this sector. In the first week of January, daily domestic airport footfall[7], averaged 6.4 lakh per day, declining by 7.9 per cent over the corresponding week in December. International airport footfall also declined by 7.2 per cent sequentially. The cargo segment recorded double-digit contraction of 23.7 and 21.6 per cent for domestic and international cargo, respectively, as airlines cancelled or rescheduled flights due to the rising number of COVID-19 infections.

There was an improvement in the performance of trade, hotels, transport communication, and GST e-way bills (Table 2). The performance of the IT sector was boosted in Q3:2021-22 by the rapid pace of digitalisation and higher discretionary expenditure by firms.[8]

[7] Includes both departing and arriving passengers.

[8] *https://www.business-standard.com/article/companies/infosys-to-hcl-tech-it-firms-to-see-strong-q3-despite-seasonal-quirks-122010400072_1.html*

Table 2: High Frequency Indicators - Services

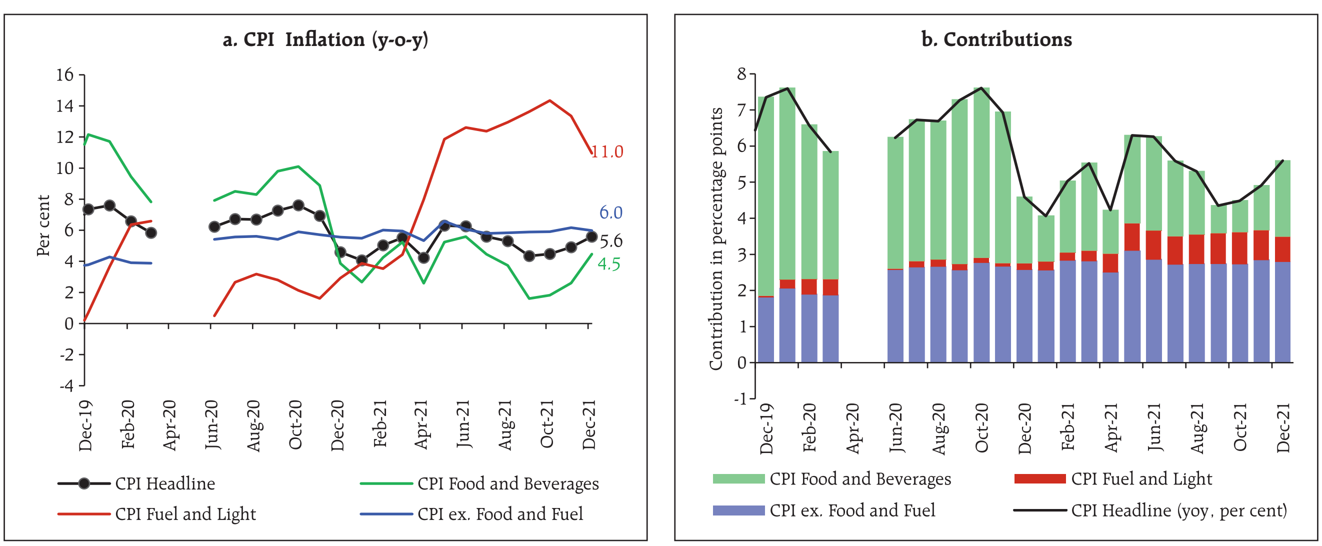
Sector	Indicator	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Aug 21/ Aug 19	Sep 21/ Sep 19	Oct 21/ Oct 19	Nov 21/ Nov 19	Dec 21/ Dec 19
	High Frequency Indicators- Services Growth (y-o-y, per cent)						Growth over 2019				
Urban Demand	Passenger Vehicles Sales	7.6	-41.2	-27.1	-18.6	-13.3	22.8	-25.6	-16.7	-14.8	-1.5
Rural Demand	Two Wheelers Sales	-14.6	-17.4	-24.9	-34.4	-10.8	-12.1	-7.7	-12.3	-25.5	-4.2
	Three Wheelers Sales	59.7	53.8	19.1	-6.6	25.1	-60.5	-56.0	-52.6	-59.7	-47.7
	Tractor Sales	-17.0	-14.8	0.4	-22.5	-27.5	45.0	9.3	8.2	17.2	3.8
Trade, hotels, transport, communication	Commercial Vehicles Sales	24.5		0.9			0.6		-0.3		
	Railway Freight Traffic	16.9	3.6	8.4	6.1	7.2	21.5	19.7	25.1	15.6	16.5
	Port Cargo Traffic	11.5	0.5	6.3	-0.2	-0.8	-0.1	-1.4	5.3	2.7	3.5
	Domestic Air Cargo Traffic	35.7	10.1	6.7	-1.7		-13.1	-11.8	-10.0	-11.4	
	International Air Cargo Traffic	25.8	18.1	23.8	11.7		-5.5	2.0	8.4	-5.0	
	Domestic Air Passenger Traffic	132.6	76.5	68.7	65.5		-43.8	-38.4	-27.0	-17.6	
	International Air Passenger Traffic	119.2	155.9	162.9	140.2		-77.5	-68.9	-61.0	-58.6	
	GST E-way Bills (Total)	33.3	18.3	14.5	5.9	11.6	28.6	29.6	39.0	14.5	29.3
	GST E-way Bills (Intra State)	30.8	15.6	14.1	7.3	13.4	32.7	33.0	40.7	17.6	33.0
	GST E-way Bills (Inter State)	37.2	22.3	15.1	3.9	8.9	22.9	25.0	36.7	10.1	24.0
	Tourist Arrivals	329.9	278.8	337.0	255.0		-89.4	-85.8	-80.8	-76.9	
Construction	Steel Consumption	-2.2	-3.2	-3.8	-7.7	-14.1	-13.3	-3.1	2.4	9.4	0.9
	Cement Production	36.3	10.8	14.5	-3.2		16.6	7.5	18.3	-10.2	
PMI Index	Manufacturing	52.3	53.7	55.9	57.6	55.5					
	Services	56.7	55.2	58.4	58.1	55.5					

Sources: CMIE; CEIC data; IHS Markit; SIAM; Airports Authority of India; and Joint Plant Committee.

Inflation

Headline CPI inflation (year-on-year) for the month of December 2021 edged up to 5.6 per cent from 4.9 per cent a month ago (Chart 32a). A welcome decline in momentum (month-on-month change in prices in the current month) by around 35 bps was offset by

Chart 32: CPI Inflation



Note: CPI inflation for April-May 2021 was computed based on imputed CPI indices for April-May 2020.
Sources: National Statistical Office (NSO); and RBI staff estimates.

a large unfavourable base effect (month-on-month change in prices a year ago) of around one percentage point, resulting in headline inflation increasing by around 70 bps between November and December. The CPI food group, particularly vegetables, was the key driver of the decline in headline CPI momentum. It also suffered adverse base-effects.

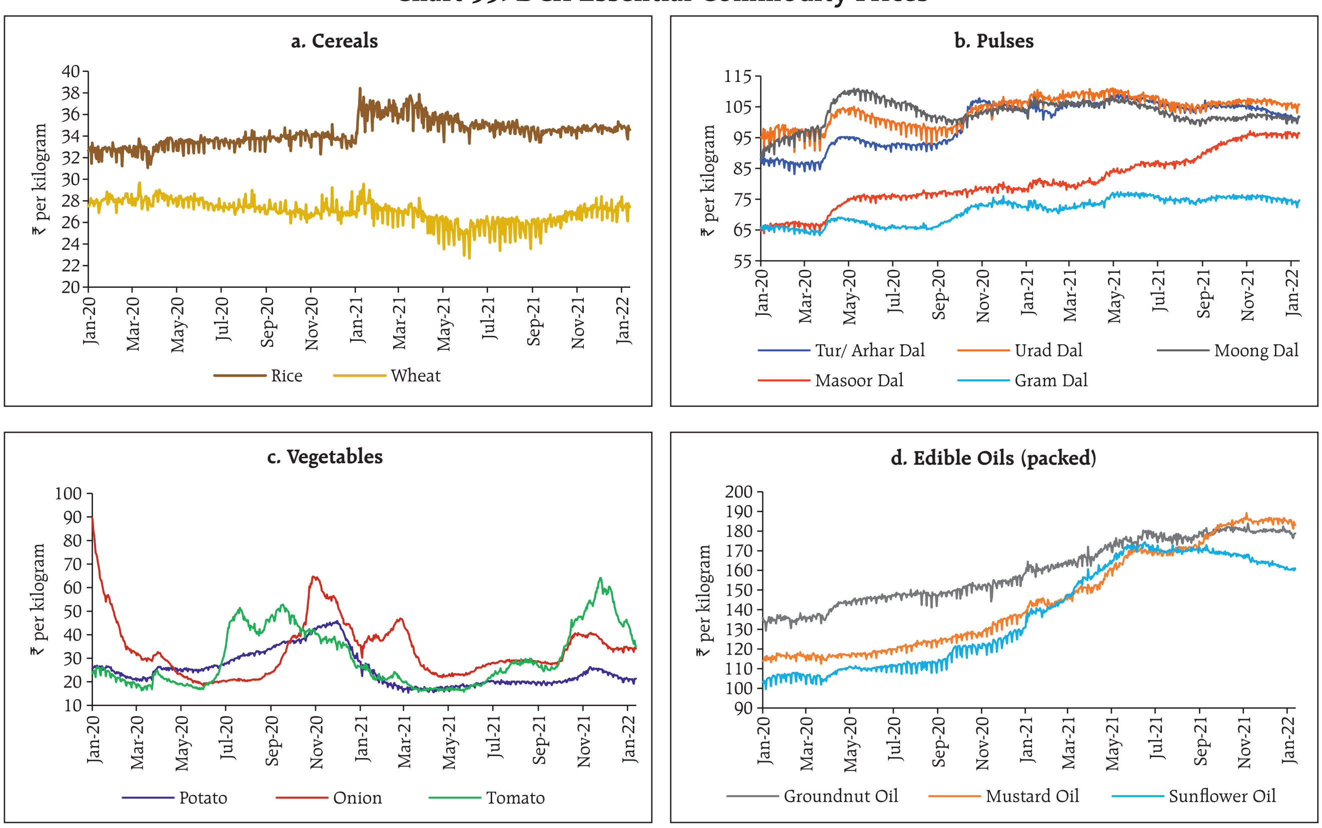
Food and beverages inflation increased to 4.5 per cent in December from 2.6 per cent in November, largely due to an unfavourable base effect of around 2.7 percentage points. Cereals, eggs, milk, and prepared meals inflation edged up. On the other hand, inflation in meat and fish, oils and fats, fruits, pulses, sugar and confectionary, spices and non-alcoholic beverages moderated. Vegetable price deflation narrowed considerably in December.

Fuel inflation moderated to 11.0 per cent in December from 13.3 per cent in November primarily on account of LPG, kerosene and firewood and chips. Electricity prices continued to remain in deflation in December. CPI fuel (weight of 6.84 per cent in the CPI basket) contributed to around 13 per cent of headline inflation in December (Chart 32b).

CPI inflation excluding food and fuel or core inflation remained elevated at 6.0 per cent in December, though there was some softening from 6.2 per cent seen in November 2021 (Chart 32a). While inflation in clothing and footwear, household goods and services, education, and personal care and effects sub-groups increased, inflation in pan, tobacco and intoxicants, housing, health, transport and communication, and recreation and amusement moderated.

High frequency data from the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) for January so far (January 1-12, 2022) indicate a broad-based softening

Chart 33: DCA Essential Commodity Prices



Sources: Department of Consumer Affairs, GoI; and RBI staff estimates.

Table 3: Petroleum Product Prices

Item	Unit	Domestic Prices			Month-over-month (per cent)	
		Jan-21	Dec-21	Jan-22^	Dec-21	Jan-22
Petrol	₹/litre	87.57	102.93	102.87	-2.5	-0.1
Diesel	₹/litre	78.97	90.51	90.51	-1.3	0.0
Kerosene (subsidised)	₹/litre	23.21	38.68	38.68	-2.1	0.0
LPG (non-subsidised)	₹/cylinder	704.63	910.13	910.13	0.0	0.0

^: For the period January 1-12, 2022.

Note: Other than kerosene, prices represent the average Indian Oil Corporation Limited (IOCL) prices in four major metros (Delhi, Kolkata, Mumbai and Chennai). For kerosene, prices denote the average of the subsidised prices in Kolkata, Mumbai and Chennai.

Sources: IOCL; Petroleum Planning and Analysis Cell (PPAC); and RBI staff estimates.

of prices of key food items. Cereals prices largely remained steady, while pulses as well as edible oils prices continued to register broad-based declines. Prices of potatoes, onions and particularly, tomatoes witnessed seasonal price corrections (Chart 33).

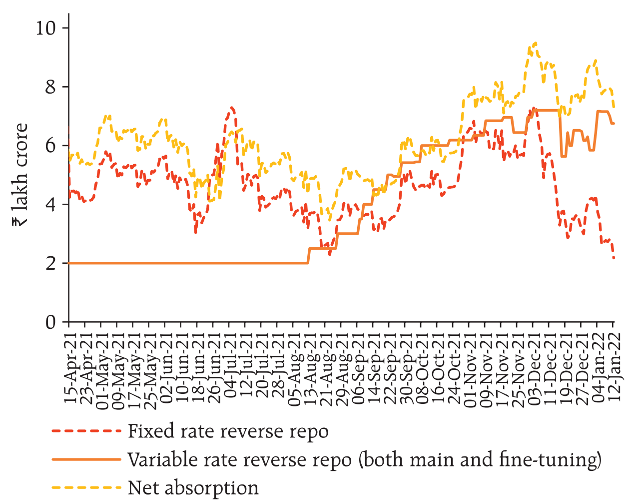
Retail selling prices of petrol and diesel in the four major metros remained unchanged in January so far. LPG and kerosene prices also remained steady in the first half of January (Table 3).

There was some let-up in input cost pressures in December, as reflected in the PMIs, across manufacturing and services. Selling price increases were muted across manufacturing and services.

IV. Financial Conditions

With a view to fostering macroeconomic and financial stability and supporting the recovery amidst a renewed surge in infections, the Reserve Bank conducted proactive liquidity management, while maintaining adequate liquidity surplus in consonance with the MPC's accommodative policy stance. Alongside, rebalancing of the liquidity surplus was continued by migrating surplus liquidity from the fixed rate overnight reverse repo window to the variable rate reverse repo (VRRR) auctions of longer maturity. As part of this process, the Reserve Bank conducted two 14-day VRRR auctions in the second half of the month, *i.e.*, on December 17 and 31, for a notified amount of ₹6.5 lakh crore and ₹7.5 lakh crore, respectively. Complementing the 14-day VRRRs, six fine-tuning operations of 3-7 days maturity and one longer term VRRR of 28-days maturity were conducted to modulate systemic liquidity in a non-disruptive manner, while meeting the productive requirements of the economy. Continuing with the rebalancing of surplus liquidity in the first half of January 2022, the Reserve Bank conducted one 14-day VRRR for a notified amount of ₹5.0 lakh crore and five fine-tuning operations of 3-7 days maturity. Consequently, the daily liquidity absorption under the liquidity adjustment facility (LAF) averaged ₹8 lakh crore in the second half of December 2021 through January 2022 (up to January 13), lower than ₹9.4 lakh crore in the first half. Concomitantly, the liquidity absorbed through the fixed rate reverse repo also moderated to ₹1.5 lakh crore during the period from ₹2.2 lakh crore during mid-November to mid-December 2021 (Chart 34).

Chart 34: Surplus Liquidity - Absorption under LAF



Source: RBI.

Chart 35a: VRRR Auctions and Weighted Average Reverse Repo rate

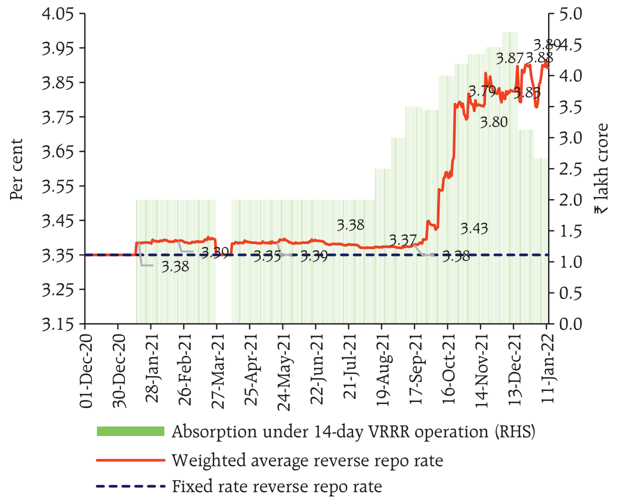
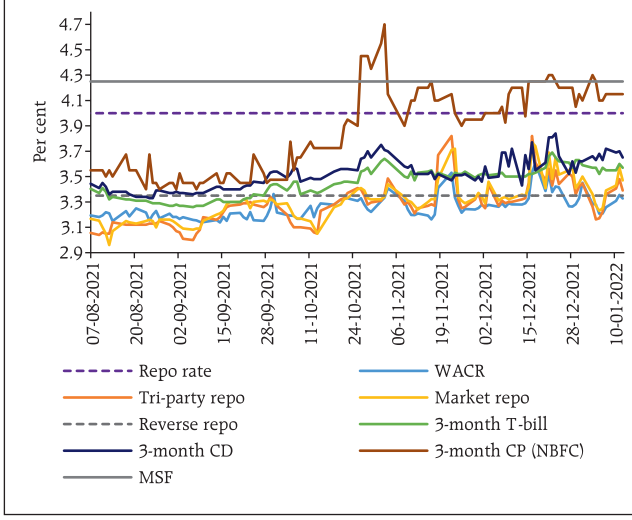


Chart 35b: Policy Corridor and Money Market Rates



Sources: RBI; Bloomberg; and Staff calculations.

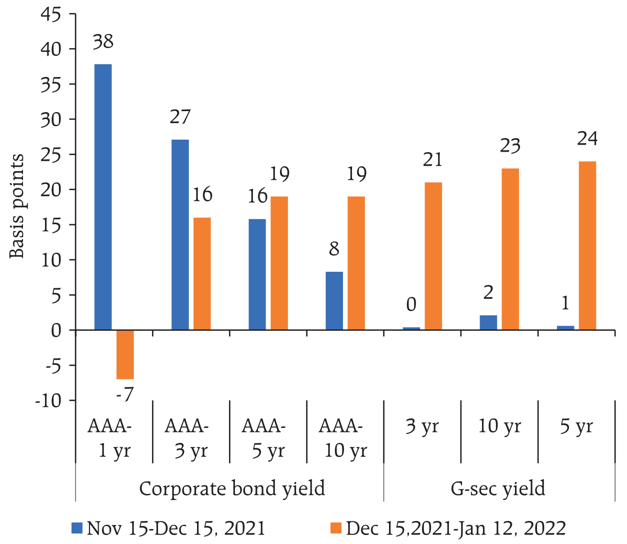
The effective reverse repo rate moved closer to the repo rate[9] (Chart 35a). Taking cue from the higher cut-offs in the VRRR auctions, money market rates hardened. Increased frequency of VRRR auctions of 3-4 days maturity and advance tax payments weighed on the short end of the money market in the second half of December 2021. In the overnight segment, while the weighted average call rate (WACR) continued to hover close to the reverse repo rate, those in the collateralised segment - market repo and tri-party repo inched higher from mid-December, *albeit*, with a softening bias in January 2022. In the term segment, 3-month T-bill and certificates of deposit (CDs) rates evolved in conjunction with the effective reverse repo rate with their average spreads (over the reverse repo rate) ruling higher at 24 bps and 31 bps, respectively, during the latter part of December 2021 through January 12, 2022. On the other hand, rates on 3-month commercial paper (CP-NBFCs) remained elevated in view of buoyant primary market activity (Chart 35b).

[9] The effective reverse repo rate is the weighted average of the fixed rate reverse repo rate and the VRRRs of all maturities, including fine-tuning operations, with the weights being the amount absorbed under the respective reverse repo windows.

Bond yields ruled higher, with the 10-year G-sec (old) yield hovering at near two year high levels and closing at 6.58 per cent on January 14, 2022. Global cues, *viz.*, indication of a faster reversal of accommodative stances by major central banks (such as the unexpected hike by the Bank of England), rise in US treasury yields and higher crude oil prices dented sentiments and pushed up yield levels. In the domestic primary segment, higher yield cut offs, coupled with devolvement on primary dealers (PDs) in the weekly auction conducted on December 24, 2021, January 7 and 14, 2022. The Reserve Bank did not accept any bids for floating rate bond 2028 (GOI FRB 2028) and 6.10 GS 2031 and accepted all bids for 6.95 GS 2061 in the weekly auction on December 31, 2021. Bearish tendency also got reflected in the higher underwriting fee for the auction conducted on December 31, 2021 and during first two weeks of January 2022. Corporate bond yields too hardened based on signals from the rise in G-sec yields (Chart 36).

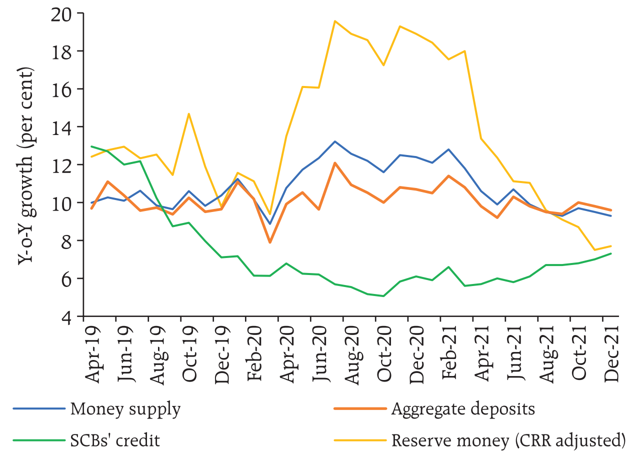
Overall monetary and credit conditions evolved in line with the Reserve Bank's objective of nurturing the nascent recovery. Reserve money (RM), excluding

Chart 36: Change in Bond Yields



Source: Bloomberg.

Chart 37: Monetary and Credit Aggregates



Note: Data pertain to last reporting Friday of every month for money supply, aggregate deposits, and SCBs' credit; and last Friday of every month for reserve money.

Source: RBI.

the first-round impact of the cash reserve ratio (CRR) restoration, grew at 9.1 per cent y-o-y as on December 31, 2021 (19.1 per cent a year ago) with currency in circulation - the largest component of RM - expanding at 7.8 per cent (22.1 per cent a year ago). On the other hand, money supply (M_3) grew at 9.9 per cent as on December 31, 2021 (12.5 per cent a year ago) on the back of robust deposit mobilisation by banks (10.3 per cent). The growth in scheduled commercial banks' (SCBs') credit to the commercial sector, which crossed the 7 per cent level in November 2021 for the first time since April 2020, accelerated further to 9.2 per cent as on December 31, 2021 (6.2 per cent a year ago) (Chart 37).

Surplus liquidity and forward guidance on the monetary policy stance continue to facilitate monetary transmission. Since March 2020, the one-year median marginal cost of funds-based lending rate (MCLR) of SCBs softened cumulatively by 100 bps. The median term deposit rate dipped by 154 bps through March 2020 to December 2021. The reduction in the overall cost of funds has enabled transmission to the weighted average lending rate (WALR) on outstanding rupee loans. There has been a complete pass-through of repo rate cuts to the WALR on outstanding loans during March 2020 to November 2021 (Table 4).

Concomitantly, deposit rates too have moderated across all tenors starting from March 2020. A larger dip of 184 bps is discernible across shorter tenor deposits

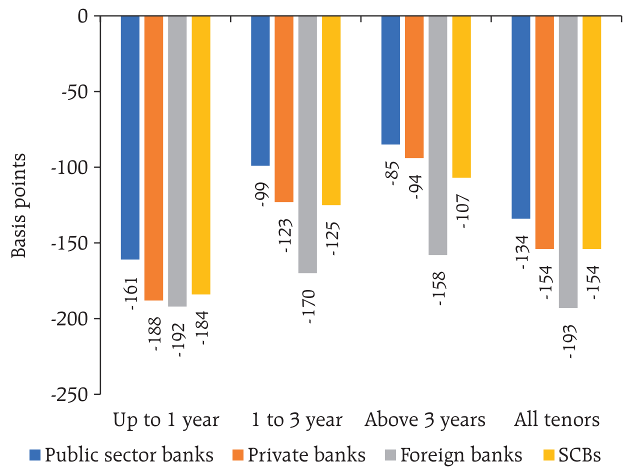
Table 4: Transmission from the Repo Rate to Banks' Deposit and Lending Rates

(Variation in basis points)

Period	Repo Rate	Term Deposit Rates		Lending Rates		
		Median TDR (Fresh Deposits)	WADTDR (Outstanding Deposits)	1 - Year Median MCLR	WALR (Outstanding Rupee Loans)	WALR (Fresh Rupee Loans)
Feb 2019 - Sep 2019	-110	-9	-7	-30	0	-43
Oct 2019 - Dec 2021*	-140	-185	-180	-132	-133	-154
Mar 2020 - Dec 2021 *	-115	-154	-141	-100	-114	-124
Feb 2019 - Dec 2021*	**-250**	**-213**	**-187**	**-155**	**-133**	**-197**

Note: Latest data on WALRs and WADTDR pertain to November 2021.
WALR: Weighted average lending rate; WADTDR: Weighted average domestic term deposit rate;
MCLR: Marginal cost of funds-based lending rate; TDR: Term deposit rate.
Source: RBI.

Chart 38: Maturity-wise Transmission to Median Term Deposit Rate (March 2020 to December 2021)



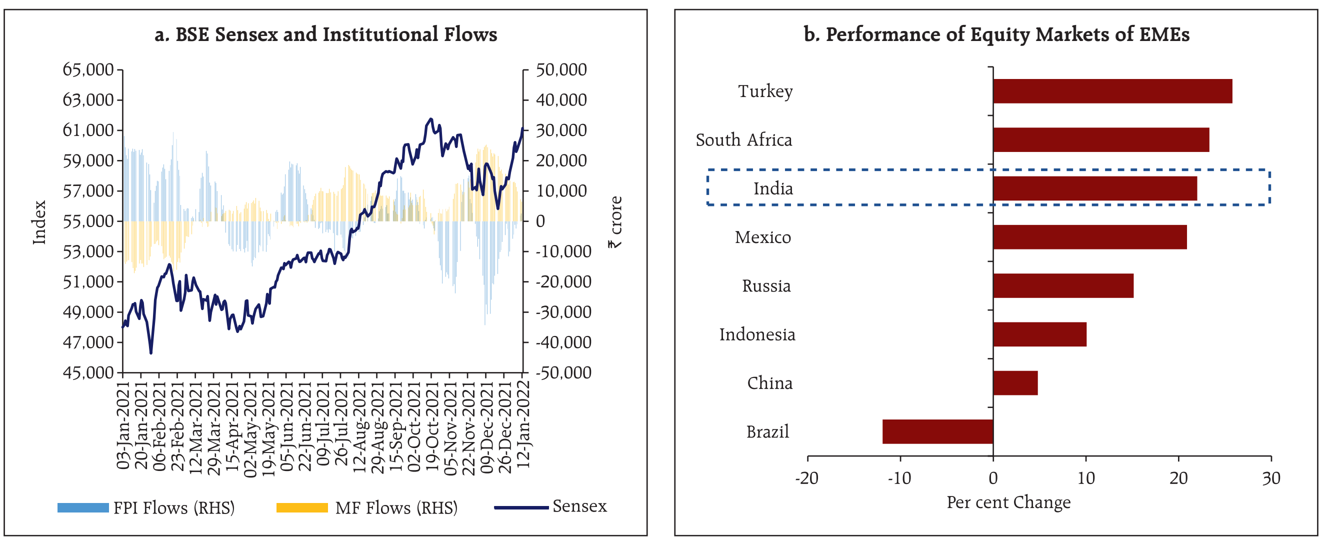
Sources: RBI; and RBI staff estimates.

of up to one-year maturity and a relatively smaller pass-through to deposit rates on longer tenor deposits of maturity above 3 years is seen. Across domestic banks, private banks continue to exhibit higher pass-through to term deposit rates compared to their public sector counterparts (Chart 38). In recent months, a few major banks have started raising interest rates on deposits, anticipating a pick-up in credit demand.

The Government of India reviewed interest rates on small saving instruments (SSIs) on December 31, 2021 and left them unchanged for the seventh straight quarter. The current interest rates on SSIs are 42-168 bps higher than the formula-based rates for Q4:2021-22.[10]

Equity markets turned volatile in December 2021, initially responding positively to the Reserve Bank's bi-monthly monetary policy announcement of status quo in the policy rate and stance, but reversed gains subsequently on concerns over the spread of the Omicron variant (Chart 39a). With concerns on the severity of the Omicron variant subsiding, the market recouped its losses, tracking positive global cues. On a calendar year basis, Indian equities (BSE Sensex) registered gains of 22 per cent, outperforming most of emerging market peers (Chart 39b). The BSE Sensex advanced by 5.1 per cent in 2022 so far to close at 61,223 on January 14, 2022.

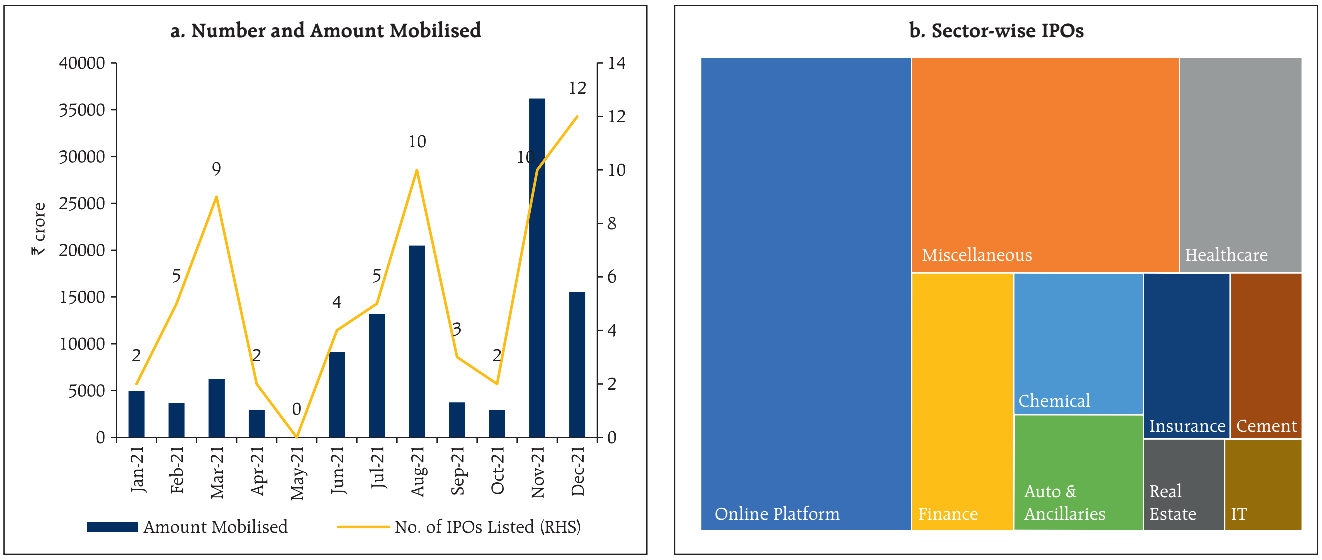
Chart 39: Equity Market in 2021



Note: FPI and MF investments are represented on 15 days rolling sum basis.
Sources: Bloomberg; NSDL; and SEBI.

[10] The interest rates on small saving schemes are administered and set by the Government of India. These administered interest rates are linked to market yields on G-secs with a lag and are fixed on a quarterly basis at a spread ranging from 0-100 bps over and above G-sec yields of comparable maturities.

Chart 40: Mainboard Initial Public Offerings (IPOs) in 2021



Sources: SEBI and RBI Staff Calculations.

During December 2021, mutual funds recorded net purchases to the tune of ₹21,923 crore, while FPIs turned net sellers, giving up ₹13,150 crore in the domestic equity market.

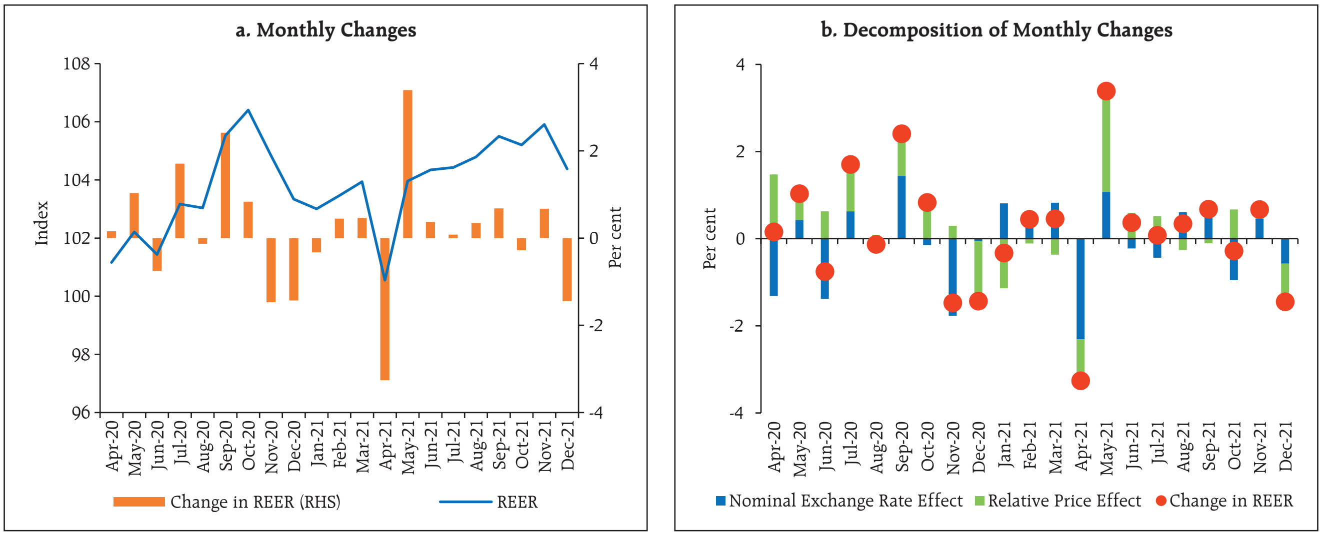
The IPO market remained exuberant, with listing of mainboard IPOs of 12 companies in December– the highest for any month in 2021 (Chart 40a). Resource mobilisation by these companies amounted to ₹15,553 crore. The year 2021 turned out to be the year of the IPO boom, with mainboard listings of 64 companies mobilising ₹1.2 lakh crore, as against mainboard listings of 14 companies mobilising ₹26,312 crore in 2020. Sector-wise, bulk of the resources in 2021 was mobilised by new-age platform based companies operating across food delivery, insurance, auto and financial services verticals (Chart 40b).

India's current account balance recorded a deficit of 1.3 per cent of GDP in Q2:2021-22 as against a surplus of 0.9 per cent of GDP in Q1:2021-22 and 2.4 per cent of GDP a year ago. Reflecting the movement in fundamentals, the Indian rupee (INR) depreciated against the US dollar in December by 0.6 per cent (m-o-m). This was also mirrored in the movement of the INR in terms of the 40-currency real effective exchange rate (REER) index, which depreciated by 1.4 per cent over its level a month ago (Chart 41).

India's net international investment position as at end-September 2021 improved over end-March 2021 with the accretion in Indian residents' overseas financial assets outpacing the increase in foreign-owned assets in India. A robust accretion to foreign exchange reserves in 2021-22 has, *inter alia*, improved the coverage of short-term debt (on residual maturity basis) to 248.2 per cent at end-September 2021 from 226.9 per cent at end-March 2021 (Table 5).

The sudden surge in Covid cases and anticipation of faster policy tightening by major central banks fed into bearish sentiments among foreign investors. During December 2021, foreign portfolio investors (FPIs) reduced their exposures in both equity and debt segment of the domestic capital market

Chart 41: Monthly Movements in 40- Currency Real Effective Exchange Rate (REER) (Base:2015-16 = 100)



Note: Figures for December 2021 are provisional.
Sources: RBI.

(Chart 42). Going forward, a strong pipeline for IPOs in 2022 and the likely inclusion of sovereign bonds in global bond indices may support FPI inflows.

Net disbursements of external commercial borrowings (ECB) to India (including inter-company borrowings) were of the order of US$ 7.5 billion during April-November 2021 as compared with net outflows of US$ 2.3 billion a year ago. A sizeable portion of ECBs raised in November was used for on-lending/sub-lending, new projects and import of capital goods.

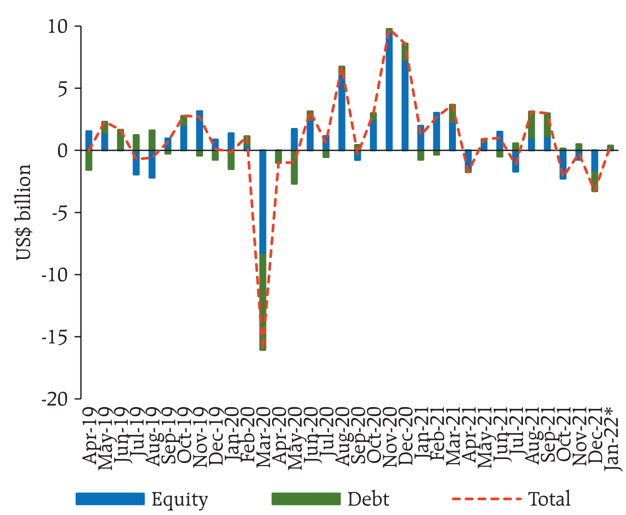
Foreign exchange reserves stood at US$ 632.7 billion on January 07, 2022 (Chart 43), providing a cover equivalent to 13 months of imports projected for 2021-22.

Table 5: Key External Vulnerability Indicators

Indicator	End-Mar. 2021	End-Sep. 2021
1. External Debt (US$ billion)	569.6	593.1
2. External Debt to GDP Ratio (%)	21.1	20.1
3. Short-term Debt (RM) to Total Debt Ratio	44.6	43.2
4. Reserves to Total Debt Ratio (%)	101.3	107.1
5. Reserves to Short-term Debt (RM) Ratio (%)	226.9	248.2
6. Reserve Cover of Imports (in months)	17.4	14.6
7. Net International Investment Position (IIP)# #(US$ billion)	-351.1	-331.8
8. Net IIP/GDP ratio (%) #	-13.1	-11.6

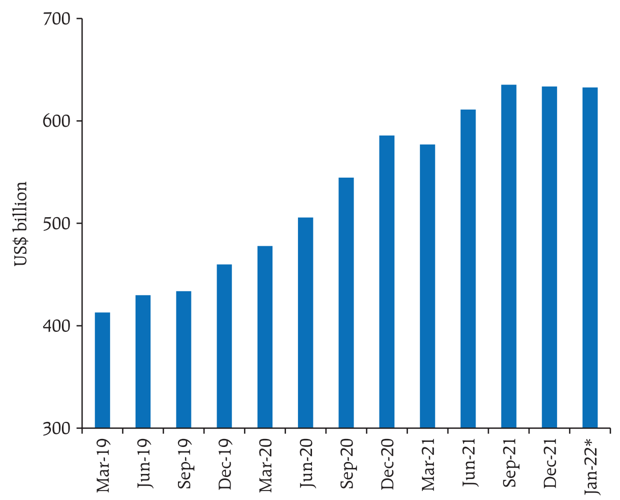
RM: Residual Maturity.
IIP: International Investment Position.
#: Negative sign indicates non-residents' net claims on India.
Source: RBI.

Chart 42: Net Foreign Portfolio Investment



*: Up to 13th.
Source: National Securities Depository Limited (NSDL).

Chart 43: Foreign Exchange Reserves



*: As on January 7.
Source: RBI.

Payment Systems

The year 2021 ended on a buoyant note with digital payment transactions across wholesale and retail segments displaying steady growth (y-o-y) in December (Table 6). Transaction values processed under the Real Time Gross Settlement (RTGS) accelerated for the third month in a row, while volumes rose to 1.92 crore, *i.e.*, the highest in FY 2021-22 so far. On the retail front, payments through the National Electronic Funds Transfer (NEFT), Immediate Payment Service (IMPS), National Automated Clearing House (NACH), and Bharat Bill Payment System (BBPS) exhibited sequential improvement in December over its level a month ago. The Unified Payment Interface (UPI) hit another milestone, clocking the highest ever transactions of 456 crore amounting to a record value of ₹8.26 lakh crore. Reflecting the upbeat momentum in mobility, the transaction volumes and values through the National Electronic Toll Collection (NETC) surged to an all-time high. Overall, the daily average transactions across major payment channels gained in value over the previous month.

India's digital payment ecosystem recorded healthy expansion in 2021. The total RTGS volumes accelerated by 37 per cent, while values demonstrated a growth of 18 per cent. Transactions through the UPI channel have more than doubled in both volume and value terms. Other key retail payment modes like the NEFT, IMPS, NETC and BBPS have also posted strong growth during the year.

On January 3, 2022, the Reserve Bank released the framework for facilitating offline digital payments through channels like cards, wallets and mobile devices. Such payments have been capped at ₹200 per transaction with a total limit of ₹2000 for all transactions. This move is expected to bolster digital financial inclusion by promoting digital uptake

Table 6: Growth Rates in Select Payment Systems

Payment System	Transaction Volume Growth (Y-o-Y, per cent)				Transaction Value Growth (Y-o-Y, per cent)			
	Nov-2020	Nov-2021	Dec-2020	Dec-2021	Nov-2020	Nov-2021	Dec-2020	Dec-2021
RTGS	2.9	24.9	20.2	17.9	-8.0	37.5	3.3	21.7
NEFT	24.6	24.1	31.6	22.3	27.9	4.3	31.7	6.5
UPI	81.3	89.4	70.8	104.4	106.6	96.5	105.5	98.7
IMPS	48.7	21.5	38.7	24.5	36.3	31.9	38.6	35.6
NACH	2.5	15.7	28.0	-2.7	5.7	7.1	32.2	5.1
NETC	257.6	71.5	115.2	74.9	171.6	51.1	83.3	59.7
BBPS	78.7	148.6	86.2	137.0	78.1	175.3	97.9	165.2

Source: RBI.

in remote areas with limited internet or telecom connectivity.[11]

With the aim of improving the security of card-based transactions and ensuring customer privacy, the Reserve Bank has prohibited storing of customer card credentials on merchant platforms and mandated the adoption of Card-on-File (CoF) tokenisation with effect from December 31, 2021. Following representations from industry stakeholders, the deadline to comply with these norms has been extended by 6 months, *i.e.*, till June 30, 2022 to foster a smooth transition to token-based card transactions.[12] In order to incentivise adoption of digital payment modes, the Government has rolled out a scheme worth ₹1,300 crore to reimburse a certain percentage of the value of person-to-merchant (P2M) transactions done through RuPay debit cards and BHIM-UPI.[13]

Data for early January 2022 (up to January 12) indicate growth in digital payments, although the recent surge in infections may pose a concern going forward. Nevertheless, the payment industry is expected to display resilience owing to availability of varied checkout options and rising digital awareness. Market estimates predict that the value of digital payments could jump three-fold from US$300 billion in FY 2021 to US$1 trillion by FY 2026[14].

Conclusion

Overall economic activity in India remains strong, with upbeat consumer and business confidence and upticks in several incoming high frequency indicators. On the vaccination front, India has made rapid strides. On the Omicron variant, the recent data from the UK and South Africa suggest that such infections are 66 to 80 per cent less severe, with a lower need for hospitalisation.[15] This has brightened near-term prospects and financial markets reflect this optimism.

Alongside, monetary and credit conditions are improving with bank credit picking up in a gradual but sustained manner. India's digital payment ecosystem is also expanding rapidly. In contrast, the global outlook remains clouded by considerable uncertainty. Inflation continues to mount across geographies amidst disruptions in production, supply chains and transportation. Consequently, the divergence between monetary policy stances across jurisdictions has widened. There are indications that supply chain disruptions and shipping costs are slowly easing, although the waning of inflation may take longer. This provides a window of opportunity to focus all energies on accelerating and broadening the global recovery.

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[11] *https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12215&Mode=0*

[12] *https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12211&Mode=0*

[13] *https://www.meity.gov.in/writereaddata/files/eGazette_Notification_Incentive%20Scheme_17thDec2021.pdf*

[14] *https://www.moneycontrol.com/news/business/companies/digital-payments-in-india-will-reach-1-trillion-by-fy26-estimates-clsa-7823371.html*

[15] FT, January 10, 2022.

*Indian Agriculture: Achievements and Challenges**

During the COVID-19 time, Indian agriculture has exhibited remarkable resilience. This article highlights the significant achievements of the sector even before the outbreak of COVID-19 and assesses that new emerging challenges warrant a second green revolution along with next generation reforms. Despite the success in terms of production that has ensured food security in the country, food inflation and its volatility remain a challenge, which requires supply side interventions such as higher public investment, storage infrastructure and promotion of food processing as per the empirical findings of this article.

Introduction

India has witnessed a silent revolution evolving from food deficient and import dependent nation during the early nineteen sixties to a global agricultural powerhouse today. India has emerged as the world's largest producer of milk, pulses, jute and spices, and has the world's largest cattle herd (buffaloes). It is the second largest producer of rice, wheat, cotton, sugarcane, tea, groundnut, fruits, vegetables and goat meat. Although the share of agriculture has been declining in overall gross value added (GVA) of India, it continues to grow in absolute terms and employs almost 49 per cent of the total households (PLFS, 2020). The agriculture sector could withstand the COVID-19 shock and registered an above average real growth of 3.6 per cent in 2020-21, even as the overall economy (real GVA) contracted by 6.2 per cent. In view of concerns about successive waves of COVID-19, many countries have started stockpiling food grains acquired at higher prices, whereas India remains comfortable with public stocks of cereals at 2.8 times the buffer norms (Chandrashekhar and Ghosh, 2021), a record increase in agricultural export of 17.1 per cent in 2020-21 and large increase in procurement of marketed surplus in 2020-21 and 2021-22.

Despite such gains, Indian agriculture faces issues associated with adaptation to climate change disturbances, fragmented landholdings, low farm productivity and high food price volatility which call for next generation reforms like adoption of environmentally sustainable and climate resistant new farm technology, development of market for land consolidation and improvement in post-harvest practices. In this backdrop, this article is organised as follows: Section II of the article highlights the major achievements of the agriculture sector in the recent period. Section III describes the key enablers of agricultural growth. Some of the present constraints and emerging challenges are discussed in Section IV. In Section V, an attempt has been made to empirically assess the influence of supply side hindrances on retail food inflation and its volatility. Section VI concludes the article.

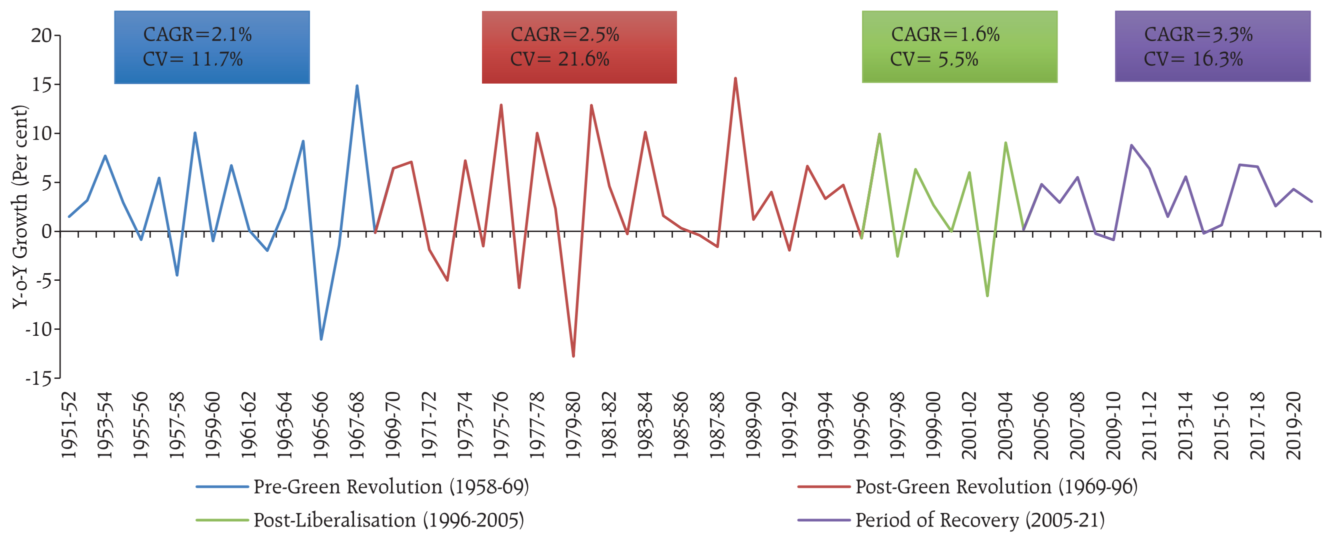
II. Major Achievements

II. 1 Record Production of Foodgrains

Indian agriculture witnessed a distinct step up in growth of output following the green revolution in the 1960s driven by intensive use of inputs and technological advancement, which was sustained during the seventies and eighties (Chart 1). Notwithstanding some deceleration during the early 2000s, the average production of foodgrains has increased significantly in the last decade aided by higher agriculture credit, public and private investment, increased usage of quality seeds and fertilisers, expansion of acreage under irrigation and increase in cropping intensity (Chand & Parappurathu, 2012). Besides increased accessibility to key farm inputs, the price support policy of the government (driven by minimum support price) has also played a significant role in boosting the production of cereals

* This article is prepared by Atri Mukherjee, Priyanka Bajaj, Rishabh Kumar and Jobin Sebastian of the Department of Economic and Policy Research, Reserve Bank of India. The views expressed in this article are those of the authors and do not represent the views of the Reserve Bank of India.

Chart 1: Different Phases of Agricultural Growth in India



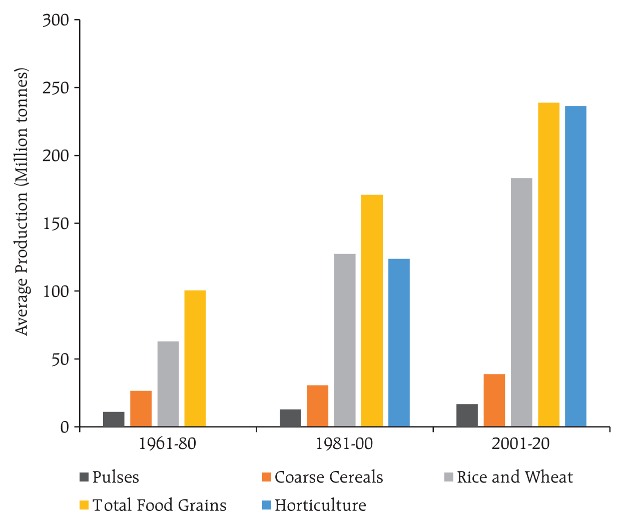
CAGR: Compound Annual Growth Rate, CV: Coefficient of Variation.
Source: MoSPI, Government of India.

and pulses resulting in consecutive record production of foodgrains since 2016-17.

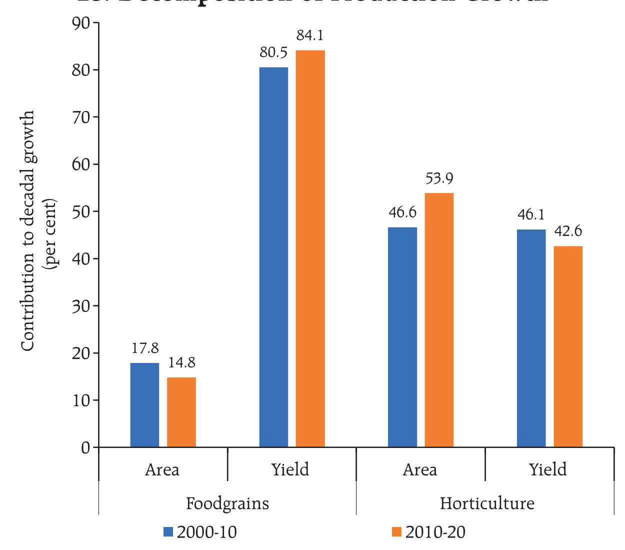
II. 2 Diversification towards Horticulture Crops

Horticulture production has outpaced foodgrains production since 2012-13 and it currently accounts for around 35 per cent of total value of crop output in the agriculture sector (Chart 2a). The growth in horticulture production has been almost equally driven by growth in area and productivity[1] as against largely productivity driven growth in the case of foodgrains (Chart 2b). The yield driven growth in foodgrains production in the aftermath of green revolution made diversification of area towards high value horticultural crops easier.

2a. Record Production



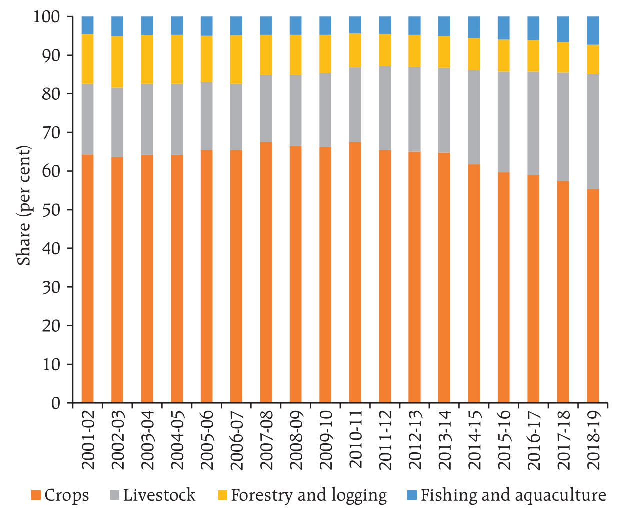
2b. Decomposition of Production Growth



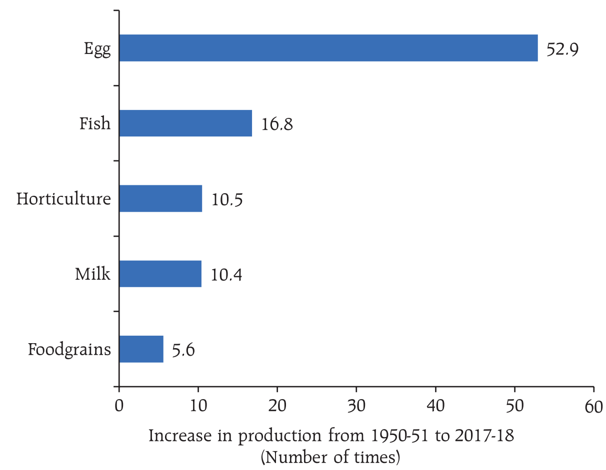
Source: MoAFW, Government of India.

[1] Decomposition of production growth has been done by using Hazell (1984) decomposition method widely used for the agriculture sector.

3a. Increasing Contribution of Allied Activities



3b. Diversification in Favour of High Value Commodities



Note: Agriculture GVA is taken at constant prices (2011-12).
Source: MoSPI, Government of India.

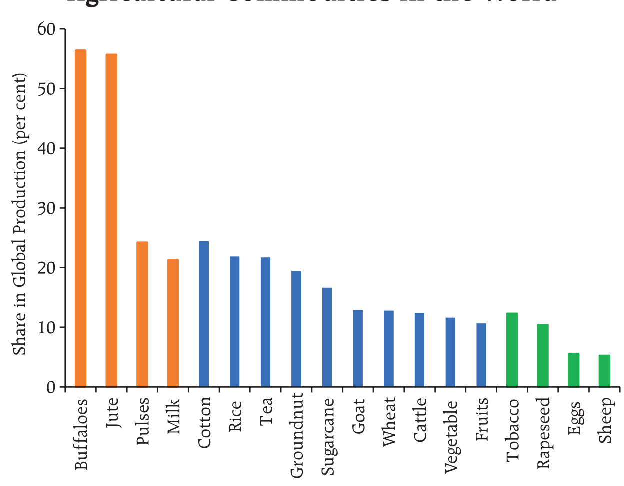
II.3 Growing Importance of Allied Activities

The allied sector has steadily gained importance in the last decade led by strong growth in animal husbandry and fish production (Chart 3a). Indian livestock sector attained a record growth of 6.6 per cent during the last decade (2010-19) with India emerging as a major producer of milk, egg and meat in the world (GoI, 2019) (Chart 3b). With operational land holding size declining gradually, livestock is emerging as an important source of stable livelihood for not only the small and marginal farmers but also the landless labourers (Ali, 2007).

II.4 Changing Dynamics of Agriculture Trade

As India has emerged as a leading producer of various agricultural commodities in the world (Chart 4), its share in global trade of agricultural and allied sector products has doubled from 1.1 per cent in 2000 to 2.2 per cent in 2018 (GoI, 2020). The agriculture and allied sector contributed to 14.2 per cent of the total exports from India in 2020-21, it comprises of variety of commodities, both in raw and processed forms ranging from cereals, horticultural crops, sugar, livestock and marine products. Cereals have the highest share (22.3 per cent) in India's farm export basket mainly driven by the high demand for Indian rice — both basmati and non-basmati — in the world market. The share of animal husbandry in India's farm exports has almost doubled from 10.4 per cent in 2000 to 20.2 per cent in 2020 mainly driven by the export of buffalo meat. The shares of marine and

Chart 4: India is a Major Producer of Various Agricultural Commodities in the World



Note: Orange, blue and green bars indicate ranks 1st, 2nd and 3rd in the world; values pertain to 2018.
Source: FAO.

Chart 5a. Increasing Share of Allied Products in Overall Agri Export

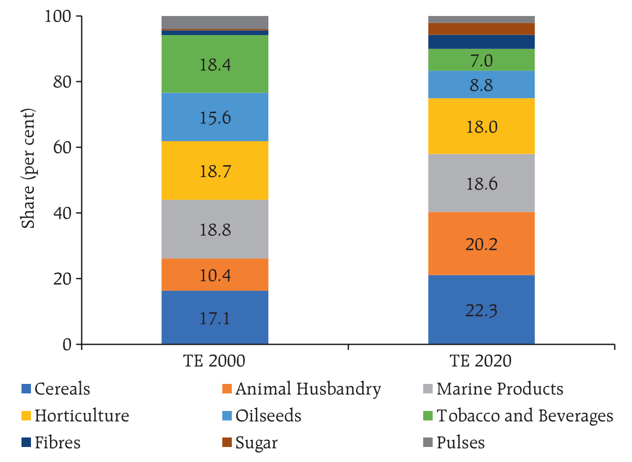
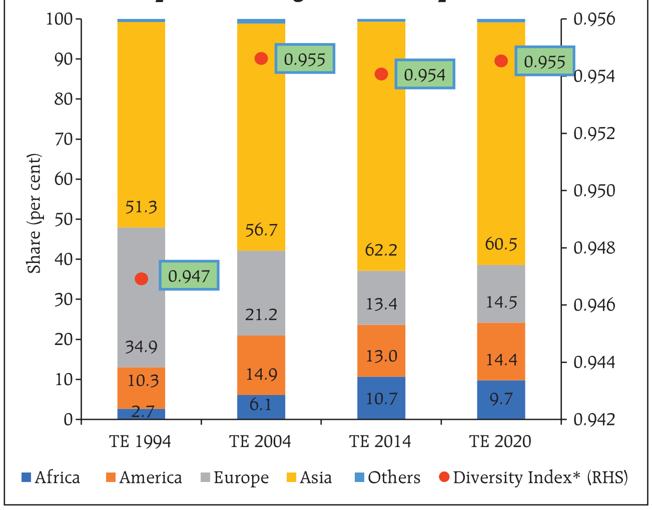


Chart 5b. Expansion in Agricultural Export Destinations



TE: Triennium Ending.
Note: Index value in second chart 5b refers to Inverse Herfindahl-Hirschman (1995) Index (ranges from 0 *i.e.*, no diversification to 1 *i.e.*, complete diversification).
Source: DGCIS, Government of India.

horticulture products have remained almost stable at around 18 per cent, each, over the last two decades (Chart 5a). On the other hand, the export share of oilseeds and tobacco and beverages have come down significantly over the years.

Destination-wise, the Asian and the Middle Eastern countries remain the major buyers of Indian farm exports partly reflecting the impact of India's Act-East Policy since 2014 (Chart 5b) [Chakraborty and Chakraborty, 2018]. On the other hand, access of Indian farm products into the markets of the US and EU has remained a challenge due to their high sanitary and phytosanitary (SPS) norms resulting in high refusal or rejection rates for several commodity groups, especially for fruits and vegetables (Goyal *et al.*., 2017; Arathi *et al.*., 2012; and Kumar, 2016).

III. Key Growth Enablers

III. 1 Productivity Growth

Foodgrains productivity has grown at a very rapid pace in India mainly driven by rice and wheat. Several studies have shown that Indian agriculture has made substantial gains in productivity with the introduction of high-yielding varieties, investment in public research and fertiliser usage (Rosegrant and Evenson, 1992; Dholakia and Dholakia, 1993; Evenson *et al.*., 1999, Fan *et al.*., 1999, Chand *et al.*., 2012). In comparison to cereals, the productivity growth in case of pulses, oilseeds, nutri-cereals and horticultural crops remained sluggish (Chart 6a). International comparison, however, reveals that crop productivity in India is much lower than many of the emerging market economies (EMEs) (Chart 6b). Crop yields in India have been only about 30 to 60 per cent of those achieved in the developed countries (FICCI, 2017).

III. 2 Farm Mechanisation

Farm mechanisation has the potential to enhance agricultural productivity by 30 per cent and reduce the input cost by 20 per cent (NABARD, 2018). Mechanised farming also reduces the time required to complete the farm operations and softens the drudgery innately associated with agriculture labour. The extent of farm mechanisation in India has increased over the years and as per different estimates, the current level of farm mechanisation in India is 40-45 per cent (FICCI and PwC, 2019; Tiwari *et al.*., 2019). On the

Chart 6a. Cropwise Productivity in India

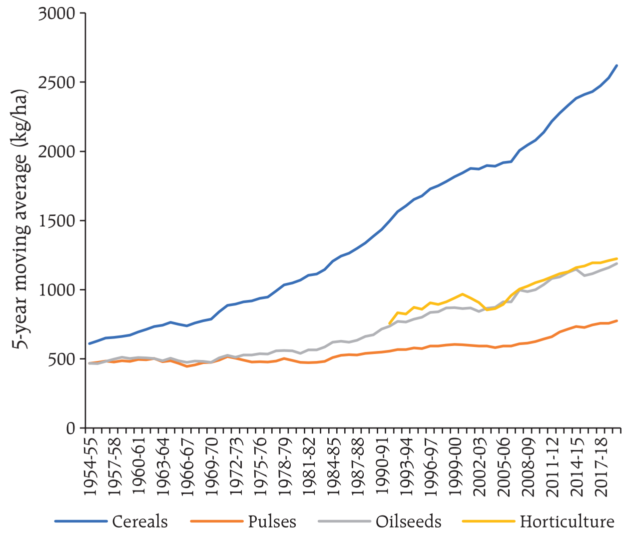
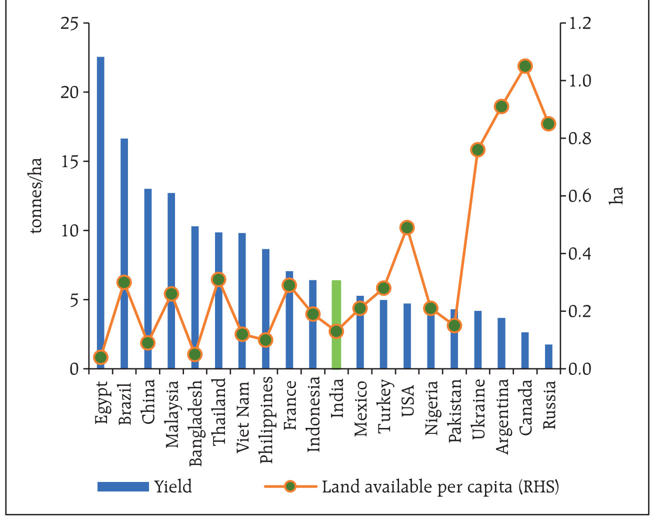


Chart 6b. Crop Productivity across Top 20 Agriculture Producers in the World



Sources: MoAFW and FAO.

flipside, although the density of tractors has increased substantially over the years, the market for other farm equipments including power tiller, rotovator and transplanter is still limited and much unorganised (15 per cent of the farm equipment market) (Chart 7a) (FICCI, 2017). International comparison reveals that the level of farm mechanisation in India is much lower compared to other advanced economies and the BRICs countries (Chart 7b). The small and scattered land holdings reduce scale advantages and thus act as a major hurdle in further expansion of farm mechanisation in India.

Chart 7a. Trends in Sales of Agriculture Machinery in India

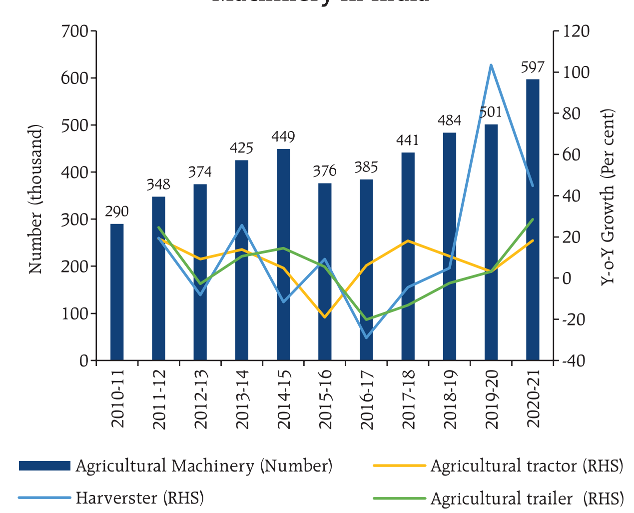
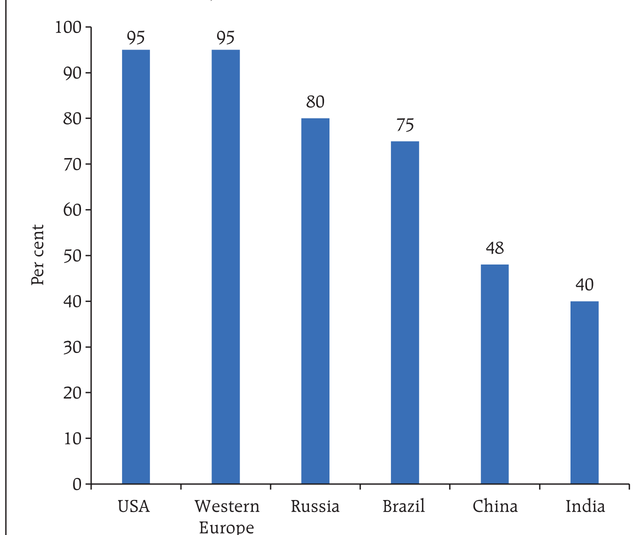


Chart 7b. Level of Mechanisation



Source: VAAHAN, Government of India and FICCI, 2019.

III.3 Growing Irrigation Coverage

Irrigation coverage in India has steadily increased over the years benefitting Indian agriculture in terms of higher productivity and lower vulnerability to extreme weather shocks, like drought. As per the latest available data, an irrigation potential of 126.7 million hectares has been created across the country, slowly inching towards the ultimate assessed irrigation potential of 140 million hectares (CWC, 2019). The contribution of minor irrigation has increased over the years indicating increasing inclusiveness of small land holders (Chart 8a). With the inception of Pradhan Mantri Krishi Sinchai Yojana (PMKSY) during 2015-16, the use of micro irrigation (sprinkler and drip irrigation) has increased sharply ensuring water use efficiency at the farm level. Notwithstanding such steady progress, the wholly irrigated area in India is still limited to 34.4 per cent which is less than the wholly unirrigated area of 38.6 per cent (Chart 8b).

IV. Challenges Ahead

While Indian agriculture has performed fairly well during the last two decades in terms of record production, diversification towards high value horticulture, livestock and marine products and doubling its share in global trade in agriculture, the sector is currently saddled with issues, especially related to sustainability, nutrition, adoption of new agricultural technologies and, perhaps most importantly, income levels of the population dependent on farming which require long-term reorientation of food, agriculture, and farm policies. Some of the major challenges faced by the farm sector are highlighted in this section.

IV.1 Climate Change

The climatic factors continue to have a significant impact on the agricultural productivity in India. Rising temperature along with increased occurrences of extreme weather conditions have made climate change a major threat to Indian agriculture and productivity loss (RBI, 2020). Season-wise analysis shows that months pertaining to the *rabi* season (October to February) have recorded maximum changes in rainfall and temperature. Long-term co-movements show that the change in different climatic variables have different implications for *rabi* and *kharif* crops.

Chart 8a. Rapid Increase in Irrigation Potential

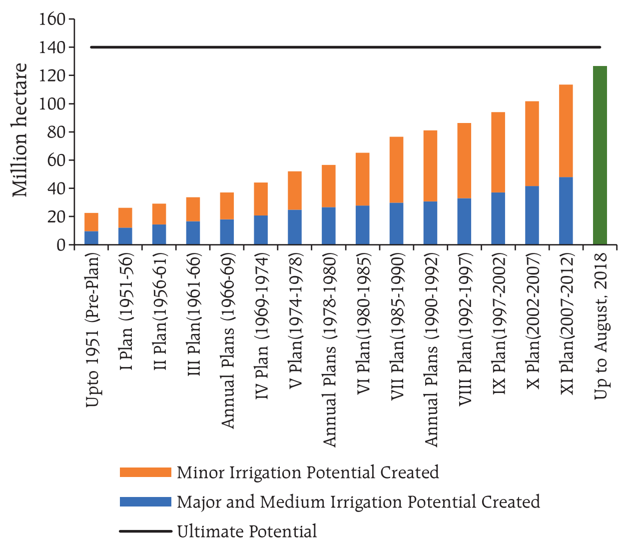
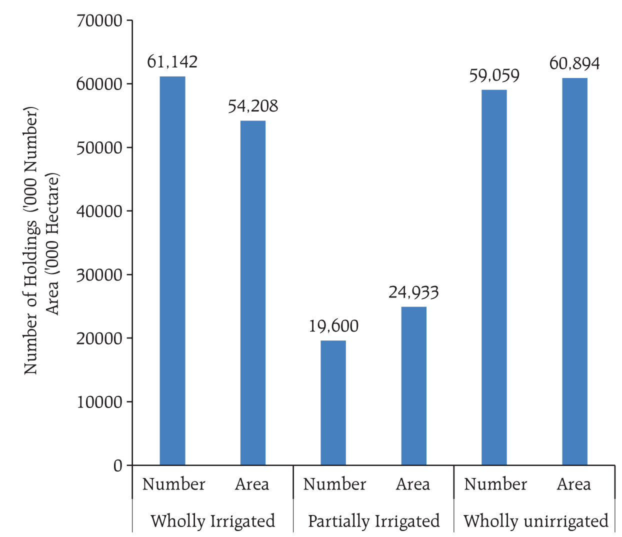


Chart 8b. Irrigation Status in India



Sources: Ministry of Jal Shakti and MoAFW, Government of India.

While the maximum temperature anomalies in both the seasons depict a significant negative relationship with respective yields, for minimum temperature anomalies, the correlation turned out to be negative but statistically significant in case of *rabi* season only (Chart 9a). Overall, the preliminary findings indicate that maximum temperature impact is more prominent during *kharif* season while minimum temperature anomalies impact *rabi* crop yields more.

Apart from hampering the biological growth of the plants, climate change also results in crop damage by increasing pest and disease attacks. The increased incidence of extreme weather conditions like flood and droughts coupled with unseasonal rains also pose a serious threat to the standing crops. It has been observed that small and marginal farmers are more prone to these impacts (Praveen & Sharma, 2020). Under such scenario, climate risk mitigating policies can play an important role to save the farm income. Launched in 2015-16, the Pradhan Mantri Fasal Bima Yojana (PMFBY) — the world's largest crop insurance scheme — covers crop damage due to a wide range of climate related risks. Additionally, there is a need for integrated and long-term climate smart policy to balance both growth and sustainability of Indian agriculture. Such a policy must focus on sensitisation and capacity building at local levels, specifically Gram Panchayats; expediting climate proofing projects under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS); intensive research in the development of stress tolerant cultivators; reducing greenhouse gas emissions from agricultural production; and promoting diversification of the consumption basket towards more climate resistant pulses and coarse grains.

IV.2 Agricultural Waste Management

Agricultural waste management poses another major challenge as crop residue burnings in the northern states increase the air pollution levels, create health hazards and contribute to global warming. At all India level, crop residue burning touched a figure of 48.6 million tonnes during 2018 and out of this, 50 per cent was contributed by paddy alone (Chart 9b). Short gap between the *kharif* harvest and *rabi* sowing in the northern states along with difficulties faced by farmers in residue management – physical (unavailability of labour) and economical

Chart 9a. Correlation of Climate Anomalies with Foodgrain Productivity

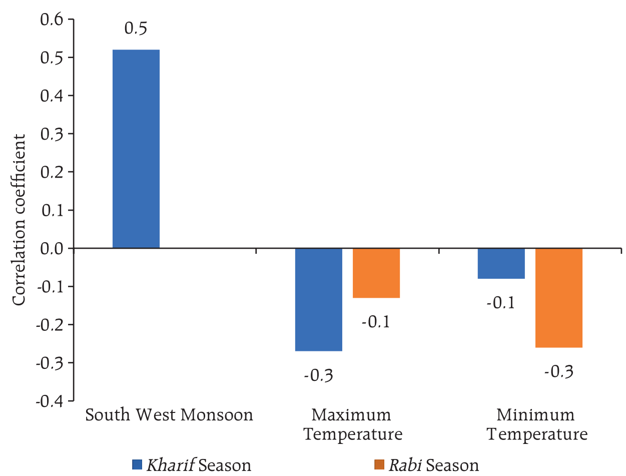
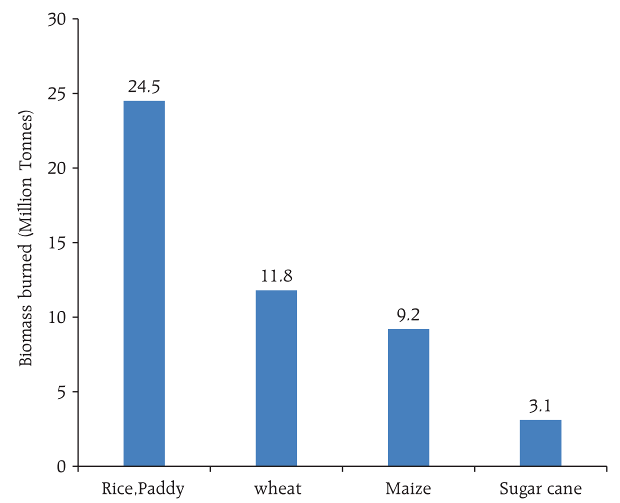


Chart 9b. Crop wise Residue Burning in India



Note: Duration of southwest monsoon pertains to *kharif* season only.
Sources: MOAFW; IMD; and FAO.

(high cost in removing) – induces the small and marginal farmers to go for *in situ* residue burning which leads to air pollution. There are many solutions suggested by experts including improved and effective mechanisation for *in situ* residue management, *viz.*, briquetting and conversion of wastes into fuel forms, various industrial usages and recent intervention of microbial decomposing solution *etc.* However, sustainable solutions should consider cost effectiveness, multiple stakeholders' involvement as well as suitability from the socio economic and environmental point of view.

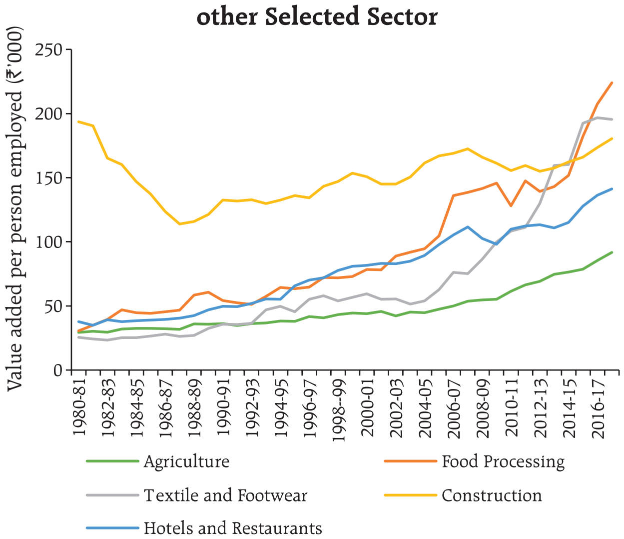
IV.3 Fragmented Landholdings

Over the years, the number of farm holdings in India has increased but the area under farming has come down. As a result, the average size of holdings has decreased substantially. The average size of landholding in the country has come down to 1.08 hectares in 2015-16 from 2.28 hectares in 1970-71. Marginal and small holdings together constitute 86 per cent of total holdings in India. Such fragmentated land occupancy structure makes it almost impossible for farmers to viably invest in tube wells, drip irrigation, storage or bulk inputs. Land consolidation is thus important to drive higher efficiency. Unfortunately, the land market in India is thin and various constraints such as poor quality of land records, complex administrative procedures, restrictions on transferability of land rights, leasing, sub-leasing and rental arrangements hinder the development of land market (Bhattacharjee, 2020). There is a need for consolidation of landholdings through land market reforms to increase farm productivity in the country.

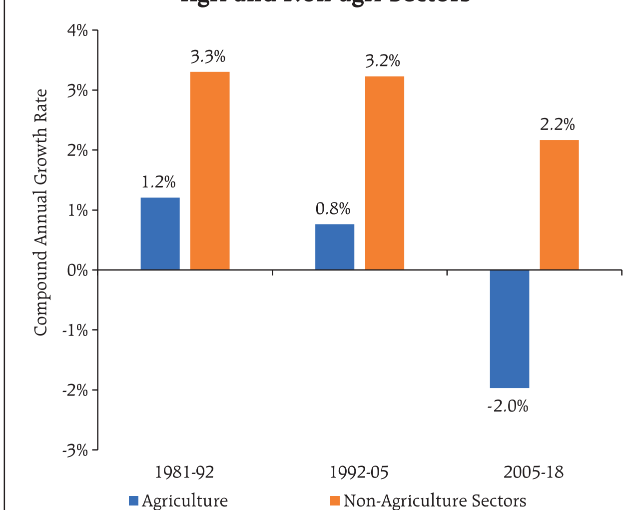
IV.4 Disguised Unemployment

As per Census statistics, the rural population in India stands at 833 million, constituting almost 68 per cent of the total. While the agriculture sector engages 49 per cent of the total labour force in the country, its contribution to overall GVA is only 17 per cent which shows the overdependence of Indian labour force on agriculture resulting in significant hidden or disguised unemployment in the sector and thus lower labour productivity (FAO, 2020; Joshi

10a. Labour Productivity in Agriculture *vis-a-vis* other Selected Sector



10b. Change in Employment Scenario across Agri and Non-agri Sectors



Source: KLEMS Database.

2005) (Chart 10a). Studies show that many farmers [around 40 per cent of the farmers surveyed by the National Sample Survey Organisation (NSSO)] have expressed willingness to move out of farming if they find suitable alternatives (Chand, 2017; Himanshu *et al.*, 2016 and Chand and Srivastava, 2014). With surplus labour moving out of agriculture, the land holding size per capita will increase and would in turn lead to increasing economies of scale. However due to various socio-economic constraints like low skill and education levels, locational disadvantage of rural dwellers and limited labour absorbing capacity of non-farm sectors, the shift has been taking place at a very slow rate (Chand and Srivastava, 2014) (Chart 10b).

IV.5 Food Inflation and Volatility in Food Prices

As agricultural production in India is still heavily dependent on rainfall and its spatial distribution, adverse climatic conditions like draught, flood and unseasonal rains tend to disrupt both aggregate supply and supply chains, imparting large volatility to food inflation trajectory. In addition, inefficiencies in the food supply chain – high and volatile retail mark ups on wholesale/farm gate prices and limited level of development of the food processing industry – impact food inflation in India (Bhoi *et al.*. 2019; Dhanya *et.al.*, 2020).

While the overall level of food inflation has moderated since 2014-15, backed by a series of record production of foodgrains and horticultural crops as well as lower global food prices, the volatility in food inflation continues to remain high (Chart 11a). The contribution of food, and particularly, vegetables, to volatility in headline inflation is significantly higher than non-food items, reflecting the perishable nature of the crop, short crop cycles, lack of adequate storage and poor pre- and post-harvest practices (RBI, 2020). Even non-perishables such as pulses and cereals have exhibited considerable volatility (Chart 11b). In general, prices of agricultural products in India have displayed a cobweb phenomenon *i.e.*, alternate years of high and low prices based on supply response to price sentiments. The role of supply management in terms of minimising post-harvest losses, scaling up storage infrastructure, development of food processing industry and upgrading food safety

Chart 11a. Food Inflation in India

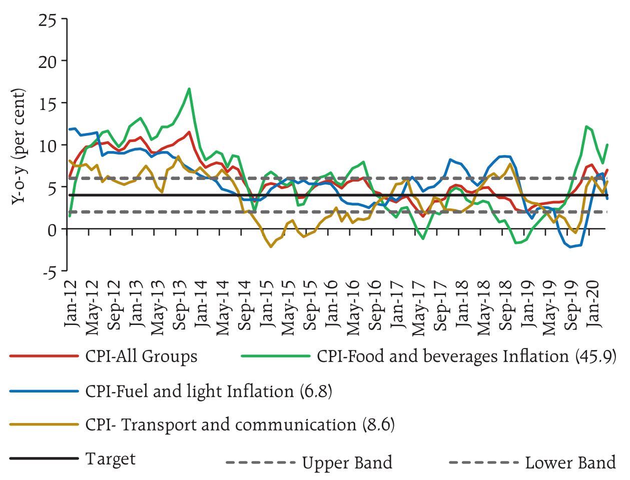
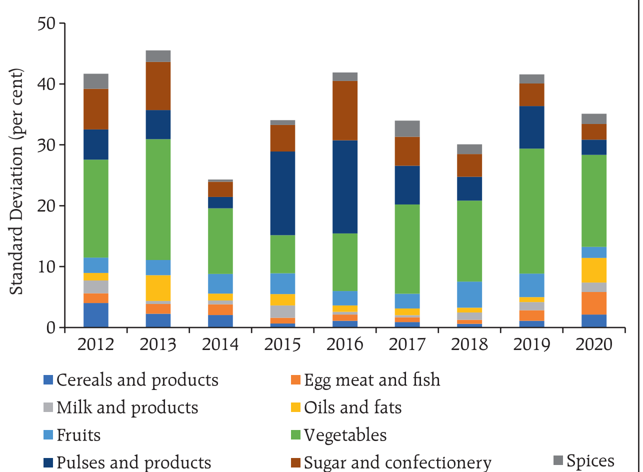


Chart 11b. Price Volatility of Major Food Items (2011-2020)



Figures in the parentheses denote the weight in CPI basket
Source: MoAFW and MoSPI, Government of India.

standards assumes importance in this context. Public and private sector investment can play a critical role to build up the agricultural infrastructure required for efficient post-harvest practices.

IV.5.1 Minimising Post-Harvest Losses

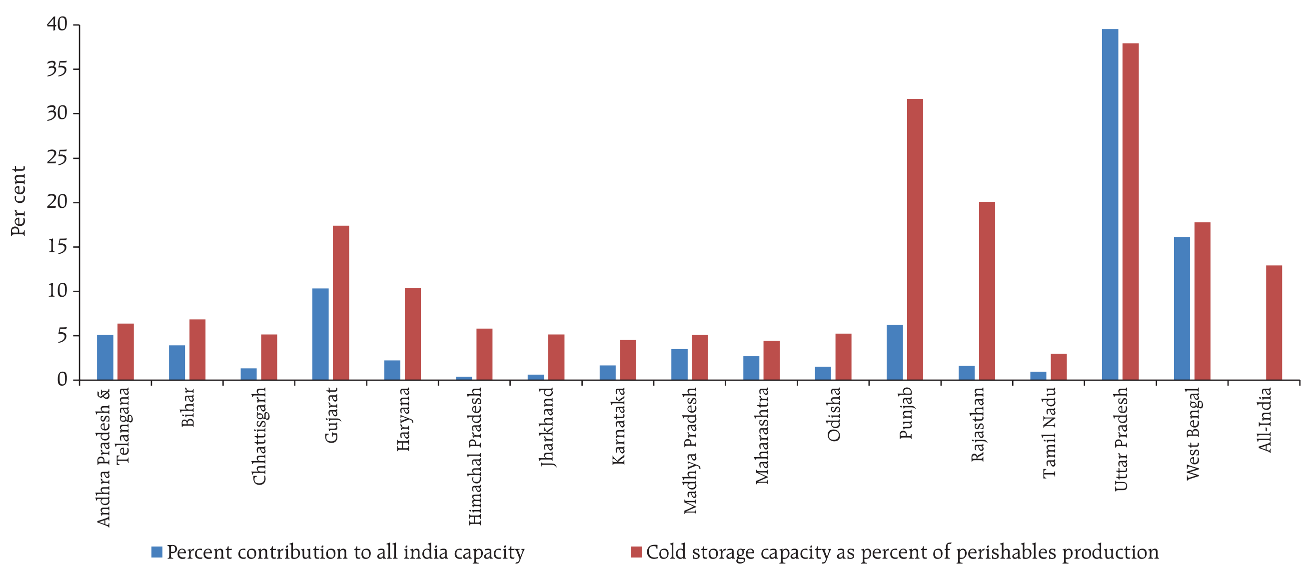
Wastage of food products due to inefficient post-harvest practices is one of the important factors behind high food inflation in India. Wastages take place at all levels of the food value chain – starting from the level of farmers to the levels of transporters, wholesalers and retailers. The wastages result from multiple sources like crop damage, improper harvesting techniques, poor packaging, lack of storage and processing facilities, *etc.* Post-harvest losses are significantly higher for perishables like fruits and vegetables compared to non-perishable food items. For instance, a study by the ICAR-Central Institute of Post-Harvest Engineering and Technology estimates post-harvest wastages in non-perishable crops such as cereals, pulses and oilseeds in the range of 4.6-9.9 per cent; in perishables such as fruits and vegetables in the range of 4.6-15.9 per cent; meat in the range of 2.7 -6.7 per cent; and fish in the range of 5.2-10.5 per cent (ICAR- CIPHET, 2015).

Agricultural economists have recognised that there is tremendous potential to increase the availability of agricultural produce, particularly the horticultural crops like fruits and vegetables, by reducing wastages through buildup of cold storages, warehousing, packaging and cold transport chain infrastructure. In addition, improvement in post-harvest processing can also reduce post-harvest losses and increase shelf life of the perishables. Reduction in post-harvest losses this way will augment food availability and reduce volatility in food prices which will be beneficial for both the consumers and the farmers.

IV.5.2 Scaling up Storage Infrastructure

The current availability of cold storage facility in India is highly skewed with nearly 70 per cent of the country's total capacity limited to four states -Uttar Pradesh, West Bengal, Punjab and Gujarat whereas states like Maharashtra and Karnataka with large export potential do not have adequate facilities (Chart 12). While most (68 per cent) of the cold storages

Chart 12. Status of State-wise Cold Storage Capacity in India



Source: Horticulture at a Glance 2019, Government of India.

in India are utilised for storing potatoes, only 30 per cent are used for multi commodity storage resulting in poor utilisation of the capacity (Chakraborty, 2020). Moreover, availability of cold storage capacity alone has limited benefit unless it is integrated with development of entire cold chain involving various stages from pre-cooling, pack-houses, refrigerated transport to refrigerated marketing display till it reaches the end-consumer. While the overall cold storage capacity has shown some catch up, the availability of allied infrastructure lies way below the requirement (Table 1). Erratic power supply, high initial capital requirement, inadequate farm-gate and mobile infrastructure, limited availability of skilled manpower, lack of standard protocols and inefficient handling of perishables are some of the major hinderances in cold chain development in India at present (Yes Bank, 2018).

IV.5.3 Developing Food Processing Industry

Food processing is a sunrise industry and the demand for processed food in India is likely to increase steadily with rapid urbanisation, rising per capita income and more women joining the workforce. Despite having huge growth potential, the food processing industry in India is currently at a nascent stage – accounting for less than 10 per cent of the total food produced in the country (Chart 13a). The figure is much lower compared to other advanced and emerging market economies. For instance, even within the emerging market economies, overall processing of agricultural produce contributes 30 per cent in Thailand; 70 per cent in Brazil; 78 per cent in Philippines; and 80 per cent in Malaysia (Dhanya *et al.*, 2020). Another noteworthy aspect is that food processing industry in India is currently domestically oriented – with only about 12 per cent of the processed

Table 1. Cold Supply Chain Infrastructure Gaps in India (2015 NCCD report)

Type of Infrastructure	All India requirement (1)	All India created (2)	Gap (1-2)
Pack-house (units)	70,080	249	69,831
Cold storage (million tonnes)	35.1	36.7*	-
Reefer vehicles (units)	61,826	9,000	52,826
Ripening Chamber (units)	9,131	812	8,319

*: value is as on March 2019.
Source: NCCD (2015): All India Cold-chain Infrastructure Capacity – Assessment of Status and Gap.

Chart 13a: Extent of Food Processing in India

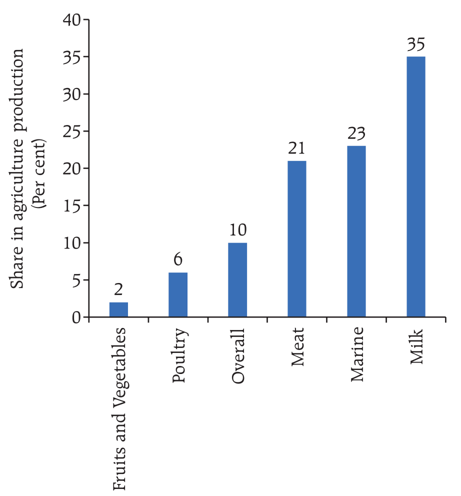
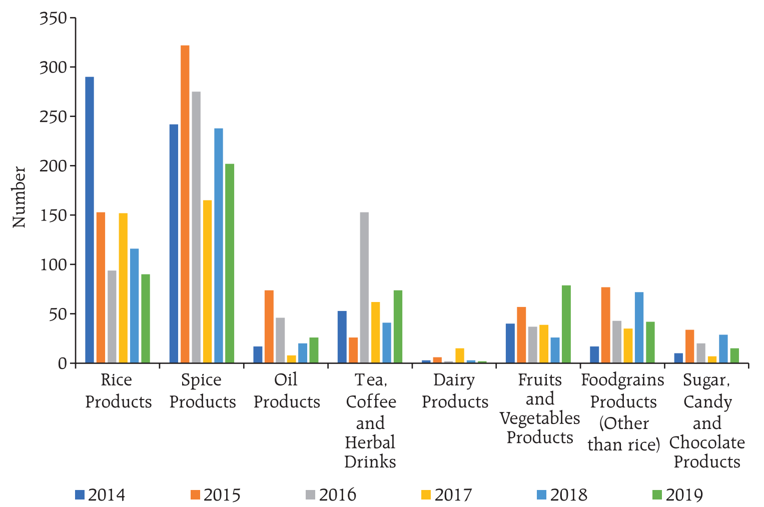


Chart 13b: Refusal of Indian Exports of Food Products in USA



Source: Saxena *et al.* (2017) and United States Food and Drug Association.

food output being exported. India can move up in the global agricultural value chain by increasing its share of processed food exports.

IV.5.4 Upgrading Food Quality and Safety Standards

Asian and the Middle Eastern countries remain the major destinations for Indian agriculture exports, whereas entry into the markets of the US and EU has remained a challenge due to their high sanitary and phytosanitary (SPS) norms resulting in high refusal or rejection rates for Indian products (Chart 13b). The shares of refusals have remained significantly high for spice and rice-based products (37 and 23 per cent, respectively). The refusals are made on the ground of either adulteration or misbranding. Promoting good agriculture practices, backward integration with the production and primary processing activities, proper packaging and certification can reduce border rejections, increase compliance with SPS norms and foster export penetration in high income countries. As phytosanitary standards keep changing over time and vary across importer countries, a mechanism can be devised to raise awareness among potential exporters on the changing standards which will help them get the phytosanitary certificates.

IV. 5. 5 Higher Public Investments

Capital formation holds the key to agricultural growth and development. Capital formation in Indian agriculture as a per cent of agriculture GVA, however, has moderated in the recent period (Chart 14a). The share of public sector is much lower than private sector in capital formation in agriculture. While public investment in agriculture primarily constitutes infrastructure development, irrigation, research and extension services, private investment - dominated by households - is made either for augmenting productivity of natural resources or for supplementing income sources of farmers from allied activities (Golait and Lokare, 2008).

Public investment largely hovered around 1.7-3.5 per cent of agriculture GVA during the last two decades. Within public investment, the contribution of state governments continues to be significantly higher than the central government, with investment in minor and major irrigation projects constituting the largest share (80 per cent). The other major heads of state government investment include food storage and warehousing, soil and water conservation, co-operatives, crop husbandry, allied

Chart 14a. Agri-GCF as per cent of Agri-GVA

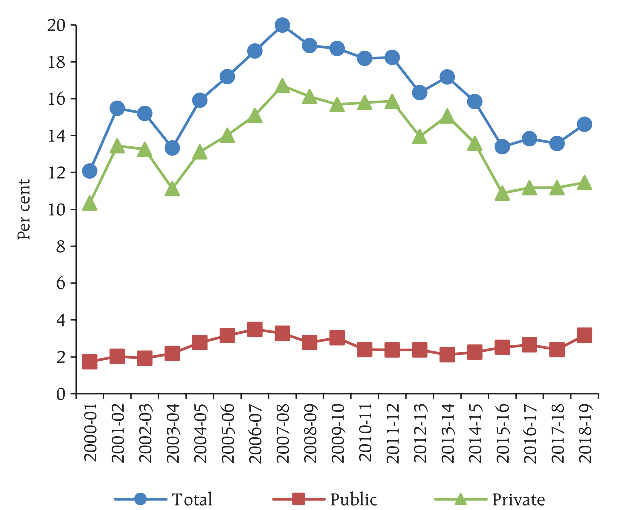
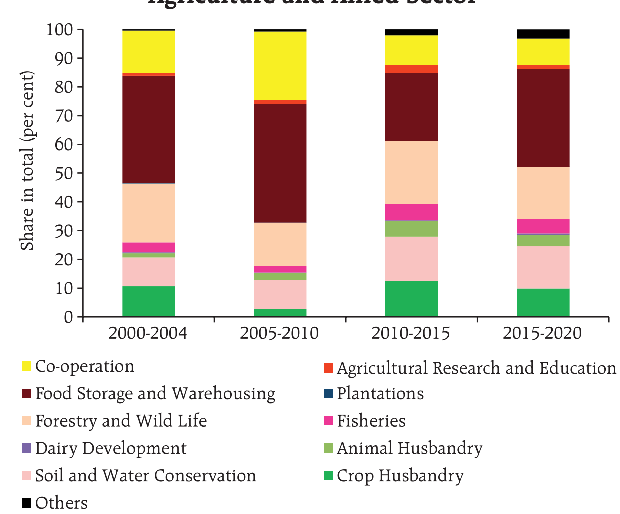


Chart 14b: Composition of State Capex in Agriculture and Allied Sector



Source: State Finances (Various years) Reserve Bank of India.

sector, *etc* (Chart 14b). Globally, India lags behind the major agriculture producer countries in terms of gross fixed capital formation in agriculture (FAO, 2020).

V. Empirical Analysis and Results

While most of the existing literature enumerates cost-push (rural wages, cost of production), demand -pull (changing consumption pattern), global (international food and fuel prices) and policy related (monetary and fiscal expansion, MSP, procurements) factors as key drivers of food inflation and volatility in India (Bhattacharya *et al.*., 2017; Shekar *et al.*., 2017; Ahmed and Singla, 2014; Kornher and Kalkuhl, 2013), we have made an attempt to empirically assess the role of various supply side variables such as investment, storage infrastructure, food processing capabilities, monsoon performance, rural wages and gross cropped area (GCA) in influencing the average retail inflation in India and the volatility in food prices with particular focus on perishable food items (fruits and vegetables).

The study includes data for 16 key agricultural states[2] for the period covering 2007-08 to 2018-19 which includes years of both high average inflation (2007-2013) and subdued average inflation (2014-2018). We have considered four models with (i) average retail food inflation; (ii) volatility in food inflation; (iii) average perishable goods inflation; and (iv) volatility in perishable goods inflation as the dependent variable, respectively. Average retail inflation (annual average of monthly y-o-y changes) and volatility (standard deviation of monthly inflation) have been measured using Consumer Price Index-Combined (CPI-C). The explanatory variables considered in the analysis are – public investment, cold storage capacity, food processing GVA, performance of southwest monsoon, gross cropped area and rural wages. All the explanatory variables are taken in annual growth terms except monsoon for which a dummy variable having a value of 1 is used for normal monsoon years and 0 is used otherwise. It is expected that higher growth in supply side variables such as public investments, cold storage capacity, food processing GVA, GCA as well as normal monsoon will have a negative influence on average food inflation as well as its volatility while faster growth in rural wages is expected to give a cost push increase in inflation. The summary statistics of the key variables are provided in Annex Table 1. The results of the pooled OLS[3] estimation are furnished in Table 2.

The results of the empirical exercise are broadly in line with expectations with only a few exceptions. It can be observed that higher growth in public investment (Model 2,3,4), cold storage capacity (Model 2,3,4), food processing output (Model 3,4), gross cropped area (Model 1,2,3,4) and normal monsoon (Model 1,2,3) have a significant negative impact on average food inflation and its volatility in India. On the other hand, a faster wage growth tends to push up inflationary pressure (Model 1,2,3).

Table 2: Supply Side Determinants of Food Inflation and Volatility in Food Prices in India

	Dependent Variables			
	Model 1	Model 2	Model 3	Model 4
	Average food Inflation	Volatility in food inflation	Average inflation in perishables	Volatility in perishables inflation
Constant	3.32***	2.49***	2.78***	12.32***
Public investment	0.01***	-0.004***	-0.01***	-0.02***
Cold Storage capacity	0.03***	-0.001**	-0.03***	-0.01**
Food Processing GVA	-	-	-0.03***	-0.005***
Gross cropped area	-0.01***	-0.004***	-0.02***	-0.01***
Monsoon_dummy	-1.14***	-0.26***	-0.62***	0.10
Wages	0.42***	0.04***	0.56***	-0.001
Adjusted R-square	0.38	0.11	0.22	0.05
F-statistics	376.02	80.65	147.29	25.86
Prob(F-statistics)	0.00	0.00	0.00	0.00

2 Andhra Pradesh (including Telangana), Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

3 The results of Hausman test and Redundant Fixed Effect test (Likelihood Ratio) suggest pooled OLS is more suitable for the data set compared to random/fixed effect models.

VI. Conclusion and Way Forward

Indian agriculture scaled new heights with record production of various foodgrains, commercial and horticultural crops, exhibiting resilience and ensuring food security during the COVID period. The sector, however, confronted various challenges, mitigation of which requires a holistic policy approach. For instance, crop productivity in India is much lower than other advanced and emerging market economies due to various factors, *viz.*, fragmented landholdings, lower farm mechanisation and lower public and private investment in agriculture. Second, the current over-production of crops like rice, wheat and sugarcane, has led to rapid depletion of ground water table, soil-degradation and massive air pollution raising questions about environmental sustainability of current agricultural practices in India. Third, despite surplus production in many of the commodities, food inflation and volatility in prices continue to remain high causing inconvenience to consumers and low and fluctuating income for farmers. Empirical analysis carried out in this paper reveals that supply side hindrances like low public investments, inadequate cold storage capacity, and nascent food processing industry are partly responsible for volatility in food prices in India.

Addressing these challenges would require a second green revolution focussed on the agriculture-water-energy nexus, making agriculture more climate resistant and environmentally sustainable. The use of biotechnology and breeding will be important in developing eco-friendly, disease-resistant, climate-resilient, more nutritious and diversified crop varieties. Wider use of digital technology and extension services would be helpful in information sharing and generating awareness among the farmers. Better Post-harvest loss-management and a revamp of co-operative movement through formation of Farmer Producer Organisations (FPOs) can arrest the volatility in food prices and farmers' income and help harness the true potential of Indian agriculture.

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Annexure Table 1. Summary statistics

Growth in Variables	Average food inflation		Volatility in food inflation		Average inflation in perishables		Volatility in perishables inflation		Public investment		Cold storage capacity		Food processing GVA		Gross cropped area		Monsoon deviation from normal		Rural wages	
States	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
Andhra Pradesh (Including Telangana)	13.2	3.4	3.2	1.4	8.4	6.9	8.7	9.0	4.9	28.6	8.7	6.4	13.8	41.9	-3.0	14.0	-1.9	17.0	13.4	6.7
Assam	10.3	2.6	2.3	1.2	7.0	3.9	8.4	12.1	27.3	65.6	6.8	4.8	10.8	39.8	0.6	1.8	-11.1	11.5	11.4	6.8
Chhattisgargh	14.1	3.3	2.6	0.7	7.6	4.5	7.0	11.6	2.0	31.1	2.7	3.3	13.0	35.8	-0.3	2.8	-14.3	21.4	12.4	7.9
Gujarat	12.3	4.8	3.6	1.6	7.4	5.6	7.5	10.1	7.1	35.6	11.6	4.6	17.8	51.1	0.8	6.1	10.5	33.7	10.2	6.9
Himachal Pradesh	11.9	2.8	2.4	0.8	7.0	4.2	7.2	6.8	12.1	46.7	29.3	46.5	16.9	44.6	0.0	2.0	-11.2	17.2	9.2	5.6
Haryana	11.2	2.7	2.7	1.6	7.7	4.9	7.8	9.8	-120.4	448.2	7.9	4.8	25.8	56.2	0.7	1.5	-17.5	28.1	11.9	9.2
J&K	11.3	3.6	2.5	1.1	8.4	5.6	8.9	6.4	2.2	17.0	4.5	2.8	6.4	27.9	-0.2	3.6	1.4	15.0	14.2	7.8
Karnataka	9.4	3.5	3.5	1.4	9.3	5.1	9.6	9.9	7.7	24.8	4.0	4.7	5.4	17.9	-0.4	2.6	-2.0	21.5	11.8	8.4
Madhya Pradesh	12.0	3.0	2.7	1.0	7.5	5.4	8.8	9.7	9.7	28.4	5.2	3.3	10.0	34.5	1.5	2.3	-5.1	20.4	12.3	4.9
Maharashtra	9.1	2.6	2.1	1.1	7.8	4.6	8.8	8.0	2.6	21.3	6.0	4.1	9.4	13.3	-0.8	4.5	0.3	17.7	11.8	7.6
Odisha	13.2	3.5	2.4	0.8	8.3	3.8	7.4	8.0	11.9	17.2	6.6	11.8	14.8	45.1	-4.7	11.6	0.9	12.7	10.7	5.3
Punjab	13.0	3.6	2.9	0.9	7.5	4.5	6.8	9.7	-0.4	34.9	6.4	7.2	9.3	36.9	0.0	0.4	-15.3	24.4	10.0	7.9
Rajasthan	14.8	5.1	3.0	1.3	7.2	5.6	7.3	11.6	0.9	18.5	6.8	3.3	21.2	75.4	1.8	7.4	8.6	21.8	11.7	7.1
Tamil Nadu	11.9	4.5	2.8	1.0	9.0	5.5	10.7	10.7	-2.1	17.6	4.2	3.4	9.7	14.8	-0.4	8.0	-2.5	15.7	13.7	9.3
Uttar Pradesh	10.8	2.4	2.8	0.8	7.7	5.1	8.5	10.7	11.8	40.7	4.3	4.1	10.1	24.2	1.2	2.1	-22.4	16.8	12.2	5.9
West Bengal	14.3	4.1	2.5	0.8	7.6	4.1	9.0	11.6	21.3	31.7	0.5	0.4	10.2	28.0	0.7	3.5	-8.5	17.2	12.0	7.0

Note: Means are in per cent growth.

*The Impact of COVID-19 Pandemic on Consumer Confidence in India**

The pandemic severely dented consumer confidence in India, which reached historic lows as the repercussions of COVID-19 unfolded. Sentiments of households across strata were influenced by the spread of infections and fatalities. There was enduring impact on consumers' sentiments on their own financial conditions as well as the general economic situation – with the latter increasingly driven by the former. Consumers in cities severely hit by the pandemic expressed more negative sentiments as compared to respondents in the other cities. Nevertheless, despite low perception of the prevailing situation, respondents' expectations for the year ahead showed faith in economic recovery after subsidence of the pandemic.

Introduction

The COVID-19 pandemic, which began in early 2020, is a major disruption which created global economic turmoil. With the outbreak of the pandemic, countries across the globe imposed strict restrictions on movement and gathering of people, and in a matter of weeks, bulk of humanity was restricted to the confines of their homes. This had a severe impact on the demand for goods and services in the economy, resulting in many sectors being severely hit, while some functioned with reduced capacity. Not only was there lower demand, but also a shift in consumption expenditure, as the expenditure on non-essentials saw major reductions. This is likely to have had an adverse impact on the sales and profitability of businesses, resulting in significant shocks to employment and income across the economy.

As the pandemic's impact reverberated across the economy, governments and other public authorities across the globe rolled out relief packages for households and businesses. Considering the extraordinary circumstances, central banks cut interest rates to reduce the cost of funds, adopted an accommodative stance, and introduced some regulatory forbearance. Despite the support and relief measures, many households went through falling incomes and job losses. The added uncertainty regarding future waves of the pandemic resulted in highly volatile consumer confidence since the start of the pandemic.

Consumers' perception of the prevailing economic situation and their expectations for the future also influence their spending, saving and investment behaviour. During economic expansion, consumers are usually more confident about their income and may spend more. On the other hand, when the economy contracts, the consumers are, generally, more pessimistic about their future and may try to save more by curbing their spending. This has a pro-cyclical effect on the economy. Thus, consumer confidence is a key economic indicator which gives an idea about this aspect. Major countries conduct consumer confidence surveys which provide timely and forward-looking measures of economic uncertainty to formulate suitable policy measures.

The pandemic has been very brutal in India, especially during the second wave in April-May 2021, when the daily new cases shot up to 4,00,000 per day, at its peak. In this context, it is essential to study the impact of the pandemic on consumer confidence of the Indian consumers. This article mainly analyses this impact, as gauged by the RBI's Consumer Confidence Survey (CCS)[1]. Section II reviews the literature on impact of consumer confidence on consumer

* Prepared by Aditya Mishra, Roshin Paul P and Tushar B. Das of Division of Household Surveys, Department of Statistics and Information Management. The views expressed in the article are those of the authors and do not represent the views of the Reserve Bank of India.

[1] For detailed survey methodology of the CCS, please refer Annex A of Kumar *et al.*, (2019). *(https://rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=18173)*

behaviour, behaviour of consumers during crises and the impact of this specific crisis on consumer confidence in major regions. Section III reviews the performance of consumer confidence indicators since May 2019. Section IV aims to show, empirically, the impact of the pandemic on consumer confidence indicators in India, across cities and occupation groups. Finally, Section V concludes with some major takeaways.

II. Literature Review

The link between consumer confidence indicators and economic activity is found to be more relevant during crisis periods, like recession or depression, or during big political and economic upheavals. Dees and Brinca (2013) showed that consumer confidence explains consumption expenditure better when the survey indicators exhibit large changes. Carroll *et al.* (1994) claimed that lags of Michigan Consumer Sentiment Index (MCSI) in the US have explanatory power for household spending changes. Increased uncertainty drives households to cut their spending, while habit formation delays the adjustment of consumption spending. Olivier *et al.* (2021) found that higher macroeconomic uncertainty induces households to reduce their spending on non-durable goods and services in subsequent months, as well as fewer purchases of large ticket items such as package holidays or luxury goods. Additionally, they found that macroeconomic uncertainty can impact household decisions and have large negative effects on economic outcomes.

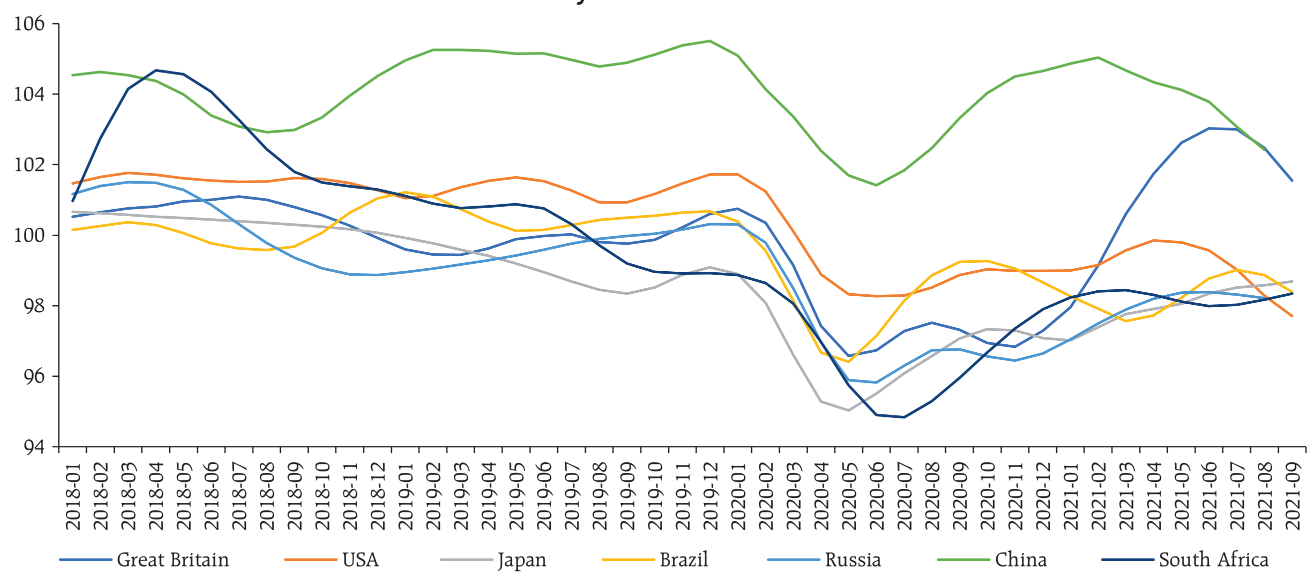
Studies have found that the pandemic and consequent lockdowns adversely impacted the consumer confidence in various countries. A technical paper by the European Commission (2020) found that the outbreak of COVID-19 and the ensuing lockdown affected the economic activity of Euro Area and consequently, consumer confidence plummeted during March and April 2020. Deimante *et al.* (2021) also found that the COVID-19 pandemic affected the consumer confidence of United States and China.

III. Consumer Confidence before and during the Pandemic

Consumer Confidence Indices

The pandemic had a major impact on consumer confidence in most countries. Chart 1 shows the

Chart 1: Country wise Consumer Confidence



Source: OECD (2021), Consumer confidence index (CCI) (indicator).

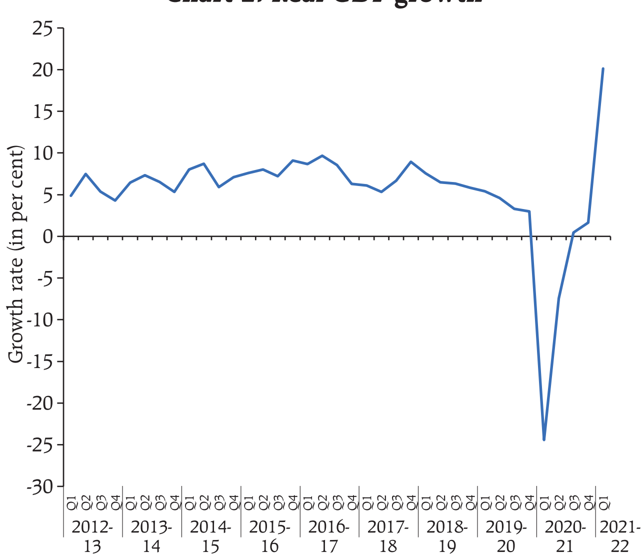
consumer confidence index for 7 major economies, *viz.*, USA, Great Britain, Japan, China, Russia, Brazil, and South Africa. Most countries witnessed a major slump in confidence when the pandemic first hit their shores, and then gradually started to rise, though it is yet to return to pre-pandemic levels in most countries. Rising rates of vaccination may help in recovery, but repeated bouts of COVID-19 are expected to have an impact on consumer confidence, especially with the associated uncertainty regarding business and employment situation.

As discussed earlier, the relationship between consumer confidence and economic activity runs both ways. Thus, the level of economic activity in the country, as measured by growth rates of the economy, are expected to affect the consumer confidence in the country. Chart 2 shows the real GDP growth rates for India since Q1: 2012-13. Data reveals that the economy was slowing down even before the pandemic, since Q1: 2018-19, which turned into a contraction with the pandemic induced restrictions in Q1: 2020-21. Since then, the economy has been on a path to recovery, with growth rates returning to positive territory in Q3: 2020-21.

In the Reserve Bank's Consumer Confidence Survey, during the period when the economy was going through a slowdown, the Current Situation Index (CSI) was in the pessimistic zone for most survey rounds during 2019 (Chart 3). The outbreak of the COVID-19 pandemic in early 2020 had a further negative impact on the confidence level, weakening it to 63.7 in May 2020. Since then, it has been on a declining trajectory and hit the survey's all-time low of 48.5 in May 2021 with the onset of the second wave. However, with the gradual abatement of the second wave, some rise was seen in current sentiments, though they still remained highly negative.

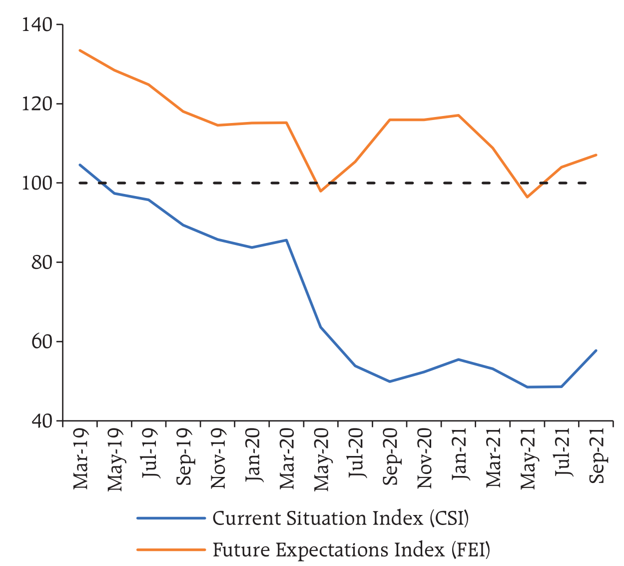
In contrast, the respondents were comparatively optimistic about the future, as the future expectations index (FEI) was mostly in the positive territory (above 100). FEI was moving in tandem with the CSI till May 2020, when it first entered negative territory during the first phase of countrywide lockdowns, but started improving from July 2020 onwards with gradual easing of the pandemic related restrictions. However, with the onset of the second wave in April 2021 and the severe restrictions imposed to break the chain of transmission, expectations for the future again fell

Chart 2: Real GDP growth



Source: Ministry of Statistics and Program Implementation (MOSPI).

Chart 3: Consumer Confidence Indices



Source: RBI's Consumer Confidence Survey.

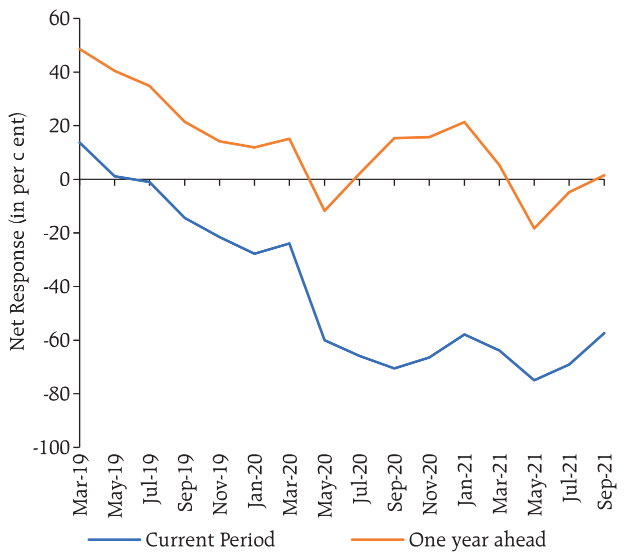
into pessimistic territory (below 100), for the second time during the pandemic. Gradual recovery in expectations was visible in July and September, with the sudden drop in caseload and easing of restrictions, but despite the low base, expectations have not been overwhelmingly positive for the year ahead as compared to the current period, indicating that the consumers expect the aftereffects of the pandemic to linger for the foreseeable future.

Along with inquiring about the households' assessment of the overall economy, the survey also records their perception about the changes in their own incomes and expenditures. The following sections present an overview of households' assessment and expectations for individual survey parameters, segregated based on whether they pertain to the overall economy or households' own circumstances[2].

Consumers' view about the overall economy

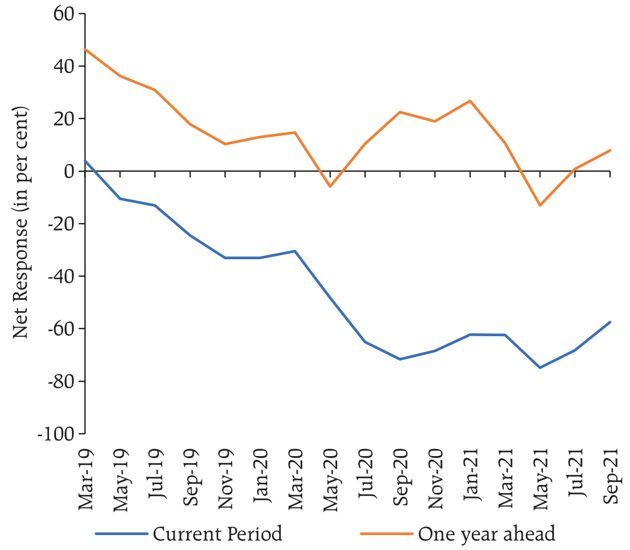
Consumers sensed a protracted slowdown in the economy even before the outbreak of the pandemic (Chart 4). During the study period, the movement

Chart 4: General Economic Situation



Source: RBI's Consumer Confidence Survey.

Chart 5: Employment Scenario



Source: RBI's Consumer Confidence Survey.

in net response on perception of general economic situation mirrored the movement for employment scenario. In conjunction with a perception of worsening employment scenario (Chart 5), majority of the consumers perceived a year-on-year worsening in general economic situation. The survey fieldwork for the May 2021 round coincided with the brutal second wave of the COVID-19 pandemic, resulting in sentiments for general economic scenario and employment scenario recording their historical lows in the round. Moreover, majority of the respondents in all rounds of the survey reported higher prices and inflation as compared to a year ago (Chart 6a and 6b). A general perception of high prices and rising inflation further aggravated the situation for the consumers already worried by employment scenario and general economy.

Consumers' expectations for one year ahead general economic situation and employment scenario were optimistic till March 2020, following which the outbreak of the pandemic and concomitant restrictions turned them pessimistic in May 2020. Expectations, however, turned positive immediately from the next round in July 2020 onwards. Nevertheless, with the onset of the second wave in April 2021, the

[2] The detailed time series of results for individual parameters and the indices may be obtained in the Excel file attached to web release of results for September 2021 round of CCS. *https://rbi.org.in/Scripts/PublicationsView.aspx?id=20648*

Chart 6a: Price Levels

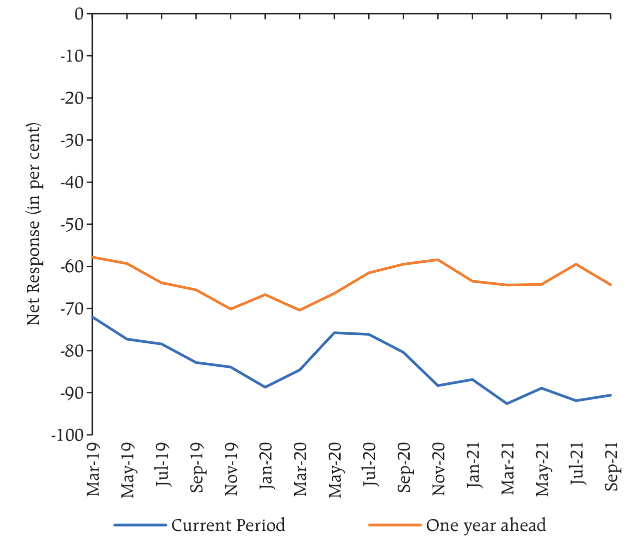
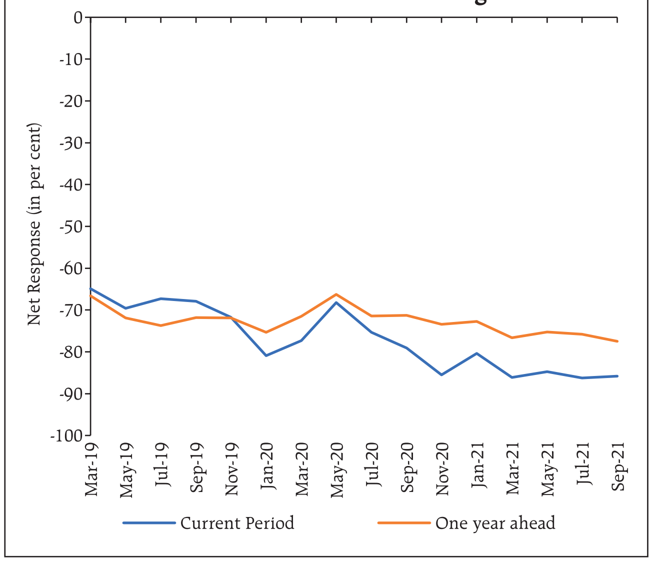


Chart 6b: Rate of Price Change



Source: RBI's Consumer Confidence Survey.

expectations have witnessed sharp falls, despite the low base for the contemporaneous period, indicating that the consumers expect the pandemic to have lingering aftereffects.

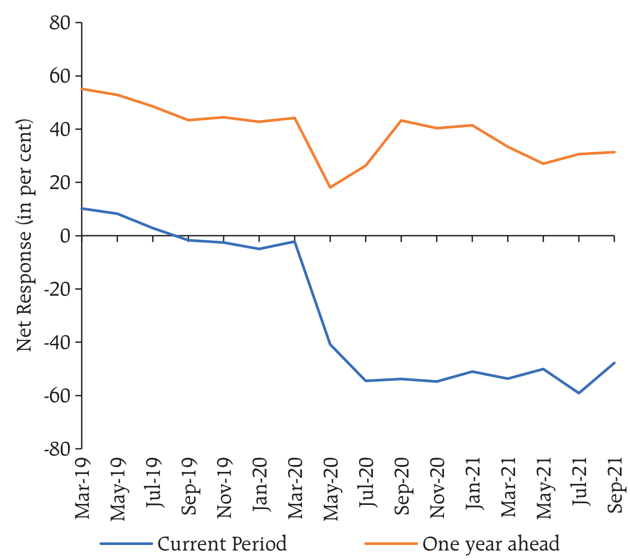
Although consumers expect prices to be higher in the short term, the proportion of respondents expecting higher prices and inflation is much lower than those perceiving higher prices and inflation as compared to a year ago. This gap has widened during the pandemic period, pointing towards price shocks during the lockdown and concomitant supply chain disruptions impacting the perceptions, but expectations remained relatively unimpacted by such short-term shocks.

Consumers' assessment of their own circumstances

Alongside an assessment of the overall economy, consumers' confidence is also impacted by what they perceive about their own income situation and their consumption expenditure. Lower incomes and contraction in expenditure for households are likely to drag the overall demand in the economy, even if the other sectors are doing relatively well. On the other hand, high demand in the household sector provides a boost for the overall demand in the economy.

Households' income sentiments remained afloat till March 2020, though there were episodes of net response entering negative territory in some rounds. However, with the outbreak of the pandemic, the income situation of the households took a massive hit, with an overwhelming majority of the consumers

Chart 7: Household Income



Source: RBI's Consumer Confidence Survey.

reporting decreased incomes as compared to a year ago (Chart 7). As a result, the net response for current period household income fell by more than 50 per cent during March to July 2020, a period during which most of the economy was shut and the GDP saw a massive contraction. Respondents, however, remained optimistic about an increase in their future income. The net response on future income comoved with that for current income till May 2020 and touched a low of 18.1, but since then, the gap has widened with the expectations rescaling pre-COVID-19 levels in September 2020.

The parameter of household spending has traditionally been the most resilient of the survey parameters, in terms of retaining its high levels even in the scenario of other parameters falling. Therefore, the sharp fall in net response for current household spending from a steady 70-75 per cent level till March 2020 to just over 25 per cent in September 2020 reflected the unusual distress that the households found themselves in during the pandemic. Expectations for future overall spending were similar, both in terms of absolute levels and directional changes, till March 2020 but since then, akin to the other survey parameters, a 15-20 per cent gap is seen between the perceptions and expectations (Charts 8a and 8b).

The overall spending is mostly driven by the spending on essential items as co-movement has been observed between the two parameters during the study period. While the net response for current overall spending and essential spending was stable till March 2020, the net response for non-essential spending has been deteriorating steadily since July 2018 and entered negative zone in November 2019. The outbreak of the pandemic had a further impact on the spending on non-essential items, as about 60 per cent of the respondents reported decrease in their spending on non-essential items. Though respondents were more optimistic about their future spending on non-essential items, the net response has been declining steadily since July 2018, and

Chart 8a: Current Spending

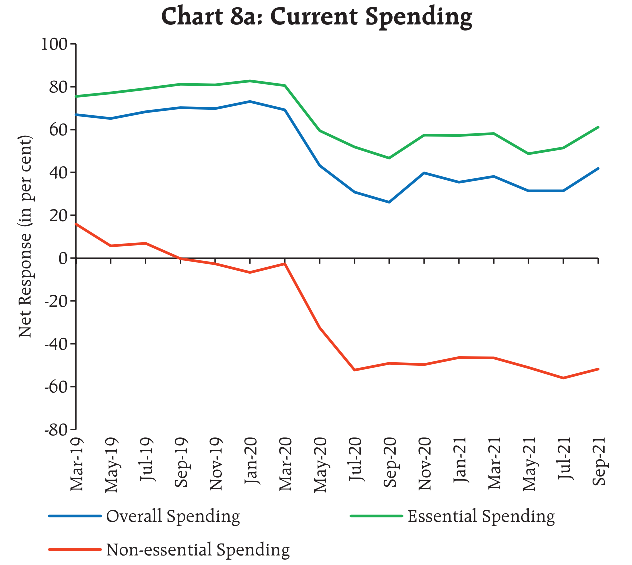
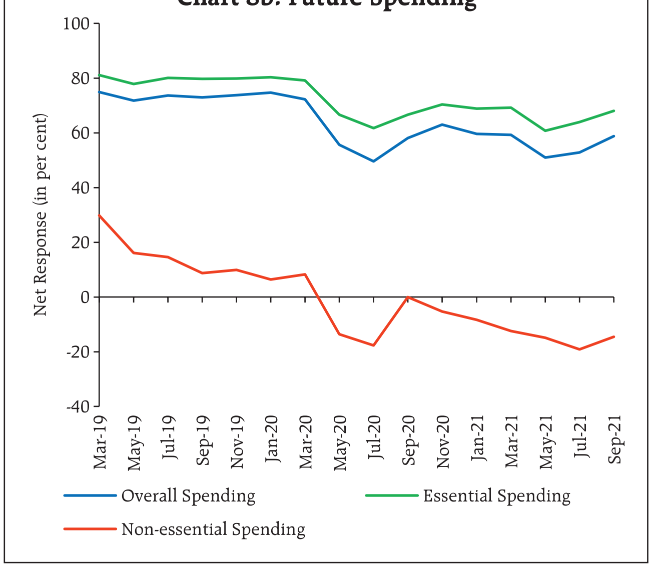


Chart 8b: Future Spending



Source: RBI's Consumer Confidence Survey.

even been in the negative zone since the start of the pandemic.

IV. The Impact of COVID-19 – An Empirical Analysis

Coherence between parameters – Pre-pandemic vs. during the pandemic

A study of the coherence between myriad survey parameters aims to show which other aspects weigh on the consumers' minds when responding about a particular parameter. Table 1 presents the coherence[3] between different survey parameters for the study period (May 2019 to September 2021). The survey rounds up to March 2020 are classified as pre-pandemic rounds, whereas all subsequent rounds, till September 2021, are classified as pandemic affected rounds. The results reveal that for most rounds, current perception of general economic situation is generally most aligned with employment scenario and prices, while coherence between general economic situation and spending is marginal. However, household income has become increasingly more coherent with general economic situation and employment scenario during the pandemic, indicating that lower household incomes have been a major factor behind the highly negative perceptions for these two parameters. Thus, employment, prices and recently, household incomes, have been the major influence on consumers' perception of general economic situation.

Table 1: Coherence between Survey Parameters

(Percentage of respondents)

Survey Parameters		Current Perception		Future Expectations	
		Pre-Pandemic rounds*	Pandemic rounds^	Pre-Pandemic rounds	Pandemic rounds
General Economic Situation (GES)	Employment	59.4	73.0	68.9	68.8
	Prices	48.1	71.7	37.9	45.0
	Income	39.5	59.7	48.8	45.4
	Spending	30.1	25.3	46.1	38.1
Employment Scenario	GES	59.4	73.0	68.9	68.8
	Income	40.2	59.3	48.7	47.6
Essential Spending	Prices	79.1	67.5	69.7	62.1
	GES	30.6	21.2	48.1	39.6
	Income	33.0	26.9	56.4	51.7
Non-essential Spending	GES	36.5	54.3	37.3	37.8
	Income	44.8	55.8	46.1	43.3
	Employment	36.5	53.5	37.4	37.6
	Prices	33.7	15.1	38.7	30.6

* May 2019 to March 2020 round
^ May 2020 to September 2021 round

Over the survey rounds, overall spending has mostly been driven by essential spending, as discussed in the previous section. For the two components of overall spending, *viz.*, essential and non-essential spending, it may be hypothesised that essential spending should be more influenced by prices, being relatively inelastic in demand, while non-essential spending, being more discretionary in nature, would be driven by general economic situation, employment and household income rather than prices. This is substantiated by the coherence data as well, where essential spending is most aligned with prices. The level of coherence has come down marginally during the pandemic rounds but remains above 67 per cent. On the other hand, non-essential spending is more aligned with general economic situation, employment and household incomes, and the level of coherence has increased sharply during the pandemic, while prices are weakly aligned.

For expectations one year ahead, though the overall trend remains similar to that discussed above, not much difference is seen between pre-pandemic and the pandemic rounds. As discussed in the previous section, while expectations have gone down in some rounds during the pandemic, when the disease prevalence and restrictions were highest, the change as compared to pre-pandemic rounds has been much less stark as compared to that for the contemporaneous perception. The findings for coherence further substantiate the fact that

[3] Coherence coefficient is defined as the sum of identical response for two variables as a percentage of total number of responses in a specific round of survey.

expectations have been, relatively, less impacted by the pandemic than the perception for prevailing circumstances.

The influence of the spread and severity of the pandemic

Further, the impact of COVID-19 related variables[4], *viz.*, the number of confirmed cases and deaths in each state and at an all-India level, on the city wise consumer confidence was studied using a panel regression. The following equation with controlled city level effects was estimated to see the relationship between CSI, FEI and COVID-19 related variables, using the data of eight rounds of CCS from May 2020 till September 2021 and corresponding months' data of COVID-19 related variables.

$$Y_{ijt} = C_i + \beta_1 * X_{ijt} + \varepsilon_{ijt} \qquad \text{... (3)}$$

where,

Y_i: Consumer confidence indicators, *viz.*, CSI and FEI;

X_i: Monthly data on COVID-19 related variables like number of confirmed cases in the state, number of deaths in the state, number of confirmed cases in India and number of deaths in India;

and, *j* denotes the j[th] city and *t* denotes time.

It was observed that the CSI and FEI demonstrated a negative reaction to the increase in the caseload and deaths associated with COVID-19, at both the state and national level. Thus, consumer confidence waned as cases and fatalities rose, while improvements in the pandemic situation led to relative recovery (Table 2).

The impact on city wise indices

To see the impact of COVID-19 on different cities, the average CSI was compared for the survey rounds before the pandemic (May 2018 to March 2020) and after the outbreak. The same was compared with the state wise cumulative number of Covid cases at the end of September 2020. It was observed that metro cities like Bengaluru, Mumbai and Delhi, where the cases were very high, recorded a substantial deterioration in the average CSI after the outbreak of COVID-19 pandemic as compared to the other cities. Though the number of cases was high in Thiruvananthapuram, it showed the lowest reduction in the average CSI as compared to other cities. Among smaller cities, Bhopal showed highest deterioration in the average CSI (Chart 9a). The pandemic had a higher impact on the sentiments for the current period as compared to expectations, for all cities, as indicated by the average

Table 2: Panel regression models of COVID-19's impact on the consumer sentiment indicators

Variable	Model Const.	Coefficient	P Value	Adj R^2	Number of Observations
Current Situation Index					
No of Confirmed Cases in the state (Monthly)	60.3	-0.000019	0.00*	0.2	129
No of Deaths in the state (Monthly)	60.2	-0.001305	0.00*	0.2	129
No of Confirmed Cases in India (Monthly)	61.7	-0.00000172	0.00*	0.24	130
No of Deaths in India (Monthly)	61.8	-0.000136	0.00*	0.26	130
Future Expectations Index					
No of Confirmed Cases in the state (Monthly)	111.3036	-0.00000921	0.11	0.4	129
No of Deaths in the state (Monthly)	111.5462	-0.000867	0.03**	0.41	129
No of Confirmed Cases in India (Monthly)	112.6888	-0.0000012	0.01**	0.44	130
No of Deaths in India (Monthly)	112.9365	-0.0000987	0.0*	0.45	130

*Significant at 1% level.** Significant at 5% level

[4] Data Source- PRS Legislative Research

Chart 9a: City wise impact on CSI

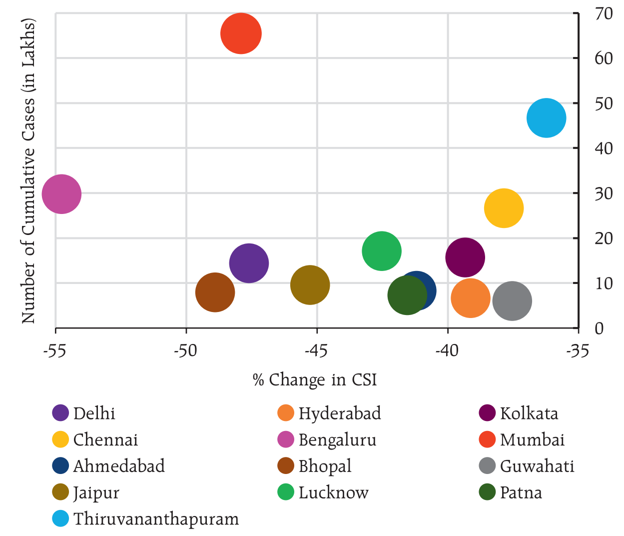
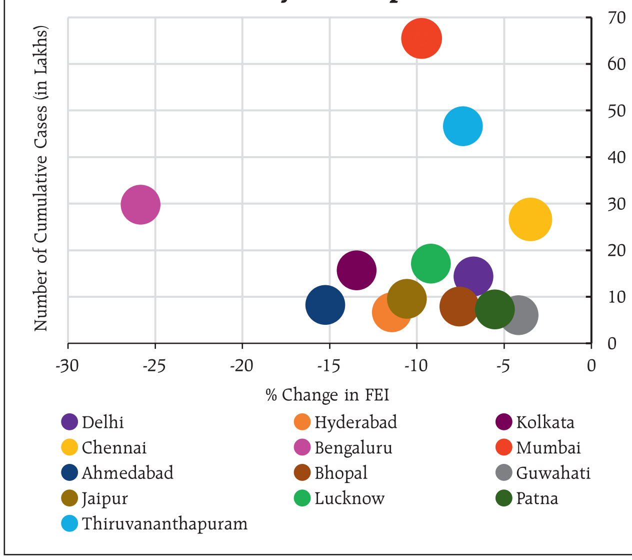


Chart 9b: City wise impact on FEI



Sources: RBI's Consumer Confidence Survey and PRS Legislative Research.

CSI and FEI values. The variation in FEI was higher for major cities like Bengaluru, Ahmedabad, Kolkata and Hyderabad (Chart 9b).

The impact on various occupation categories

Further, the impact of the COVID-19 pandemic on the different occupation categories was studied by comparing the average CSI and FEI for the survey rounds prior to the pandemic (May 2018 to March 2020) and after the outbreak of COVID-19 *i.e.*, post March 2020 (Table 3). It was observed that the pandemic had an impact across occupation categories, as the average CSI for most of them has deteriorated by above 40 per cent after the outbreak of the pandemic. Amongst various occupation categories, data shows that the 'Retired/Pensioners' were the least affected by the pandemic as shown by the deterioration in CSI (-34.1 per cent). However, the FEI deteriorated only by an average 11 per cent for various occupation categories. 'Retired/Pensioners' and 'Self Employed/ Business' were less pessimistic about the year ahead as compared to the other occupation categories.

Table 3: Occupation Category Wise Impact on Consumer Confidence

Occupation Categories	% change in CSI	% change in FEI
Employed	-41.9	-12.8
Self Employed/ Business	-44.2	-10.1
Homemaker	-43.9	-11.6
Daily worker	-41.9	-11.0
Retired/Pensioners	-34.1	-8.5
Unemployed	-43.6	-12.5

V. Conclusion

The outbreak of COVID-19 pandemic severely affected the consumer confidence across the globe, including India. Analysis reveals that the consumers' perception about the prevailing situation is severely impacted by the pandemic, while the expectations about the future have been relatively optimistic, despite being dented in successive rounds. With the proactive steps taken by the Government and other public authorities, along with the ongoing vaccination programme, expectations have recovered relatively faster than perceptions.

Amongst the survey indicators, household income was impacted the most by the pandemic induced restrictions, causing consumer confidence to hit multiple lows during this period. The effect of lower incomes is seen on consumers' perception about general economic situation and employment as well. Moreover, these parameters seem to be the major drivers of lower discretionary spending by consumers. Overall spending has been shored up by essential spending, which is mostly influenced by prices. Sustained momentum in the ongoing reform measures by the Government may help in improving the employment and income situation amongst households, leading to a gradual recovery in consumer confidence.

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*Changing Dynamics of Foreign Direct Investment in India**

Foreign Direct Investment (FDI) is a stable means of financing capital requirements of a growing economy and both developed and emerging economies have made major efforts for augmenting the information base on FDI at market value. In India, major advancements have been made in this regard with the implementation of the Co-ordinated Direct Investment Survey (CDIS) of the International Monetary Fund (IMF) and compilation of Foreign Affiliate Trade Statistics (FATS). The empirical results from the analysis of key factors influencing FDI inflows indicate that trade openness, economic growth, market size, labour cost and capital account openness of the host countries are major determinants of FDI flows.

I. Introduction

Foreign investment plays a significant role in the development of any economy in the world. It supports economic growth by meeting the investment requirements of a capital deficit economy by bridging its saving-investment gap. Many foreign investors bring new technology, best practices and governance along with financial capital which leads to skill transfer and productivity gains. While new business can generate employment, greater competition from new companies can also improve efficiency in the host country.

Foreign investment, a component in a country's national financial accounts, can come through equity and debt. It is associated with investor's lasting management interest in the recipient economy and, therefore, is a more stable component. While foreign portfolio flows remain important for financing current account deficit, many countries give attention and incentives for FDI, both in general as well as in selective sectors.

This article focusses on inward FDI component of capital stock for India which has risen from US$ 1.7 billion in 1990 to over US$ 427.0 billion in 2019. We also discuss the availability of consistent data for use in analysis, its limitations including the valuation issues and comparison of statistics generated by partner countries. The remainder of the article is organised in five sections. Section II presents a summary of evolution of FDI policy in India since independence. Development of global capital flows and trends in inward FDI for India are discussed in Section III. The CDIS initiative, FDI information base and the valuation issue of FDI investment based on Indian data are discussed in Section IV. Section V presents empirical analysis of the factors influencing inward FDI by taking into consideration major countries in terms of their FDI stocks at market value in India using panel regression analysis. Conclusions are presented in Section VI.

II. Evolution of FDI Policy in India – A Brief

In 1948, when the first survey of India's international assets and liabilities was undertaken by the Reserve Bank of India (RBI), the stock of foreign investment in the country stood at ₹256 crores, flowing largely from the UK and the bulk of it was in natural resource seeking and trading. Soon after independence, India embarked on a strategy of import substituting industrialisation in the development planning framework. By March-1950, the industrialisation strategy pivoted to the development of local capability in heavy industries including the machinery manufacturing sector. Limitation in expansion of domestic technology, skills, entrepreneurship and the foreign exchange crisis of 1957-58 led to further liberalisation in the government's attitude towards FDI. The government issued a list of industries in

* This article is prepared by Sumit Roy, Financial Inclusion and Development Department, Jolly Roy and Kamal Gupta, Department of Statistics and Information Management, Reserve Bank of India. The views and opinions expressed in this article are those of the authors and do not necessarily represent the views of the RBI. The errors, if any, are those of the authors.

1961 where foreign investments were to be welcomed, taking into account the gaps in capacity in relation to plan targets.

FDI stock in the country more than doubled to ₹566 crores in 1964 from ₹256 crores in 1948 and increased further to ₹916 crores in March 1974 (Hooda, 2011). Creation of locational advantages led to a sharp jump in the share of manufacturing in the FDI stock to over 40 per cent from around 20 per cent at the time of independence and covered consumer, intermediate and capital goods. The Foreign Investment Board was formed in 1968 to deal with all cases involving foreign investment or collaboration with up to 40 per cent foreign equity and a Cabinet Committee was formed to screen those with more than 40 per cent foreign ownership.

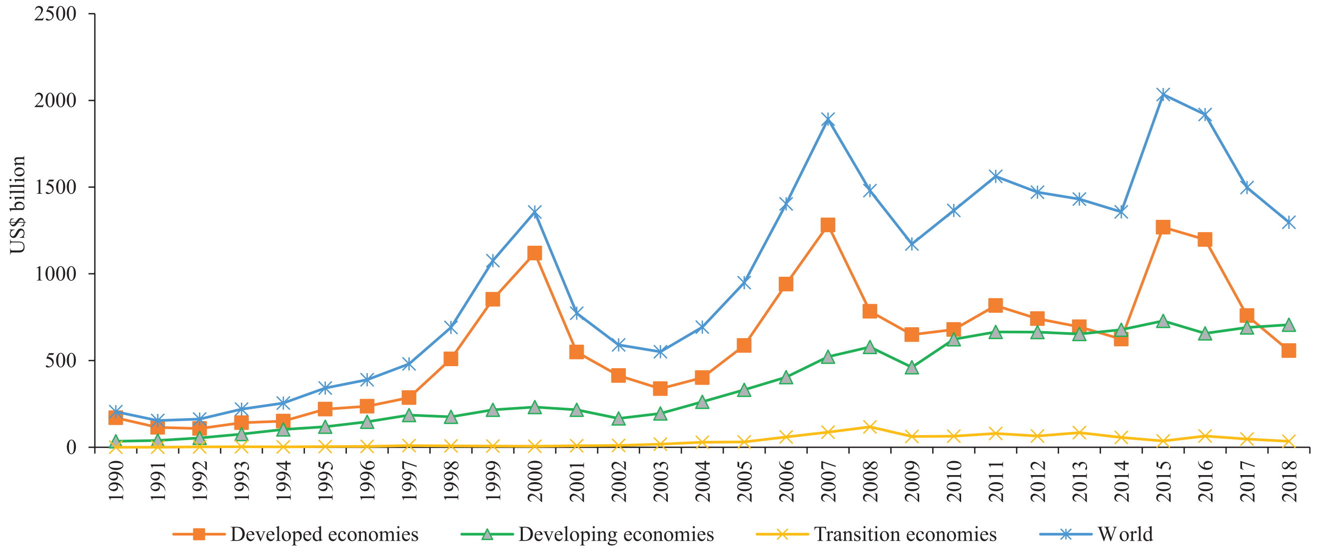
By 1985, India started facing balance of payments problems. The problem worsened in 1991 owing to a number of issues, such as the withdrawal of non-resident Indian (NRI) deposits, outflows of short-term capital from banks and waning of export performance. As a part of the subsequent macro-economic stabilisation and structural adjustment programme, the Indian Rupee was devalued and a New Industrial Policy (NIP) was announced in July 1991. The NIP and subsequent policy amendments liberalised the industrial policy regime in the country especially as it applies to FDIs. This included abolition of industrial approval system in all industries other than strategic or environmentally sensitive industries, automatic approval of 51 per cent FDI in 34 high priority industries, doing away with mandatory technology transfer agreements, setting up of Foreign Investment Promotion Board (FIPB), *etc.* New sectors such as mining, banking, telecommunications, highways construction and management were opened to private, including foreign owned companies.

During the last decade, India focused on increasing FDI inflows and introduced a comprehensive FDI liberalisation strategy. During 2015, FDI rules were relaxed in 15 major sectors which include agriculture, civil aviation, construction, defence, manufacturing and mining. In 2016, direct investment regulations were amended further to encourage foreign investment in start-ups and liberalise the investment regime for foreign venture capital investors. During 2019, restrictions on foreign investment in single-brand retail trading, airlines and power exchanges were relaxed. In the beginning of 2020, FDI policy for e-commerce was liberalised in order to safeguard the interests of domestic offline retailers.

III. Global Capital Flows and Inward FDI for India

The FDI has progressed faster than global trade over the past few decades. While the developed economies continued to be most financially integrated under massive policy support from key central banks since 1990, more developing countries have meanwhile liberalised their financial systems and direct investment policies. As a result, FDI flow accelerated rapidly since the early 1997 until the financial crisis of 2007-2008. During 2009, a wave of inflows was observed, followed by another surge in FDI inflows from 2010 due to worsened European debt crisis. In 2014, a surge in cross-border mergers and acquisitions (M&A) amounting to US$721 billion from US$432 billion led to the global rebound of the direct investment flows. FDI flows, however, continued to decline in developed countries and economies in transition from 2017 mainly due to lifting of tax liabilities on accumulated foreign earnings. FDI flows in the developing countries remained stable thereby increasing their share in global FDI to 54 per cent in 2018 from 46 per cent in 2017. However, despite the slowdown in FDI since 2017, the US remained the largest recipient of FDI, followed by China, Hong Kong and Singapore. FDI inward stock remains substantial as a percentage of GDP for developing countries and developed countries (Chart 1 & 2). The FDI flows to developing countries soared during the 2000-2018 period. As a result, their FDI flows turned out to be

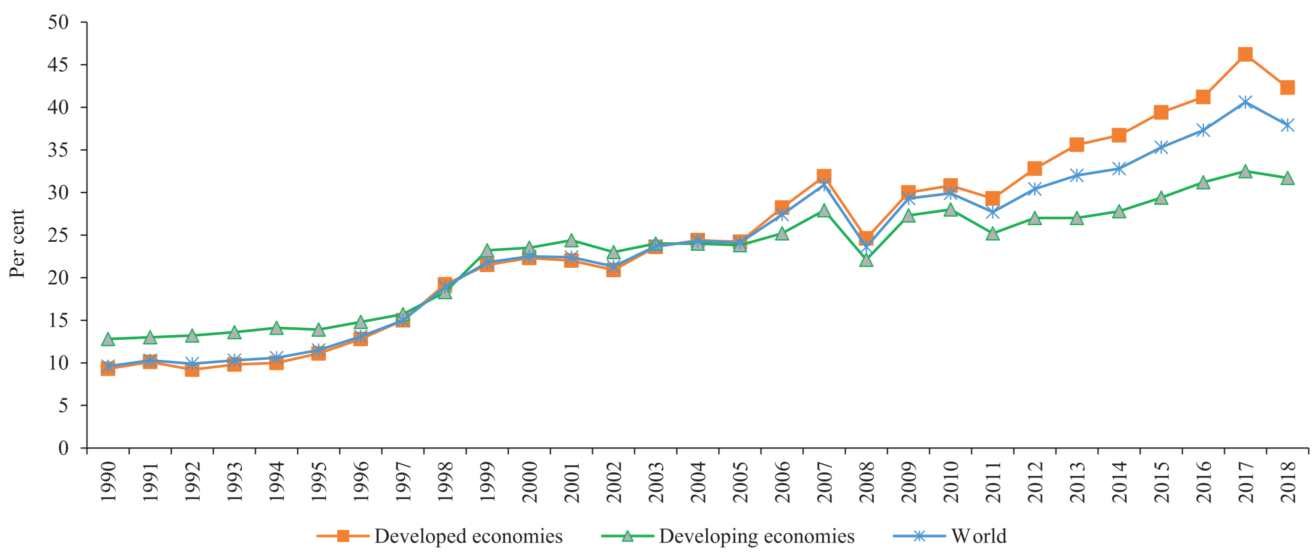
Chart 1: FDI Flows in Developed and Developing Countries during 1990-2018



Sources: UNCTAD data base.

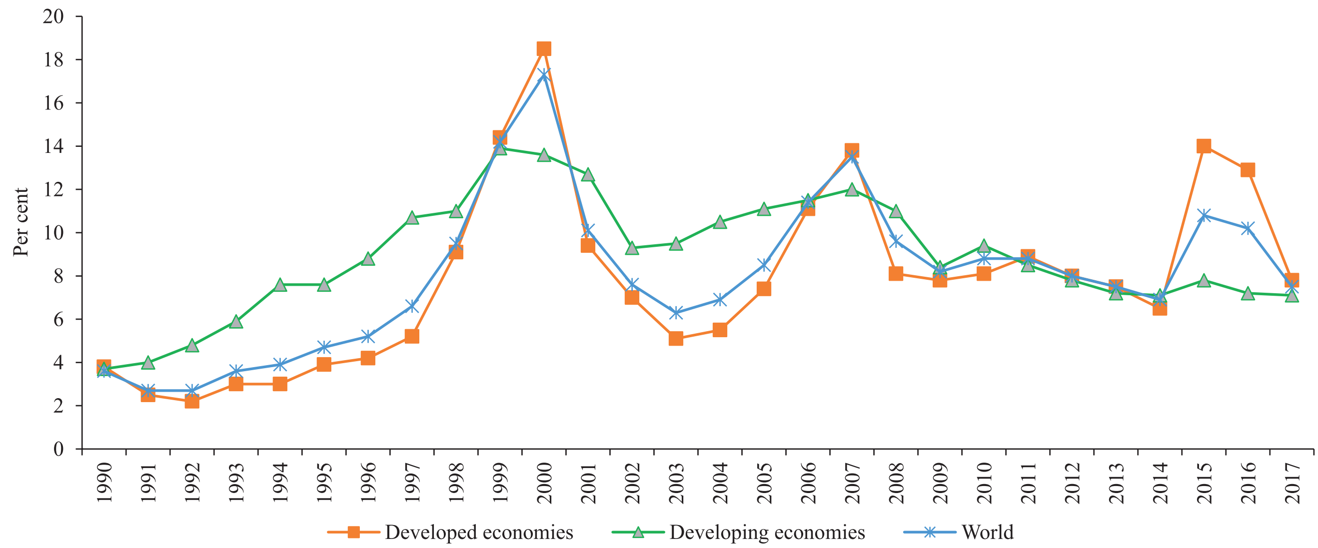
higher than developed countries and attracted more than half of global FDI flows. Inward FDI stocks of developing countries during 1990-2018 constituted 24.6 per cent of their GDP, as compared to 22.7 per cent in developed countries. FDI inflows during 1990-2017 represented an average share of almost 9 per cent of gross fixed capital formation in developing countries, compared to 8 per cent in developed countries (Chart 3). Top ten performers among developing countries and developed countries, measured by inward FDI flows from 2000 to 2018 provide the different dimensions of developing and developed countries' attractiveness to FDI (Table 1 & 2). Among the developing countries, China is the highest

Chart 2: FDI Stock as a Percentage of Gross Domestic Products during 1990-2018



Sources: UNCTAD data base.

Chart 3: FDI Inflows as a Percentage of Gross Fixed Capital Formation during 1990-2017



Sources: UNCTAD data base.

recipient of FPI, possibly due to cheap onshore money-market instruments as compared to most of the other developing countries. US, on the other hand, remained the largest recipient of FPI due to its innovative and sustainable capital market which attracts portfolio investors across the world.

In the last decade of 20th century, India witnessed a drastic increase in foreign direct investment, accompanied by a marked change in the policy stance of the Government. In 1991, a series of policy measures were announced to liberalise and strengthen the FDI environment in the country. As a result, FDI inflows to India rose manifold from US$ 2.0 billion in 1998-99 to over US$ 26.7 billion just before the crisis in 2008. The global financial crisis (2008) impacted GDP growth and FDI flows worldwide and India was not an exception. FDI inflows to India moderated till 2013-14. In 2013, the annual rate of GDP growth slowed down to 4 per cent, and the current account deficit reached nearly

Table 1: Top 10 FDI - Source Economies of Developing Countries in 2018 and FPI Inflows in 2018

Economy	(US$ billion and Per cent of GDP)				US$ billion	
	FDI Inflows		Per cent of GDP		Portfolio Inflows	
	2018	Average Growth (Per cent) 2000-18	2018	Average Share in GDP (Per cent) 2000-18	2018	Average Growth (Per cent) 2000-18
China	139.0	10.6	1.7	3.2	60.7	1.2
China, Hong Kong SAR	115.7	48.4	26.8	29.4	-2.4	0.3
Singapore	77.6	42.6	24.4	19.3	-3.7	-0.5
Brazil	61.2	25.1	4.1	3.3	-3.1	-0.2
Cayman Islands	57.4	26.4	N.A	N.A	N.A	N.A
British Virgin Islands	44.2	11.1	N.A	N.A	N.A	N.A
India	42.3	35.7	1.6	1.6	-4.4	-0.2
Mexico	31.6	11.8	3.2	2.8	2.4	-0.4
Indonesia	22.0	13.0	1.8	1.2	-3.7	-1.4
Vietnam	15.5	24.7	6.3	5.5	N.A	N.A

Sources: FDI Inflows from UNCTAD data base; Portfolio Inflows from World Development Indicator and FDI Inflows as per cent of GDP from OECD.

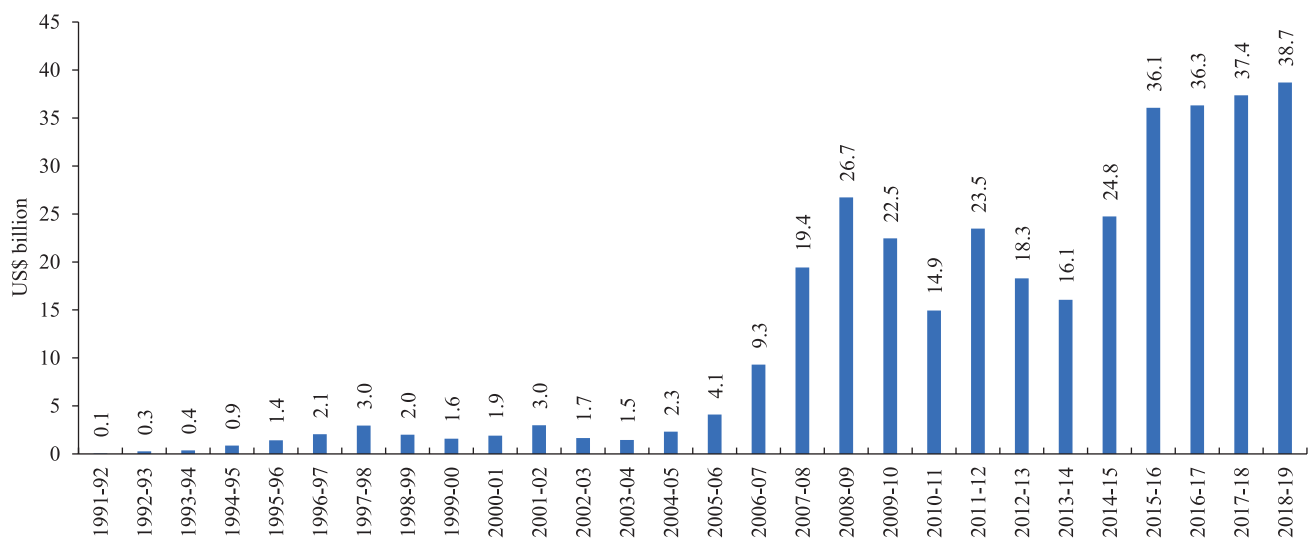
Table 2: Top 10 FDI - Source Economies of Developed Countries in 2018 and FPI in 2018

Economy	(US$ billion and Per cent of GDP)				US$ billion	
	FDI Inflows		Per cent of GDP		Portfolio Inflows	
	2018	Average Growth (Per cent) 2000-18	2018	Average Share in GDP (Per cent) 2000-18	2018	Average Growth (Per cent) 2000-18
United States of America	251.8	14.2	1.3	1.8	142.4	0.7
Netherlands	69.7	-7.0	7.2	25.2	-54.0	-0.3
United Kingdom	64.5	25.8	2.8	4.6	5.6	0.5
Australia	60.4	78.6	4.3	3.5	-7.1	0.1
Spain	43.6	39.3	3.5	3.2	-15.6	0.6
Canada	39.6	6.2	2.7	3.3	20.1	-0.2
France	60.4	-18.0	2.1	2.1	-20.7	0.4
Germany	37.3	-11.5	4.3	2.1	-42.0	-0.6
Italy	25.7	-20.5	1.9	1.2	-5.4	-0.5
Israel	24.3	28.7	5.6	3.8	-8.3	-2.0

Sources: FDI Inflows from UNCTAD data base; Portfolio Inflows from World Development Indicator and FDI Inflows as per cent of GDP from OECD.

an unprecedented level of 5 per cent of GDP. These macroeconomic uncertainties exacerbated foreign investors' concern to invest in India. Amidst high inflation and other macroeconomic issues, India witnessed a drop of FDI flows from 2012-13 to 2013-14. During September 2014, the Government of India launched the 'Make in India' initiative to facilitate investment, foster innovation and build best in class manufacturing infrastructure. The reform made a positive foreign investment climate in India and helped in increasing growth in FDI inflows mainly due to strong investment in top three industry recipients *viz.*, 'manufacturing', 'communication' and 'financial services'. FDI inflows into India demonstrate increasing trend during 2014-15 to 2018-19 (Chart 4).

Chart 4: FDI Inflows into India from 1991-92 to 2018-19



Sources: *https://dbie.rbi.org.in*; RBI Annual Report, includes FDI through SIA/FIPB and RBI routes only.

Table 3: Share in Cumulative FDI Inflows to India (2015-2019)

Country	Cumulative Inflows (%)
Singapore	27.7
Mauritius	27.0
USA	7.5
Netherlands	7.5
Japan	7.0
Total	**76.7**

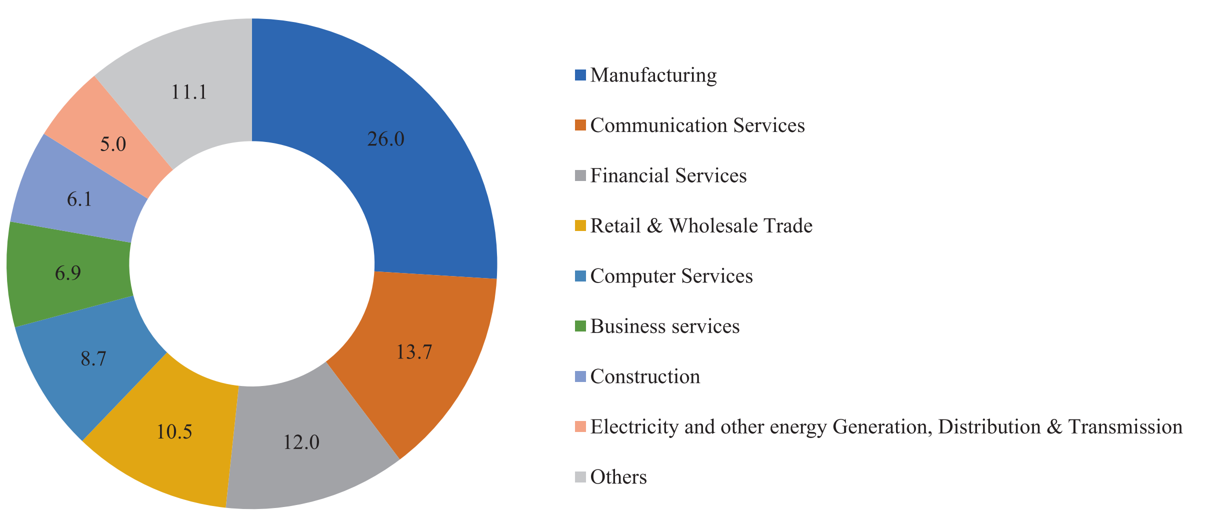
Source: RBI Annual Report (2018-19), includes FDI through SIA/FIPB and RBI routes only.

During 2015 to 2019, India received a cumulative FDI inflow to the extent of US$ 173.3 billion and the share of top five investing countries in India stood at 76.7 per cent. Singapore and Mauritius together accounted for more than half of total foreign investment in India with Singapore having the highest share of 27.7 per cent in total cumulative FDI flows (Table 3). Three major sectors *viz.*, 'manufacturing sector', 'communication services' and 'financial services' together accounted for more than 50 per cent share in FDI inflows amounting US$ 89.6 billion during 2015-2019 (Chart 5).

IV. FDI Information Base and CDIS

India's first census of Foreign Liabilities and Assets (FLA) was conducted in 1948, where the information was collected under the International Monetary Fund and Bank Act, 1944. Data were compiled at different intervals in the subsequent period. Since 1997, reporting was annual, but participation was not mandatory up to 2010. From 2010-11, reporting was made mandatory for the Indian companies which have received FDI and/or made Overseas Direct Investment (ODI). This enabled India to participate in CDIS of IMF since 2010 round. The CDIS data (both inward and outward direct investment) of India at market prices, cross-classified by country of direct investment, published by IMF on annual basis are now available for use of researchers and analysts. The FDI companies started submitting detailed data on FDI and /or ODI data as part of the Reserve Bank's Annual FLA census since 2012-13. The information on Foreign Affiliate Trade Statistics (FATS) *i.e.*, exports, imports, domestic sales and purchases of subsidiaries of foreign companies are also collected simultaneously.

Chart 5: Sector wise Cumulative FDI Inflows during 2015-2019 (in per cent)



Source: RBI Annual Report, includes FDI through SIA/FIPB and RBI routes only.

The census on FLA of Indian direct investment companies (2018-19) shows that nearly 95 per cent of the total FDI stock (₹32,92,902 crores at market value in March 2019) was held in equity. At the aggregate level, FDI share in total equity at face value of responding companies was over 81 per cent as nearly three-fourth of the companies that reported inward direct investment were Indian subsidiaries of foreign companies. With increasing globalisation, Indian companies are more outward-looking and making overseas investment with lasting interest. The ratio of outward to inward direct investment of India is estimated to be around 18 per cent in both the year March 2018 and 2019. Over 96 per cent of the companies, which reported inward direct investment, were unlisted and they estimated the share of non-resident equity holding in the net worth of the company using own-fund book value (OFBV) method of equity investment, prescribed by IMF.

The FLA database captures the stock of equity both at face value as well as at market value. As on end March 2019, the share of manufacturing sector in total FDI equity stake of FDI companies stood at 46.2 per cent at face value and 53.3 per cent at market value due to difference in the ratio of market value to face value of equity across sectors (Table 4).

The ratio of market value of FDI companies' equity to face value stood at 5.1 in March 2019 at aggregate level but it varied from 2.1 to 11.9 across sectors. The reason for the same could be several factors including corporate profitability, medium-term growth and potential growth. The high correlation of 0.9 between face value and market valuation suggests that these factors have influence in equity across sectors (Table 5).

As per FLA census 2018-19, around 75 per cent of the inward FDI reporting companies were FDI subsidiaries which have reported activity wise inward FAT statistics. A major portion of the business of FDI subsidiaries mainly concentrated in the domestic market. The share of export of FDI subsidiaries in total sales accounted for 31.8 per cent on an average during 2012-2019 (Chart 6). 'Information and communication services' remained the major export-oriented sector during 2018-19. The foreign subsidiaries largely depend on Indian domestic market for procurement of raw materials, parts *etc.* (Table 6 & Chart 7).

Table 4: Sector-wise Equity Participation of FDI Companies: March 2019

(₹ Crore)

Activity	Total Equity (Including Resident & Non-Resident)	FDI Equity Stake	
		At Face Value	At Market Value
1. Agriculture-related, Plantations & Allied activities	1,838	1,698	7,060
2. Mining	1,657	1,390	6,456
3. Manufacturing	3,21,314	2,81,560	16,64,304
4. Electricity, gas, steam and air conditioning supply	47,545	27,136	59,016
5. Water supply; sewerage, waste management and remediation activities	1,996	1,792	2,745
6. Construction	25,160	19,647	41,009
7. Information and communication	58,874	45,448	5,41,385
8. Other Services	2,92,143	2,30,651	799410
Total	**7,50,527**	**6,09,322**	**31,21,385**

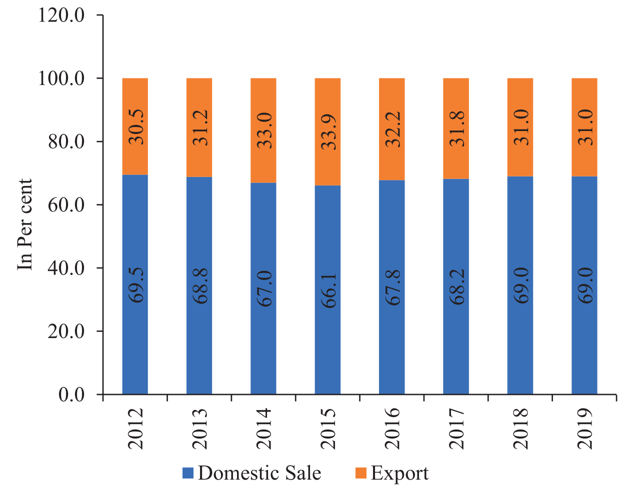
Source: RBI Data Release - Annual Census of India's Foreign Liabilities and Assets (2020).

Table 5: Equity Ratio (Market Value to Face Value), GDP Growth: Sector-wise

	Ratio of Market Value to Face Value	Average Real GDP Growth (2000-19)
1. Agriculture-related, Plantations & Allied activities	4.2	3.2
2. Mining	4.6	4.2
3. Manufacturing	5.9	7.5
4. Electricity, gas & Water supply	3.7	6.6
5. Construction	2.1	6.6
6. Information and Communication	11.9	18.3
7. Other Services	3.5	8.3
Total	**5.1**	**7.0**

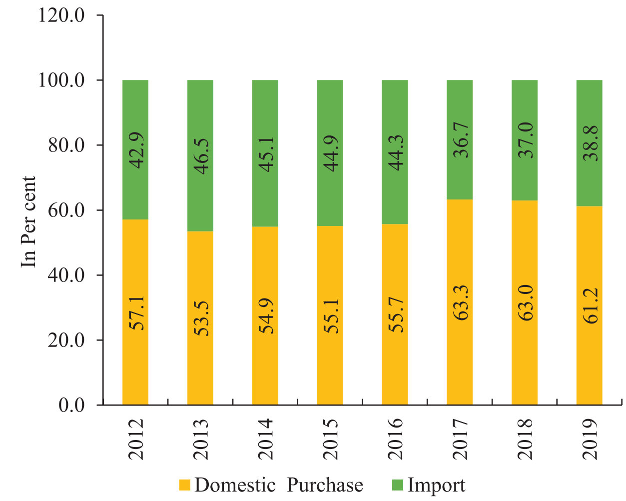
Sources: RBI Press Release (2020) and CSO data.

Chart 6: Export and Domestic Sales of FDI Subsidiary Companies



Source: RBI Data Release - Annual Census of India's Foreign Liabilities and Assets (2020).

Chart 7: Import and Domestic Purchase of FDI Subsidiary Companies



Source: RBI Data Release - Annual Census of India's Foreign Liabilities and Assets (2020).

CDIS is a worldwide statistical data collection effort to bridge information gaps in cross-border investment led by the IMF. It is designed to improve both the availability and quality of FDI data, both overall and by immediate counterpart economy. In CDIS, countries voluntarily report their calendar-year-end direct investment position by immediate counterparties broken down between equity and debt at market value. The changes in market valuation of outstanding foreign liabilities and assets are different from the corresponding Balance of Payments (BoP) flows during a year, as the former includes valuation changes too.

Table 6: Activity wise share of total FDI at Market Value and total Export : 2018-19

Sl. No.	Activity	Share of Total FDI at Market Value (Per cent)	Share of Total Export (Per cent)
1	Information and communication	16.7	45.5
2	Financial and insurance activities	14.0	1.4
3	Motor vehicles, trailers and semi-trailers	6.9	7.2
4	Other Services activities	5.2	10.7
5	Food products	4.7	0.8
6	Chemicals and chemical products	4.0	1.6
7	Machinery and equipment n.e.c.	3.6	3.4
8	Pharmaceuticals, medicinal and chemical products	3.5	3.0
9	Wholesale and retail trade; repair of motor vehicles and motorcycles	3.2	7.6
10	Others	38.2	18.8
Total		**100.0**	**100.0**

Source: RBI Data Release - Annual Census of India's Foreign Liabilities and Assets (2020)

Since all CDIS-participating countries report partner country-wise direct investment (inward or outward or both), an exercise is carried out to verify the stock position of inward direct investment from top nine source countries which together account for 78.9 per cent of FDI stock in India as per FLA census results March 2019. USA had the largest share (17.8 per cent) in total FDI stock in March 2019 (Table 7). It is worth mentioning that the stock of FDI, reported by investing and invested countries differ in many cases due to various reasons and cannot be attributed only to 3-months difference in reference date alone. The difference can also be on account of estimation methodology (census vs. surveys) on coverage of investor/invested firms, accounting and valuation issues, reporting errors, *etc.*

Table 7: Source Country-wise FDI at Market Value

Country	FDI in India (₹ Crore)	
	As per FLA Census results (March'19)	Reported by Partner Country in CDIS (December'18)
USA	5,84,978	3,20,933
United Kingdom	5,17,369	1,28,814
Mauritius	5,09,914	8,79,038
Japan	2,82,724	1,69,877
Netherlands	2,50,491	1,76,888
Germany	1,63,773	1,95,789
Switzerland	1,59,576	44,273
Republic of Korea	79,578	42,646
France	48,135	44,199
All the above countries	25,96,538	20,02,456
Singapore	4,13,174	Not Reported
Other countries	2,83,190	All Not Reported
All Countries	32,92,902	All Not Reported

Sources: RBI Data Release (2020) and IMF web-site *http://cdis.imf.org*

V. Empirical Analysis of Factors Influencing FDI flows

In this section, we present results of a panel exercise to determine the key factors influencing FDI inflows in the major partner countries which have substantial portion of FDI stock in India. The data set comprises observations for the period from 2009-10 to 2017-18 for these major economies *viz.*, USA, UK, Mauritius, Japan, Netherlands, Germany, Switzerland, Republic of Korea, France and India. The entire dataset has been sourced from the Global Development Finance, published by the World Bank, IMF, the Organisation for Economic Cooperation and Development (OECD) and World Bank database.

The FDI flows have been measured as FDI inflows to GDP ratio and regressed over a range of explanatory variables. Drawing from the literature review, some of the variables that have been considered to influence the FDI flows are: market size (PPP), trade openness (OPEN), exchange rate (ER), labour participation rate (LABOR), tax revenue to GDP (TAX_GDP), macroeconomic sustainability (GFD_GDP) and capital account openness index (KA_OPEN) of the selected countries. Market size is defined as GDP in purchasing power parity (PPP) terms *i.e.* GDP per capita based on purchasing power parity (PPP). Trade openness has been defined as sum of current receipts and payments to GDP ratio. Low labour costs and tax rates in a country have a positive impact on FDI (Bayraktar, 2013). The variable considered here is the rate of labour force participation which is described as the proportion of the population of ages 15-64 that is economically active in supplying labour for the production of goods and services during a specified period. FDI would also depend to a significant extent on the exchange rate movements and GDP growth rate of the host economy (Cevis and Camuran, 2007). Accordingly, GDP growth (GDP_GROWTH) has also been considered as independent variable. Results show that the influence of financial openness (refers to the process of easing capital control) on FDI is far more direct than that of development of the financial market. The improvement of financial openness may significantly increase FDI in the host country. The Chinn-Ito index, a measure of the country's degree of capital account openness, introduced in Chinn and Ito (2006) has been considered as an independent variable. The index (KA_OPEN) is constructed based on a number of binary dummy variables that quantify the tabulation of restrictions on cross-border financial transactions reported in the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions (AREAER). Higher values of this index imply that the more open the country is to cross-border capital transactions. The value of KA_OPEN index '1' represent that the country is fully open on cross-border financial transactions and expect higher FDI inflows. The fiscal sustainability, captured through Gross Fiscal Deficit (GFD) of central government finances to GDP ratio has also been taken as one of the explanatory variable. The study considered panel fixed effects[1] regression model and the equation is as follows:

[1] Fixed-effects (FE) model is used to analyse the impact of independent variables. FE explores the relationship between predictor and outcome variables within a country. It is assumed that FE removes the effect of those time-invariant characteristics, so we can assess the net effect of the predictors on the outcome variable.

$$Y_{it} = \beta_1 X_{it} + \alpha_i + u_{it}$$

Where i =1, 2,……n and t = 1, 2,……T

α_i's are individual unknown intercepts

Y_{it} is the Dependent Variable (DV) where i = country and t = time.

X_{it} represents the vector of independent variables,

β_1 is the coefficient,

u_{it} is the error term.

The Hausman test suggests that Panel fixed effect model would be appropriate and Panel fixed effect regression equation was estimated for 10 countries (n=10) and 9 years (T=9) for the period 2010 to 2018.

As per expectations, the coefficients of the pull factors (variables) *viz.*, trade openness, growth rate, labor participation rate and the index of capital account openness (KA_OPEN) were found to be positive and statistically significant. Similarly, market size captured through per capita GDP of host countries in PPP terms was also found to be positively impacting FDI flows. However, the exchange rate, GFD to GDP ratio (which capture fiscal sustainability) and tax to GDP ratio were found to be statistically insignificant though their signs were as per prior expectations. The panel result shows that higher degree of openness, growth of the economy, larger market size, substantial labor participation are among the key factors which attract FDI inflows to the host country. Further, higher degree of capital account openness of the country may also play a significant role in attracting more FDI flows (Table 8).

Table 8: Results of Panel Fixed Effect Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C*	154.505	42.762	3.613	0.0007
PPP**	0.002	0.001	2.182	0.0336
OPEN*	0.935	0.246	3.798	0.0004
GDP_GROWTH**	2.950	1.380	2.137	0.0373
LABOR*	2.816	0.956	2.946	0.0030
KA_OPEN*	3.613	1.084	3.334	0.0022
ER	-0.058	0.051	-1.145	0.2575
GFD_GDP	-0.728	1.046	-0.696	0.4893
TAX_GDP	-0.247	0.767	-0.321	0.7491
***R^2 =** 0.87 **Adj R^2 =** 0.82*			***D.W stat. =** 1.7*	

* Significant at 1% level ** Significant at 5% level.

VI. Conclusion

Over the period, a number of information bases on FDI Statistics for India have become available. Global concepts help in understanding the statistical methodologies that countries employ in compiling the statistics and the resultant statistics can be used for cross-country comparison. Of course, countries with liberal investment scheme experience major challenges in estimation of foreign investment. India's FLA census, which is a part of global CDIS initiative has been a major step forward in this regard as it gives consistent annual data on face value as well as at market value of FDI in India based on complete enumeration.

Differences in direct investment estimates as per the FLA census and as reported by the partner country in CDIS for major FDI source countries result from difference in reference date, coverage of investor/invested firms, estimation methodology (census/surveys), accounting and valuation issues, reporting errors, *etc.* Global statistical organisations like IMF, World Bank, OECD, UNCTAD, European Commission, *etc.* are involved in standardisation of concepts and methods to address such statistical discrepancies in cross-border statistics.

An analysis of the recent trends in FDI flows at the global level and across regions/countries suggests that India has generally attracted higher FDI flows and continued to remain among the top attractive destinations for international investors in line with its robust domestic economic performance and gradual liberalisation of the FDI policy as part of the cautious capital account liberalisation process.

The analysis on FLA census results summarised the interesting facets of sector-wise distribution of investment and related performance (FAT statistics) for foreign subsidiary companies. Foreign trade had a substantial share in the business where import intensity in purchase remained higher than export in sales for foreign subsidiary companies.

An empirical analysis of factors influencing inward FDI, considering major countries in terms of its FDI stock position in India reflects that inward FDI is significantly influenced by the trade openness, economic growth prospects, market size, labour cost and capital account openness of the host countries.

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CURRENT STATISTICS

Contents

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

No. 1: Select Economic Indicators

Item	2020-21	2020-21		2021-22	
		Q1	Q2	Q1	Q2
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	-6.2	-22.4	-7.3	18.8	8.5
1.1.1 Agriculture	3.6	3.5	3.0	4.5	4.5
1.1.2 Industry	-6.4	-31.0	-1.6	40.4	6.7
1.1.3 Services	-8.4	-24.9	-11.0	16.1	9.9
1.1a Final Consumption Expenditure	-7.3	-19.9	-13.4	13.8	8.6
1.1b Gross Fixed Capital Formation	-10.8	-46.6	-8.6	55.3	11.0
	2020-21	**2020**		**2021**	
		Oct.	**Nov.**	**Oct.**	**Nov.**
	1	2	3	4	5
1.2 Index of Industrial Production	-8.4	4.5	-1.6	4.0	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	11.4	11.1	10.7	10.0	8.9
2.1.2 Credit	5.6	5.6	5.9	6.9	6.9
2.1.2.1 Non-food Credit	5.5	5.6	5.9	7.0	7.1
2.1.3 Investment in Govt. Securities	19.3	21.5	19.3	4.4	3.6
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	18.8	12.8	15.3	14.1	12.8
2.2.2 Broad Money (M3)	12.2	11.6	12.5	9.7	9.5
3 Ratios (%)					
3.1 Cash Reserve Ratio	3.50	3.00	3.00	4.00	4.00
3.2 Statutory Liquidity Ratio	18.00	18.00	18.00	18.00	18.00
3.3 Cash-Deposit Ratio	4.2	3.8	3.8	4.9	4.8
3.4 Credit-Deposit Ratio	72.4	72.0	72.2	70.0	71.0
3.5 Incremental Credit-Deposit Ratio	37.4	2.0	11.0	20.8	37.3
3.6 Investment-Deposit Ratio	29.5	31.0	30.5	29.4	29.0
3.7 Incremental Investment-Deposit Ratio	46.8	85.4	73.6	27.0	17.7
4 Interest Rates (%)					
4.1 Policy Repo Rate	4.00	4.00	4.00	4.00	4.00
4.2 Reverse Repo Rate	3.35	3.35	3.35	3.35	3.35
4.3 Marginal Standing Facility (MSF) Rate	4.25	4.25	4.25	4.25	4.25
4.4 Bank Rate	4.25	4.25	4.25	4.25	4.25
4.5 Base Rate	7.40/8.80	7.40/8.80	7.40/8.80	7.30/8.80	7.30/8.80
4.6 MCLR (Overnight)	6.55/7.05	6.65/7.10	6.60/7.10	6.50/7.00	6.50/7.00
4.7 Term Deposit Rate >1 Year	4.90/5.50	4.90/5.50	4.90/5.50	4.90/5.50	4.90/5.50
4.8 Savings Deposit Rate	2.70/3.00	2.70/3.00	2.70/3.00	2.70/3.00	2.70/3.00
4.9 Call Money Rate (Weighted Average)	3.25	3.19	3.10	3.28	3.35
4.10 91-Day Treasury Bill (Primary) Yield	3.32	3.20	2.93	3.56	3.53
4.11 182-Day Treasury Bill (Primary) Yield	3.47	3.36	3.26	3.83	3.83
4.12 364-Day Treasury Bill (Primary) Yield	3.83	3.45	3.39	4.04	4.13
4.13 10-Year G-Sec Par Yield (FBIL)	6.34	5.91	5.84	6.43	6.33
5 Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (Rs. Per Foreign Currency)	72.40	73.97	73.80	74.79	74.71
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	85.31	86.97	88.02	87.26	83.85
5.3 Forward Premia of US$ 1-month (%)	6.80	3.24	3.36	4.17	3.69
3-month (%)	5.64	3.46	3.52	4.39	3.80
6-month (%)	5.47	3.89	4.23	4.75	4.71
6 Inflation (%)					
6.1 All India Consumer Price Index	6.18	7.6	6.9	4.5	4.9
6.2 Consumer Price Index for Industrial Workers	5.03	5.9	5.3	4.5	4.8
6.3 Wholesale Price Index	1.29	1.3	2.3	12.5	14.2
6.3.1 Primary Articles	1.71	4.3	3.8	5.2	10.3
6.3.2 Fuel and Power	-7.99	-11.1	-7.0	37.2	39.8
6.3.3 Manufactured Products	2.75	2.2	3.2	12.0	11.9
7 Foreign Trade (% Change)					
7.1 Imports	-16.91	-10.3	-12.2	56.9	56.6
7.2 Exports	-6.88	-4.9	-8.3	43.0	27.2

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

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2020-21	2020	2021				
		Dec.	Dec. 3	Dec. 10	Dec. 17	Dec. 24	Dec. 31
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	2831727	2751458	2956654	2973108	2970938	2968500	2959237
1.1.2 Notes held in Banking Department	11	12	17	13	15	14	13
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**2831738**	**2751470**	**2956672**	**2973121**	**2970954**	**2968513**	**2959250**
1.2 Assets							
1.2.1 Gold	106555	116647	112142	113765	115546	114565	113486
1.2.2 Foreign Securities	2724437	2633880	2843876	2858724	2854792	2853359	2845196
1.2.3 Rupee Coin	746	942	654	632	616	589	567
1.2.4 Government of India Rupee Securities	–	–	–	–	–	–	–
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	1504697	1460970	2035493	2036766	2032848	2023248	1991453
2.1.1.1 Central Government	100	100	100	100	100	101	100
2.1.1.2 Market Stabilisation Scheme							
2.1.1.3 State Governments	42	42	42	42	42	42	42
2.1.1.4 Scheduled Commercial Banks	542693	457719	684594	645866	693730	649877	716432
2.1.1.5 Scheduled State Co-operative Banks	6529	5507	7541	7072	7819	6968	7631
2.1.1.6 Non-Scheduled State Co-operative Banks	3204	2586	3705	3751	3570	3530	3416
2.1.1.7 Other Banks	31820	27481	36666	37160	36186	36877	37349
2.1.1.8 Others	895440	962753	1236011	1259766	1202262	1238933	1180276
2.1.1.9 Financial Institution Outside India	24868	4782	66833	83009	89139	86922	46206
2.1.2 Other Liabilities	1343670	1476078	1352182	1389760	1423006	1356333	1313545
2.1/2.2 Total Liabilities or Assets	**2848367**	**2937049**	**3387675**	**3426526**	**3455855**	**3379581**	**3304998**
2.2 Assets							
2.2.1 Notes and Coins	11	12	18	13	15	14	13
2.2.2 Balances held Abroad	1204135	1348295	1489239	1507032	1524661	1459742	1412900
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	–	–	–	–	–
2.2.3.2 State Governments	1674	3946	7758	10531	13574	5188	6677
2.2.3.3 Scheduled Commercial Banks	90275	77318	93941	93941	94213	98265	102489
2.2.3.4 Scheduled State Co-op.Banks	–	–	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	26422	26133	20297	20297	20297	24696	24770
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	6678	9241	77	77	77	77	77
2.2.3.9 Financial Institution Outside India	24858	15826	50993	67039	76260	74040	46227
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	1331671	1296115	1539742	1538852	1534678	1525792	1521572
2.2.6 Other Assets	162643	160163	185611	188745	192080	191768	190274
2.2.6.1 Gold	146572	153378	176453	179370	182546	180997	179293

* Data are provisional

No. 3: Liquidity Operations by RBI

(₹ Crore)

Date	Liquidity Adjustment Facility				MSF	Standing Liquidity Facilities	Market Stabilisation Scheme	OMO (Outright)		Long Term Repo Operations &	Targeted Long Term Repo Operations #	Special Long-Term Repo Operations for Small Finance Banks	Special Reverse Repo £	Net Injection (+)/ Absorption (-) (1+3+5+6+9+10+ 11+12-2-4-7-8-13)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo				Sale	Purchase					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Nov. 1, 2021	-	278854	-	-	300	–	-	-	-	-	-	-	-	-278554
Nov. 2, 2021	-	250222	-	200022	264	–	-	-	-	-	-	-	-	-449980
Nov. 3, 2021	-	160485	-	434492	244	–	-	-	-	-	-	-	1449	-596182
Nov. 4, 2021	-	12215	-	-	2110	–	-	-	-	-	-	-	-	-10105
Nov. 5, 2021	-	35361	-	-	1475	–	-	-	-	-	-	-	-	-33886
Nov. 6, 2021	-	8321	-	-	11442	–	-	-	-	-	-	-	-	3121
Nov. 7, 2021	-	1328	-	-	185	–	-	-	-	-	-	-	-	-1143
Nov. 8, 2021	-	256290	-	-	335	–	-	-	-	-	-	-	-	-255955
Nov. 9, 2021	-	218794	-	200015	4100	–	-	-	-	-	-	-	-	-414709
Nov. 10, 2021	-	251799	-	-	95	–	-	205	-	-	-	-	-	-251909
Nov. 11, 2021	-	246428	-	-	12	–	-	50	-	-	-	-	-	-246466
Nov. 12, 2021	-	243661	-	-	125	–	-	-	-	-	-	-	-	-243536
Nov. 13, 2021	-	3750	-	-	62	–	-	-	-	-	-	-	-	-3688
Nov. 14, 2021	-	4582	-	-	10	–	-	-	-	-	-	-	-	-4572
Nov. 15, 2021	-	250255	–	-	0	–	-	10	-	-	250	105	-	-249910
Nov. 16, 2021	-	251559	-	200010	100	–	-	255	-	-	-	-	-	-451724
Nov. 17, 2021	-	237185	-	-	9	–	-	290	-	-	-	-	-	-237466
Nov. 18, 2021	-	97803	-	445742	1215	2500	-	625	-	-	-	-	-	-540455
Nov. 19, 2021	-	46619	-	-	7201	–	-	-	-	-	-	-	-	-39418
Nov. 20, 2021	-	15620	-	-	68	–	-	-	-	-	-	-	-	-15552
Nov. 21, 2021	-	1898	-	-	25	–	-	-	-	-	-	-	-	-1873
Nov. 22, 2021	-	113246	-	-	40	-4194	-	445	-	-	-	100	-	-117745
Nov. 23, 2021	-	156814	-	148073	0	–	-	-	-	-	-	-	-	-304887
Nov. 24, 2021	-	177454	-	-	0	–	-	720	-	-	-	-	-	-178174
Nov. 25, 2021	-	191837	-	-	0	–	-	135	-	-	-	-	-	-191972
Nov. 26, 2021	-	196144	-	-	65	–	-	530	-	-	-	-	-	-196609
Nov. 27, 2021	-	3450	-	-	159	–	-	-	-	-	-	-	-	-3291
Nov. 28, 2021	-	2458	-	-	14	–	-	-	-	-	-	-	-	-2444
Nov. 29, 2021	-	182093	–	-	73	–	-	685	-	-	-	305	-	-182400
Nov. 30, 2021	-	186256	-	250016	646	–	-	295	-	-	-	-	-	-435921

Notes: #Includes Targeted Long Term Repo Operations (TLTRO), Targeted Long Term Repo Operations 2.0 (TLTRO 2.0) and On Tap Targeted Long Term Repo Operations. Negative (-) sign indicates repayments done by Banks.

& Negative (-) sign indicates repayments done by Banks.

£ As per Press Release No. 2021-2022/177 dated May 07, 2021. From June 18, 2021, the data also includes the amount absorbed as per the Press Release No. 2021-2022/323 dated June 04, 2021.

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

i) Operations in onshore / offshore OTC segment

Item	2020-21	2020	2021	
		Nov.	Oct.	Nov.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	68315	10261	-100	0
1.1 Purchase (+)	162479	14289	7755	8489
1.2 Sale (–)	94164	4028	7855	8489
2 ₹ equivalent at contract rate (₹ Crores)	510516	76326	156	1669
3 Cumulative (over end-March) (US $ Million)	68315	68388	40330	40330
(₹ Crores)	510516	509189	305136	306805
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	72751	28344	49106	49106

ii) Operations in currency futures segment

Item	2020-21	2020	2021	
		Nov.	Oct.	Nov.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	0	0	0	0
1.1 Purchase (+)	12118	0	0	0
1.2 Sale (–)	12118	0	0	0
2 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million)	690	780	0	0

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

Item	As on November 30, 2021		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	7475	6560	915
2. More than 1 month and upto 3 months	12494	2150	10344
3. More than 3 months and upto 1 year	47867	10020	37847
4. More than 1 year	0	0	0
Total (1+2+3+4)	**67836**	**18730**	**49106**

No. 5: RBI's Standing Facilities

(₹ Crore)

Item		As on the Last Reporting Friday						
	2020-21	2020	2021					
		Dec. 18	Jul. 30	Aug. 27	Sep. 24	Oct. 22	Nov. 19	Dec. 31
	1	2	3	4	5	6	7	8
1 MSF	182	1	254	2	152	461	7201	-
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	–	-	-	-	-	-	-	-
2.2 Outstanding	–	-	-	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	4900	4900	4900	4900	4900	4900	4900	4900
3.2 Outstanding	–	0	0	0	0	0	0	0
4 Others								
4.1 Limit	75000	75000	76000	76000	76000	76000	76000	76000
4.2 Outstanding	32387	34760	23296	23296	25396	21696	24196	24401
5 Total Outstanding (1+2.2+3.2+4.2)	32569	34761	23550	23298	25548	22157	31397	24401

Note :1.Special refinance facility to Others, i.e. to the EXIM Bank, is reopened since May 22, 2020
2.Refinance facility to Others, i.e. to the NABARD/SIDBI/NHB U/S 17(4H) of RBI ACT,1934, since, April 17, 2020.

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Nov. 20	Oct. 22	Nov. 5	Nov. 19
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	2751828	2673534	2825630	2879258	2878178
1.1 Notes in Circulation	2826851	2743952	2917700	2961581	2961030
1.2 Circulation of Rupee Coin	26170	25798	26550	26698	26698
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	101935	96958	119363	109765	110293
2 Deposit Money of the Public	2042471	1674841	2009808	2157661	2004853
2.1 Demand Deposits with Banks	1995120	1632938	1962643	2109778	1956992
2.2 ‘Other’ Deposits with Reserve Bank	47351	41904	47165	47882	47861
3 M_1 (1 + 2)	**4794299**	**4348375**	**4835438**	**5036918**	**4883031**
4 Post Office Saving Bank Deposits	170025	162724	170025	170025	170025
5 M_2 (3 + 4)	**4964324**	**4511099**	**5005463**	**5206943**	**5053056**
6 Time Deposits with Banks	14050278	13589564	14688688	14877780	14763615
7 M_3 (3 + 6)	**18844578**	**17937939**	**19524126**	**19914699**	**19646646**
8 Total Post Office Deposits	509544	481423	509544	509544	509544
9 M_4 (7 + 8)	**19354122**	**18419362**	**20033670**	**20424243**	**20156190**

No. 7: Sources of Money Stock (M_3)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Nov. 20	Oct. 22	Nov. 5	Nov. 19
	1	2	3	4	5
1 Net Bank Credit to Government	**5850374**	**5691514**	**5977920**	**6170903**	**6075969**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	1099686	1023947	1043103	1186805	1193964
1.1.1 Claims on Government	1337300	1293290	1561612	1551579	1555163
1.1.1.1 Central Government	1333917	1282559	1556811	1543944	1546532
1.1.1.2 State Governments	3383	10731	4802	7635	8631
1.1.2 Government deposits with RBI	237615	269343	518509	364774	361199
1.1.2.1 Central Government	237572	269301	518467	364731	361156
1.1.2.2 State Governments	42	42	42	42	42
1.2 Other Banks' Credit to Government	4750689	4667567	4934817	4984097	4882005
2 Bank Credit to Commercial Sector	**11668466**	**11092385**	**11750103**	**11874147**	**11870213**
2.1 RBI's credit to commercial sector	8709	12173	1980	2140	4634
2.2 Other banks' credit to commercial sector	11659757	11080212	11748123	11872007	11865579
2.2.1 Bank credit by commercial banks	10949509	10434880	11044619	11161089	11162194
2.2.2 Bank credit by co-operative banks	694758	635516	685756	693114	684896
2.2.3 Investments by commercial and co-operative banks in other securities	15490	9815	17747	17803	18489
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**4578846**	**4546855**	**4973808**	**4944726**	**4929385**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	4199400	4249125	4630458	4601376	4586034
3.1.1 Gross foreign assets	4199637	4249368	4630698	4601617	4586275
3.1.2 Foreign liabilities	237	243	241	241	241
3.2 Other banks' net foreign exchange assets	379446	297731	343350	343350	343350
4 Government's Currency Liabilities to the Public	**26913**	**26541**	**27293**	**27441**	**27441**
5 Banking Sector's Net Non-monetary Liabilities	**3280021**	**3419355**	**3204998**	**3102519**	**3256362**
5.1 Net non-monetary liabilities of RBI	1356660	1464944	1373122	1337602	1327908
5.2 Net non-monetary liabilities of other banks (residual)	1923362	1954411	1831876	1764917	1928454
M_3 (1+2+3+4–5)	**18844578**	**17937939**	**19524126**	**19914699**	**19646646**

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Nov. 20	Oct. 22	Nov. 5	Nov. 19
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	4794299	4348376	4835438	5036918	4883031
NM_2 (NM_1+ 1.2.2.1)	11048277	10389165	11379886	11663328	11461488
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	18936051	18036372	19635690	20019852	19762150
1 Components					
1.1 Currency with the Public	2751828	2673534	2825630	2879258	2878178
1.2 Aggregate Deposits of Residents	15892848	15056913	16505862	16835135	16575786
1.2.1 Demand Deposits	1995121	1632938	1962643	2109778	1956992
1.2.2 Time Deposits of Residents	13897727	13423976	14543219	14725356	14618794
1.2.2.1 Short-term Time Deposits	6253977	6040789	6544448	6626410	6578457
1.2.2.1.1 Certificates of Deposit (CDs)	78702	66156	57773	55772	56026
1.2.2.2 Long-term Time Deposits	7643750	7383187	7998770	8098946	8040337
1.3 'Other' Deposits with RBI	47351	41904	47165	47882	47861
1.4 Call/Term Funding from Financial Institutions	244025	264021	257033	257577	260325
2 Sources					
2.1 Domestic Credit	18518950	17737777	18725981	19050344	18950959
2.1.1 Net Bank Credit to the Government	5850374	5691513	5977920	6170903	6075969
2.1.1.1 Net RBI credit to the Government	1099686	1023947	1043103	1186805	1193964
2.1.1.2 Credit to the Government by the Banking System	4750689	4667566	4934817	4984097	4882005
2.1.2 Bank Credit to the Commercial Sector	12668575	12046264	12748060	12879441	12874990
2.1.2.1 RBI Credit to the Commercial Sector	34134	35419	23882	24116	26610
2.1.2.2 Credit to the Commercial Sector by the Banking System	12634441	12010845	12724178	12855325	12848380
2.1.2.2.1 Other Investments (Non-SLR Securities)	951313	919780	968828	974011	973791
2.2 Government's Currency Liabilities to the Public	26913	26541	27293	27441	27441
2.3 Net Foreign Exchange Assets of the Banking Sector	4438202	4366249	4858484	4947109	4825536
2.3.1 Net Foreign Exchange Assets of the RBI	4199400	4249125	4630458	4601376	4586034
2.3.2 Net Foreign Currency Assets of the Banking System	238802	117124	228026	345733	239502
2.4 Capital Account	2775245	2900745	3047506	3014428	2994318
2.5 Other items (net)	1272767	1193449	928561	990614	1047468

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2020-21	2020	2021		
		Nov.	Sep.	Oct.	Nov.
	1	2	3	4	5
1 NM_3	**18936051**	**18036372**	**19499587**	**19635690**	**19762150**
2 Postal Deposits	509544	481423	509544	509544	509544
3 L_1 (1 + 2)	**19445595**	**18517795**	**20009131**	**20145234**	**20271694**
4 Liabilities of Financial Institutions	33179	34778	27371	26662	26861
4.1 Term Money Borrowings	2645	2645	4244	3627	3631
4.2 Certificates of Deposit	25550	28600	18175	18175	18175
4.3 Term Deposits	4984	3533	4952	4860	5054
5 L_2 (3 + 4)	**19478774**	**18552573**	**20036502**	**20171895**	**20298555**
6 Public Deposits with Non-Banking Financial Companies	31905	..	31905	..	..
7 L_3 (5 + 6)	**19510679**	..	**20068407**	..	..

Note : 1. Figures in the columns might not add up to the total due to rounding off of numbers.

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2020-21	2020	2021		
		Nov. 20	Oct. 22	Nov. 5	Nov. 19
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	2853763	2770493	2944993	2989022	2988471
1.2 Bankers' Deposits with the RBI	698867	504678	685574	718194	731562
1.2.1 Scheduled Commercial Banks	651748	471488	638589	670135	683604
1.3 'Other' Deposits with the RBI	47351	41904	47165	47882	47861
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	3599981	3317074	3677732	3755098	3767894
2 Sources					
2.1 RBI's Domestic Credit	730328	506353	393104	463883	482327
2.1.1 Net RBI credit to the Government	1099686	1023947	1043103	1186805	1193964
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)	1096345	1013258	1038344	1179213	1185376
2.1.1.1.1 Loans and Advances to the Central Government	–	–	–	–	–
2.1.1.1.2 Investments in Treasury Bills	–	–	–	–	–
2.1.1.1.3 Investments in dated Government Securities	1333174	1281765	1556230	1543423	1545839
2.1.1.1.3.1 Central Government Securities	1333174	1281765	1556230	1543423	1545839
2.1.1.1.4 Rupee Coins	743	794	581	521	693
2.1.1.1.5 Deposits of the Central Government	237572	269301	518467	364731	361156
2.1.1.2 Net RBI credit to State Governments	3340	10689	4759	7592	8588
2.1.2 RBI's Claims on Banks	-403492	-553013	-673881	-747038	-738247
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-378066	-529767	-651979	-725063	-716272
2.1.3 RBI's Credit to Commercial Sector	34134	35419	23882	24116	26610
2.1.3.1 Loans and Advances to Primary Dealers	–	–	–	–	–
2.1.3.2 Loans and Advances to NABARD	25426	23246	21902	21976	21976
2.2 Government's Currency Liabilities to the Public	26913	26541	27293	27441	27441
2.3 Net Foreign Exchange Assets of the RBI	4199400	4249125	4630458	4601376	4586034
2.3.1 Gold	247723	267074	287854	288746	300065
2.3.2 Foreign Currency Assets	3951694	3982068	4342621	4312647	4285987
2.4 Capital Account	1173033	1288399	1290235	1255885	1235252
2.5 Other Items (net)	183626	176545	82887	81717	92656

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item	2020-21	Outstanding as on March 31/ last Fridays of the month/ Fridays					
		2020	2021				
		Nov. 27	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26
	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)	3599981	3313212	3703451	3755098	3721940	3767894	3736107
1 Components							
1.1 Currency in Circulation	2853763	2770773	2945130	2989022	2993087	2988471	2983295
1.2 Bankers' Deposits with RBI	698867	497195	710775	718194	680965	731562	704368
1.3 'Other' Deposits with RBI	47351	45244	47546	47882	47888	47861	48443
2 Sources							
2.1 Net Reserve Bank Credit to Government	1099686	1036501	1108510	1186805	1243979	1193964	1177312
2.2 Reserve Bank Credit to Banks	-378066	-545484	-696020	-725063	-814367	-716272	-726053
2.3 Reserve Bank Credit to Commercial Sector	8709	11175	2137	2140	2140	4634	2135
2.4 Net Foreign Exchange Assets of RBI	4199400	4246261	4635086	4601376	4591672	4586034	4597067
2.5 Government's Currency Liabilities to the Public	26913	26618	27441	27441	27441	27441	27539
2.6 Net Non- Monetary Liabilities of RBI	1356660	1461859	1373703	1337602	1328925	1327908	1341893

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2020-21	2020	2021		
		Nov. 20	Oct. 22	Nov. 5	Nov. 19
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	14960961	14204847	15567552	15894328	15634295
1.1.1 Demand Deposits	1861193	1511516	1827341	1973121	1820862
1.1.2 Time Deposits of Residents	13099768	12693331	13740211	13921208	13813433
1.1.2.1 Short-term Time Deposits	5894896	5711999	6183095	6264544	6216045
1.1.2.1.1 Certificates of Deposits (CDs)	78702	66156	57773	55772	56026
1.1.2.2 Long-term Time Deposits	7204873	6981332	7557116	7656664	7597388
1.2 Call/Term Funding from Financial Institutions	244025	264021	257033	257577	260325
2 Sources					
2.1 Domestic Credit	16378019	15782138	16650633	16822224	16720791
2.1.1 Credit to the Government	4461632	4423853	4637469	4685224	4582873
2.1.2 Credit to the Commercial Sector	11916387	11358285	12013164	12137000	12137918
2.1.2.1 Bank Credit	10949509	10434880	11044619	11161089	11162194
2.1.2.1.1 Non-food Credit	10888255	10345924	10980922	11084223	11079778
2.1.2.2 Net Credit to Primary Dealers	23633	11115	7491	9571	9273
2.1.2.3 Investments in Other Approved Securities	894	1472	1189	1291	1622
2.1.2.4 Other Investments (in non-SLR Securities)	942351	910818	959866	965048	964828
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	238802	117124	228026	345733	239502
2.2.1 Foreign Currency Assets	454866	348921	442218	566399	456666
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	152552	165588	145469	152424	144821
2.2.3 Overseas Foreign Currency Borrowings	63512	66208	68722	68242	72344
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	1010202	1087871	1397969	1493297	1498308
2.3.1 Balances with the RBI	542693	471488	638589	670135	683604
2.3.2 Cash in Hand	90748	86616	107401	98099	98432
2.3.3 Loans and Advances from the RBI	-376761	-529767	-651979	-725063	-716272
2.4 Capital Account	1578041	1588175	1733101	1734372	1734895
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	843995	930091	718942	774976	829084
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	593095	570368	501782	567279	536420
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	80681	62737	25116	40089	32065

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 26, 2021	2020	2021		
		Nov. 20	Oct. 22	Nov. 5	Nov. 19
	1	2	3	4	5
1 SLR Securities	4462526	4425325	4638658	4686515	4584495
2 Commercial Paper	82584	86031	74600	72255	67080
3 Shares issued by					
3.1 PSUs	9840	11380	10137	9865	9713
3.2 Private Corporate Sector	64035	71284	69330	69559	70043
3.3 Others	5210	5416	5098	4981	5111
4 Bonds/Debentures issued by					
4.1 PSUs	121008	122662	117204	116099	116952
4.2 Private Corporate Sector	308904	304812	327885	332683	332542
4.3 Others	149325	144171	147953	147290	148087
5 Instruments issued by					
5.1 Mutual funds	31142	35089	51553	53136	52548
5.2 Financial institutions	167130	130912	156107	159180	162752

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

(₹ Crore)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2020-21	2020	2021		2020-21	2020	2021	
		Nov.	Oct.	Nov.		Nov.	Oct.	Nov.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	209	209	211	211	133	133	135	135
1 Liabilities to the Banking System	**259530**	**263597**	**234060**	**240488**	**254589**	**258506**	**229549**	**235957**
1.1 Demand and Time Deposits from Banks	200585	208057	171935	180927	195866	203177	167740	176748
1.2 Borrowings from Banks	40886	38428	40905	37571	40880	38428	40905	37564
1.3 Other Demand and Time Liabilities	18059	17112	21220	21989	17843	16901	20903	21645
2 Liabilities to Others	**16457782**	**15790007**	**17168903**	**17097841**	**16014145**	**15360598**	**16728521**	**16654491**
2.1 Aggregate Deposits	15540152	14910668	16291396	16213300	15113512	14497351	15866061	15784717
2.1.1 Demand	1899343	1607263	1946193	1881595	1861193	1571913	1905673	1840383
2.1.2 Time	13640809	13303405	14345203	14331705	13252320	12925438	13960388	13944334
2.2 Borrowings	248271	273826	263983	267747	244025	269599	259657	263467
2.3 Other Demand and Time Liabilities	669359	605513	613523	616794	656607	593647	602803	606307
3 Borrowings from Reserve Bank	**90275**	**77097**	**93597**	**93677**	**90275**	**77097**	**93597**	**93677**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	90275	77097	93597	93677	90275	77097	93597	93677
4 Cash in Hand and Balances with Reserve Bank	650745	570650	789961	777304	633440	555320	769600	757991
4.1 Cash in Hand	92793	95569	109142	103869	90748	93420	106286	101328
4.2 Balances with Reserve Bank	557951	475081	680819	673435	542693	461900	663314	656663
5 Assets with the Banking System	**265729**	**265221**	**268619**	**269025**	**197541**	**205772**	**213942**	**213515**
5.1 Balances with Other Banks	179430	181343	186549	185510	143294	147544	150786	151303
5.1.1 In Current Account	16796	14432	19236	15272	14226	12122	16569	12961
5.1.2 In Other Accounts	162634	166911	167312	170239	129068	135422	134217	138342
5.2 Money at Call and Short Notice	36716	28331	27608	27606	10654	7305	11960	9590
5.3 Advances to Banks	19908	21766	24329	24033	16764	21321	23949	23599
5.4 Other Assets	29675	33782	30133	31876	26829	29602	27247	29024
6 Investment	**4598924**	**4556799**	**4809010**	**4728213**	**4462526**	**4424629**	**4666403**	**4582167**
6.1 Government Securities	4591896	4548980	4801635	4720339	4461632	4423189	4664994	4580669
6.2 Other Approved Securities	7029	7819	7374	7873	894	1441	1409	1499
7 Bank Credit	**11297014**	**10807692**	**11449603**	**11548622**	**10949509**	**10473053**	**11105758**	**11199938**
7a Food Credit	91653	123082	103289	121828	61254	92680	67471	86011
7.1 Loans, Cash-credits and Overdrafts	11081668	10636795	11230982	11337537	10736491	10304077	10889136	10990885
7.2 Inland Bills-Purchased	30896	23595	33176	31807	30531	23324	33161	31793
7.3 Inland Bills-Discounted	128831	99543	131656	127812	127883	98638	130353	126685
7.4 Foreign Bills-Purchased	20762	17346	19901	18228	20394	17093	19711	17978
7.5 Foreign Bills-Discounted	34857	30414	33887	33239	34210	29922	33397	32597

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

(₹ Crore)

Sector	Outstanding as on				Growth (%)	
	Mar.26, 2021	2020	2021		Financial year so far	Y-o-Y
		Nov.20	Oct.22	Nov.19	2021-22	2021
	1	2	3	4	%	%
I. Gross Bank Credit (II+III)	**10951561**	**10434880**	**11046293**	**11162247**	**1.9**	**7.0**
II. Food Credit	**61254**	**88956**	**63697**	**82415**	**34.5**	**-7.4**
III. Non-food Credit	**10890307**	**10345924**	**10982596**	**11079831**	**1.7**	**7.1**
1. Agriculture & Allied Activities	**1271047**	**1217348**	**1344042**	**1344129**	**5.7**	**10.4**
2. Industry (Micro and Small, Medium and Large)	**2895786**	**2760236**	**2854571**	**2865403**	**-1.0**	**3.8**
2.1 Micro and Small [1]	383854	364491	404316	410646	7.0	12.7
2.2 Medium	136054	123534	179905	183668	35.0	48.7
2.3 Large	2375878	2272211	2270350	2271089	-4.4	0.0
3. Services	**2647362**	**2536455**	**2603938**	**2626577**	**-0.8**	**3.6**
3.1 Transport Operators	133953	128097	131133	132364	-1.2	3.3
3.2 Computer Software	19183	17544	19455	18720	-2.4	6.7
3.3 Tourism, Hotels & Restaurants	48019	48905	48687	50282	4.7	2.8
3.4 Shipping	7188	5310	7203	7469	3.9	40.7
3.5 Aviation	25643	25246	27095	26771	4.4	6.0
3.6 Professional Services	105253	106404	100843	101363	-3.7	-4.7
3.7 Trade	590377	541651	595470	588738	-0.3	8.7
3.7.1 Wholesale Trade	309611	261567	307176	303758	-1.9	16.1
3.7.2 Retail Trade	280766	280084	288293	284979	1.5	1.7
3.8 Commercial Real Estate	264246	259296	253582	260262	-1.5	0.4
3.9 Non-Banking Financial Companies (NBFCs)[2] *of which,*	937949	874942	883614	920630	-1.8	5.2
3.9.1 Housing Finance Companies (HFCs)	215189	181829	211107	220855	2.6	21.5
3.9.2 Public Financial Institutions (PFIs)	78442	56097	84036	90751	15.7	61.8
3.10 Other Services [3]	515550	529059	536856	519979	0.9	-1.7
4. Personal Loans	**2845527**	**2675697**	**2955599**	**2985430**	**4.9**	**11.6**
4.1 Consumer Durables	8810	8253	11628	12313	39.8	49.2
4.2 Housing	1458358	1380115	1485234	1490157	2.2	8.0
4.3 Advances against Fixed Deposits	62975	57145	63734	64797	2.9	13.4
4.4 Advances to Individuals against share & bonds	4419	4483	4608	4714	6.7	5.2
4.5 Credit Card Outstanding	116537	114307	123312	122111	4.8	6.8
4.6 Education	63968	65349	63601	63452	-0.8	-2.9
4.7 Vehicle Loans	267352	255456	272610	275249	3.0	7.7
4.8 Loan against gold jewellery	60724	46221	65361	65630	8.1	42.0
4.9 Other Personal Loans	802385	744369	865510	887007	10.5	19.2
5. Priority Sector *(Memo)*						
5.1 Agriculture & Allied Activities [4]	1235082	1187677	1281929	1283063	3.9	8.0
5.2 Micro & Small Enterprises [5]	1113243	1123739	1120901	1099438	-1.2	-2.2
5.3 Medium Enterprises [6]	207615	180413	223621	242069	16.6	34.2
5.4 Housing	468659	444436	445739	444762	-5.1	0.1
5.5 Education Loans	48201	51424	47260	47039	-2.4	-8.5
5.6 Renewable Energy	1171	1171	1372	1244	6.2	6.2
5.7 Social Infrastructure	2352	1279	2336	2331	-0.9	82.2
5.8 Export Credit [7]	19028	14486	18931	16969	-10.8	17.1
5.9 Others	9169	10487	17063	17303	88.7	65.0
5.10 Weaker Sections including net PSLC- SF/MF	813263	797782	865136	862276	6.0	8.1

Note 1: Data are provisional. Gross bank credit and non-food credit data are based on Section - 42 return, which covers all scheduled commercial banks (SCBs), while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 90 per cent of total non-food credit extended by all SCBs.

Note 2: With effect from January 2021, sectoral credit data are based on revised format due to which values and growth rates of some of the existing components published earlier have undergone some changes

1 Micro & Small includes credit to micro & small industries in the manufacturing sector.

2 NBFCs include HFCs, PFIs, Microfinance Institutions (MFIs), NBFCs engaged in gold loan and others.

3 Other Services include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs and other services which are not indicated elsewhere under services.

4 Agriculture and Allied Activities also include priority sector lending certificates (PSLCs).

5 Micro and Small Enterprises include credit to micro and small enterprises in manufacturing and services sector and also include PSLCs.

6 Medium Enterprises include credit to medium enterprises in the manufacturing and services sector.

7 Export credit under the priority sector relates to foreign banks only.

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

(₹ Crore)

Industry	Outstanding as on				Growth (%)	
	Mar. 26, 2021	2020	2021		Financial year so far	Y-o-Y
		Nov. 20	Oct.22	Nov. 19	2021-22	2021
	1	2	3	4	%	%
2 Industries (2.1 to 2.19)	2895786	2760236	2854571	2865403	–1.0	3.8
2.1 Mining & Quarrying (incl. Coal)	46052	43795	49758	51080	10.9	16.6
2.2 Food Processing	153286	137304	144413	143214	–6.6	4.3
2.2.1 Sugar	25519	21215	17636	16763	–34.3	–21.0
2.2.2 Edible Oils & Vanaspati	18972	16917	17709	17251	–9.1	2.0
2.2.3 Tea	4273	4419	5061	4933	15.5	11.6
2.2.4 Others	104523	94752	104007	104267	–0.2	10.0
2.3 Beverage & Tobacco	15966	14475	15136	15760	–1.3	8.9
2.4 Textiles	200487	186746	199359	200578	0.0	7.4
2.4.1 Cotton Textiles	90546	84130	83975	85002	–6.1	1.0
2.4.2 Jute Textiles	2724	2437	2734	2769	1.7	13.7
2.4.3 Man-Made Textiles	38861	34505	42009	41555	6.9	20.4
2.4.4 Other Textiles	68356	65674	70641	71252	4.2	8.5
2.5 Leather & Leather Products	10461	10660	10537	10330	–1.3	–3.1
2.6 Wood & Wood Products	13186	12678	13498	13363	1.3	5.4
2.7 Paper & Paper Products	35466	34027	36839	36849	3.9	8.3
2.8 Petroleum, Coal Products & Nuclear Fuels	66909	59028	67918	67963	1.6	15.1
2.9 Chemicals & Chemical Products	192323	178236	185374	191240	–0.6	7.3
2.9.1 Fertiliser	32237	37567	27348	29327	–9.0	–21.9
2.9.2 Drugs & Pharmaceuticals	51723	49379	51487	52133	0.8	5.6
2.9.3 Petro Chemicals	45621	38439	40000	43178	–5.4	12.3
2.9.4 Others	62742	52852	66538	66602	6.2	26.0
2.10 Rubber, Plastic & their Products	54308	50667	61881	61748	13.7	21.9
2.11 Glass & Glassware	6319	6681	5715	5714	–9.6	–14.5
2.12 Cement & Cement Products	54194	59665	46511	44765	–17.4	–25.0
2.13 Basic Metal & Metal Product	328867	334280	280263	277870	–15.5	–16.9
2.13.1 Iron & Steel	232934	244987	187819	186191	–20.1	–24.0
2.13.2 Other Metal & Metal Product	95933	89292	92443	91678	–4.4	2.7
2.14 All Engineering	147545	138338	147637	149368	1.2	8.0
2.14.1 Electronics	33871	29682	36495	36359	7.3	22.5
2.14.2 Others	113674	108656	111142	113009	–0.6	4.0
2.15 Vehicles, Vehicle Parts & Transport Equipment	83188	85467	82822	84872	2.0	–0.7
2.16 Gems & Jewellery	62983	67601	70162	70141	11.4	3.8
2.17 Construction	94565	99738	95759	95881	1.4	–3.9
2.18 Infrastructure	1092217	1027515	1108932	1115313	2.1	8.5
2.18.1 Power	567584	550835	582453	576805	1.6	4.7
2.18.2 Telecommunications	112120	106146	111419	110269	–1.7	3.9
2.18.3 Roads	237061	200344	243712	246836	4.1	23.2
2.18.4 Airports	7327	5804	7592	7570	3.3	30.4
2.18.5 Ports	7363	8996	7604	7546	2.5	–16.1
2.18.6 Railways	11260	12749	12677	13790	22.5	8.2
2.18.7 Other Infrastructure	149502	142641	143475	152497	2.0	6.9
2.19 Other Industries	237464	213334	232056	229353	–3.4	7.5

Note : With effect from January 2021, sectoral credit data are based on revised format due to which values and growth rates of some of the existing components published earlier have undergone some changes.

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

(₹ Crore)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday								
	2020-21	2020	2021						
		Oct, 30	Aug, 13	Aug, 27	Sep, 10	Sep, 24	Oct, 08	Oct, 22	Oct, 29
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	32	32	33	33	33	33	33	33	33
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**125859.6**	**127732.2**	**125488.9**	**125501.3**	**125705.2**	**125238.2**	**126845.4**	**127303.3**	**128013.9**
2 Demand and Time Liabilities									
2.1 Demand Liabilities	**23736.9**	**22996.2**	**27669.6**	**27501.5**	**30915.2**	**26961.0**	**25556.0**	**25393.8**	**25243.2**
2.1.1 Deposits									
2.1.1.1 Inter-Bank	4896.9	4028.2	5399.0	5419.8	5686.7	5734.8	5387.3	5285.9	5539.9
2.1.1.2 Others	13,899.4	13799.5	15817.5	15695.3	15100.1	14619.8	14657.9	14799.4	14672.8
2.1.2 Borrowings from Banks	0.0	0.0	1069.6	1069.6	999.6	999.7	749.8	279.9	80.0
2.1.3 Other Demand Liabilities	4940.6	5168.5	5383.4	5316.8	9128.8	5606.6	4761.0	5028.6	4950.5
2.2 Time Liabilities	**179957.5**	**172503.4**	**165604.8**	**166716.0**	**167660.1**	**168977.8**	**170167.9**	**171836.3**	**171867.5**
2.2.1 Deposits									
2.2.1.1 Inter-Bank	65333.7	56969.6	54146.9	55115.2	55191.0	56505.0	56018.2	57474.2	56659.6
2.2.1.2 Others	111960.2	113932.7	109671.4	109806.0	110605.1	110618.4	112187.5	112503.9	113341.1
2.2.2 Borrowings from Banks	630.0	629.9	908.0	908.0	911.0	911.0	985.1	910.1	927.5
2.2.3 Other Time Liabilities	2033.7	971.3	878.5	886.8	953.0	943.3	977.1	948.0	939.3
3 Borrowing from Reserve Bank	0.0	0.0	0.0	35.0	35.0	35.0	0.0	0.0	0.0
4 Borrowings from a notified bank / Government	63559.8	56155.0	56575.4	56497.3	55045.9	54926.2	55750.0	57812.6	58096.5
4.1 Demand	15691.8	13041.1	11558.3	11967.8	12202.9	12031.5	12308.4	12150.6	12222.9
4.2 Time	47868.0	43113.9	45017.1	44529.5	42843.0	42894.6	43441.6	45661.9	45873.6
5 Cash in Hand and Balances with Reserve Bank	**8151.1**	**7243.4**	**9175.0**	**8711.2**	**13259.6**	**8940.2**	**9036.9**	**8911.0**	**9282.9**
5.1 Cash in Hand	570.3	563.4	610.3	672.7	637.0	640.7	633.1	672.7	722.8
5.2 Balance with Reserve Bank	7580.8	6680.0	8564.7	8038.4	12622.6	8299.5	8403.8	8238.2	8560.1
6 Balances with Other Banks in Current Account	**1148.1**	**983.8**	**1381.1**	**1310.9**	**1346.7**	**1223.7**	**1165.1**	**1217.3**	**1299.6**
7 Investments in Government Securities	**64455.2**	**58774.4**	**68266.4**	**69149.6**	**69633.6**	**70603.5**	**70631.0**	**70288.0**	**71010.3**
8 Money at Call and Short Notice	**28835.7**	**24890.4**	**19377.0**	**20512.8**	**18893.8**	**20170.1**	**19721.6**	**20940.3**	**20265.8**
9 Bank Credit (10.1+11)	**114631.6**	**111449.1**	**108302.6**	**107334.4**	**107521.7**	**106670.5**	**107983.1**	**107964.4**	**107241.8**
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	**114612.1**	**111430.3**	**108298.5**	**107314.7**	**107502.0**	**106650.9**	**107962.5**	**107943.9**	**107221.4**
10.2 Due from Banks	89429.1	82258.8	88700.2	88554.7	89065.7	88508.1	91408.2	94217.9	95223.9
11 Bills Purchased and Discounted	19.5	18.8	4.2	19.7	19.7	19.6	20.6	20.5	20.4

Prices and Production

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

Group/Sub group	2020-21			Rural			Urban			Combined		
	Rural	Urban	Combined	Nov. 20	Oct. 21	Nov 21(P)	Nov. 20	Oct. 21	Nov 21(P)	Nov. 20	Oct. 21	Nov 21(P)
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**156.7**	**161.1**	**158.3**	**164.5**	**165.5**	**167.5**	**167.0**	**171.5**	**173.5**	**165.4**	**167.7**	**169.7**
1.1 Cereals and products	145.4	149.9	146.8	144.6	146.1	146.9	149.0	150.1	151.0	146.0	147.4	148.2
1.2 Meat and fish	185.2	192.4	187.7	188.5	202.5	199.8	195.7	208.4	204.9	191.0	204.6	201.6
1.3 Egg	160.3	164.8	162.0	173.4	170.1	171.5	178.3	173.0	175.4	175.3	171.2	173.0
1.4 Milk and products	154.1	154.4	154.2	154.0	158.4	159.1	154.2	159.2	159.6	154.1	158.7	159.3
1.5 Oils and fats	148.2	139.9	145.2	150.0	198.8	198.4	140.7	176.6	175.8	146.6	190.6	190.1
1.6 Fruits	146.9	153.4	149.9	145.9	152.6	153.2	149.7	159.3	160.4	147.7	155.7	156.6
1.7 Vegetables	174.2	196.2	181.7	225.2	170.4	183.7	240.9	214.4	229.2	230.5	185.3	199.1
1.8 Pulses and products	154.4	156.0	154.9	159.5	165.2	165.4	161.5	165.3	165.1	160.2	165.2	165.3
1.9 Sugar and confectionery	114.4	117.0	115.3	114.4	121.6	122.1	117.1	122.5	123.1	115.3	121.9	122.4
1.10 Spices	161.9	160.4	161.4	163.5	170.6	170.8	161.9	166.8	167.3	163.0	169.3	169.6
1.11 Non-alcoholic beverages	149.8	141.3	146.3	153.4	168.8	169.1	143.3	155.4	156.0	149.2	163.2	163.6
1.12 Prepared meals, snacks, sweets	163.2	165.5	164.3	163.6	173.6	174.2	166.1	175.9	176.8	164.8	174.7	175.4
2 Pan, tobacco and intoxicants	**181.8**	**188.7**	**183.6**	**183.6**	**191.2**	**191.4**	**190.2**	**197.0**	**197.1**	**185.4**	**192.7**	**192.9**
3 Clothing and footwear	**155.6**	**149.7**	**153.3**	**156.3**	**168.3**	**169.8**	**149.6**	**158.3**	**159.7**	**153.6**	**164.3**	**165.8**
3.1 Clothing	156.4	152.0	154.7	157.0	168.9	170.4	151.9	160.8	162.3	155.0	165.7	167.2
3.2 Footwear	151.1	137.2	145.3	151.6	164.8	166.0	136.7	144.4	145.4	145.4	156.3	157.4
4 Housing	-	**157.2**	**157.2**	-	-	-	**158.4**	**163.6**	**164.2**	**158.4**	**163.6**	**164.2**
5 Fuel and light	**149.1**	**140.9**	**146.0**	**148.7**	**165.5**	**165.3**	**137.9**	**162.2**	**161.7**	**144.6**	**164.2**	**163.9**
6 Miscellaneous	**153.9**	**146.1**	**150.2**	**155.2**	**164.7**	**165.2**	**146.9**	**157.0**	**157.3**	**151.2**	**161.0**	**161.4**
6.1 Household goods and services	152.9	145.2	149.3	153.4	162.0	162.9	145.5	154.3	155.2	149.7	158.4	159.3
6.2 Health	160.3	151.3	156.9	161.6	172.5	173.4	152.9	163.5	164.2	158.3	169.1	169.9
6.3 Transport and communication	144.9	135.0	139.7	146.4	159.5	158.9	135.5	152.2	151.2	140.7	155.7	154.8
6.4 Recreation and amusement	154.0	144.3	148.5	153.9	163.2	163.8	144.3	155.1	156.7	148.5	158.6	159.8
6.5 Education	162.5	156.2	158.9	162.9	169.0	169.3	156.9	160.3	160.8	159.4	163.9	164.3
6.6 Personal care and effects	153.7	155.8	154.5	156.6	161.1	162.4	157.9	160.3	161.8	157.1	160.8	162.2
General Index (All Groups)	**156.1**	**154.4**	**155.3**	**160.7**	**166.3**	**167.6**	**156.9**	**164.6**	**165.6**	**158.9**	**165.5**	**166.7**

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2020-21	2020	2021	
				Nov.	Oct.	Nov.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2016	2.88	-	119.9	124.9	125.7
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	1034	1060	1081	1092
3 Consumer Price Index for Rural Labourers	1986-87	–	1040	1065	1090	1101

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

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

Item	2020-21	2020	2021	
		Nov.	Oct.	Nov.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	48723	50429	47219	48193
2 Silver (₹ per kilogram)	59283	62256	62890	64667

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

No. 21: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2020-21	2020	2021		
			Nov.	Sep.	Oct. (P)	Nov. (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**123.4**	**125.1**	**137.4**	**139.1**	**142.9**
1.1 PRIMARY ARTICLES	**22.618**	**145.7**	**152.8**	**157.7**	**159.7**	**168.6**
1.1.1 FOOD ARTICLES	**15.256**	**160.7**	**170.1**	**164.1**	**168.6**	**178.4**
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	159.3	158.8	163.0	163.9	164.8
1.1.1.2 Fruits & Vegetables	3.475	179.2	218.8	174.0	200.8	235.1
1.1.1.3 Milk	4.440	153.4	154.7	156.8	157.2	157.5
1.1.1.4 Eggs,Meat & Fish	2.402	151.2	149.0	165.3	154.7	163.4
1.1.1.5 Condiments & Spices	0.529	149.5	156.5	161.7	155.1	161.6
1.1.1.6 Other Food Articles	0.948	162.0	165.7	163.9	164.8	166.1
1.1.2 NON-FOOD ARTICLES	**4.119**	**130.5**	**138.0**	**161.2**	**153.7**	**157.0**
1.1.2.1 Fibres	0.839	119.8	120.3	147.6	156.0	164.2
1.1.2.2 Oil Seeds	1.115	161.7	162.0	235.0	199.7	202.3
1.1.2.3 Other non-food Articles	1.960	109.0	114.0	119.8	119.8	120.7
1.1.2.4 Floriculture	0.204	210.0	310.4	211.2	217.9	228.7
1.1.3 MINERALS	**0.833**	**164.9**	**157.4**	**190.3**	**179.6**	**190.3**
1.1.3.1 Metallic Minerals	0.648	159.8	150.1	183.8	170.5	183.8
1.1.3.2 Other Minerals	0.185	183.1	183.0	213.2	211.5	213.0
1.1.4 CRUDE PETROLEUM & NATURAL GAS	**2.410**	**70.4**	**67.5**	**100.4**	**106.2**	**119.2**
1.2 FUEL & POWER	**13.152**	**94.0**	**94.2**	**119.0**	**124.7**	**131.7**
1.2.1 COAL	**2.138**	**126.6**	**126.5**	**127.7**	**128.9**	**130.4**
1.2.1.1 Coking Coal	0.647	141.8	141.9	143.4	143.4	143.4
1.2.1.2 Non-Coking Coal	1.401	119.3	119.0	119.8	119.8	119.8
1.2.1.3 Lignite	0.090	130.9	131.1	138.1	166.0	200.5
1.2.2 MINERAL OILS	**7.950**	**79.2**	**76.6**	**117.6**	**126.7**	**137.8**
1.2.3 ELECTRICITY	**3.064**	**109.6**	**117.4**	**116.7**	**116.7**	**116.7**
1.3 MANUFACTURED PRODUCTS	**64.231**	**121.5**	**121.6**	**134.0**	**134.9**	**136.1**
1.3.1 MANUFACTURE OF FOOD PRODUCTS	**9.122**	**141.4**	**142.4**	**158.8**	**158.4**	**157.0**
1.3.1.1 Processing and Preserving of meat	0.134	137.2	137.2	142.7	142.4	142.4
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	139.0	135.8	141.5	144.3	144.9
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	120.2	122.4	122.2	122.1	121.9
1.3.1.4 Vegetable and Animal oils and Fats	2.643	143.5	148.1	188.6	186.4	182.4
1.3.1.5 Dairy products	1.165	146.9	144.9	149.0	149.0	147.9
1.3.1.6 Grain mill products	2.010	143.5	142.3	145.8	145.8	147.3
1.3.1.7 Starches and Starch products	0.110	115.9	111.4	129.2	130.2	135.1
1.3.1.8 Bakery products	0.215	138.1	138.5	144.5	145.3	147.2
1.3.1.9 Sugar, Molasses & honey	1.163	118.4	118.4	126.5	127.4	125.7
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	128.0	128.5	128.8	129.8	130.1
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	132.3	133.5	138.4	139.0	133.4
1.3.1.12 Tea & Coffee products	0.371	166.5	172.2	168.7	168.5	170.3
1.3.1.13 Processed condiments & salt	0.163	147.0	147.5	156.5	155.4	154.8
1.3.1.14 Processed ready to eat food	0.024	132.2	131.8	135.3	135.4	135.3
1.3.1.15 Health supplements	0.225	142.9	140.4	155.1	154.6	154.3
1.3.1.16 Prepared animal feeds	0.356	170.5	171.6	208.1	207.4	198.6
1.3.2 MANUFACTURE OF BEVERAGES	**0.909**	**124.5**	**123.6**	**126.9**	**127.3**	**127.5**
1.3.2.1 Wines & spirits	0.408	120.2	119.6	123.4	123.7	124.0
1.3.2.2 Malt liquors and Malt	0.225	126.5	125.9	130.2	131.3	131.4
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	129.4	127.8	129.5	129.4	129.4
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	**0.514**	**157.2**	**156.1**	**159.9**	**162.6**	**160.7**
1.3.3.1 Tobacco products	0.514	157.2	156.1	159.9	162.6	160.7

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2020-21	2020	2021		
			Nov.	Sep.	Oct. (P)	Nov. (P)
1.3.4 MANUFACTURE OF TEXTILES	**4.881**	**117.6**	**116.8**	**133.3**	**133.9**	**137.1**
1.3.4.1 Preparation and Spinning of textile fibres	2.582	106.6	105.5	125.0	126.2	130.8
1.3.4.2 Weaving & Finishing of textiles	1.509	131.7	130.9	146.2	146.3	147.7
1.3.4.3 Knitted and Crocheted fabrics	0.193	115.2	115.0	124.7	123.6	126.8
1.3.4.4 Made-up textile articles, Except apparel	0.299	132.3	132.5	138.3	138.0	139.8
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	155.6	157.6	167.5	169.6	170.5
1.3.4.6 Other textiles	0.201	116.3	114.8	126.5	126.8	127.9
1.3.5 MANUFACTURE OF WEARING APPAREL	**0.814**	**138.6**	**139.5**	**144.0**	**143.8**	**144.6**
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	138.1	138.3	143.6	142.9	143.3
1.3.5.2 Knitted and Crocheted apparel	0.221	139.8	142.8	145.0	146.4	147.9
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	**0.535**	**117.9**	**117.9**	**118.7**	**118.9**	**118.7**
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	101.1	100.6	104.0	103.9	103.1
1.3.6.2 Luggage, HandbAgs, Saddlery and Harness	0.075	138.6	137.9	139.7	139.9	141.9
1.3.6.3 Footwear	0.318	120.6	120.9	120.3	120.6	120.2
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	**0.772**	**134.6**	**134.7**	**140.7**	**142.3**	**142.6**
1.3.7.1 Saw milling and Planing of wood	0.124	120.7	120.1	128.8	131.3	131.4
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	136.6	136.1	140.6	142.0	142.5
1.3.7.3 Builder's carpentry and Joinery	0.036	185.8	189.5	193.8	194.5	194.4
1.3.7.4 Wooden containers	0.119	125.7	127.5	137.7	139.1	139.0
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	**1.113**	**121.7**	**120.0**	**133.9**	**134.5**	**139.0**
1.3.8.1 Pulp, Paper and Paperboard	0.493	124.1	121.3	138.5	138.7	143.8
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	122.2	123.3	135.1	136.4	137.9
1.3.8.3 Other articles of paper and Paperboard	0.306	117.4	114.8	125.1	125.7	132.4
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	**0.676**	**153.8**	**157.3**	**154.8**	**154.8**	**156.4**
1.3.9.1 Printing	0.676	153.8	157.3	154.8	154.8	156.4
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	**6.465**	**118.2**	**118.2**	**131.1**	**133.0**	**135.6**
1.3.10.1 Basic chemicals	1.433	118.6	117.8	139.4	142.4	148.5
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	123.6	123.0	127.7	128.2	129.6
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	116.7	118.1	138.2	141.3	143.0
1.3.10.4 Pesticides and Other agrochemical products	0.454	124.4	125.8	129.9	130.8	132.4
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	114.9	114.4	128.2	130.3	132.4
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	120.6	121.3	128.8	129.0	129.7
1.3.10.7 Other chemical products	0.692	115.1	115.0	127.1	129.8	132.5
1.3.10.8 Man-made fibres	0.296	93.7	91.5	105.1	107.8	108.8
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	**1.993**	**130.9**	**132.0**	**134.5**	**134.9**	**136.0**
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	130.9	132.0	134.5	134.9	136.0
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	**2.299**	**111.3**	**112.0**	**123.9**	**126.0**	**127.0**
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	98.3	97.5	104.3	103.9	104.8
1.3.12.2 Other Rubber Products	0.272	93.3	92.6	101.1	101.0	102.0
1.3.12.3 Plastics products	1.418	120.3	121.9	136.7	140.3	141.4
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	**3.202**	**117.6**	**116.9**	**121.6**	**122.4**	**124.6**
1.3.13.1 Glass and Glass products	0.295	127.2	126.4	136.9	135.5	136.5
1.3.13.2 Refractory products	0.223	109.5	110.2	111.2	114.9	116.2
1.3.13.3 Clay Building Materials	0.121	109.3	113.3	110.8	111.1	117.5
1.3.13.4 Other Porcelain and Ceramic Products	0.222	109.5	108.0	111.7	111.6	112.2
1.3.13.5 Cement, Lime and Plaster	1.645	120.9	119.1	124.5	125.8	128.7

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2020-21	2020	2021		
			Nov.	Sep.	Oct. (P)	Nov. (P)
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	125.3	126.0	128.6	128.0	129.3
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	121.1	120.9	122.6	122.5	123.3
1.3.13.8 Other Non-Metallic Mineral Products	0.169	78.9	81.3	88.0	88.0	89.2
1.3.14 MANUFACTURE OF BASIC METALS	**9.646**	**111.4**	**111.5**	**137.8**	**140.4**	**143.9**
1.3.14.1 Inputs into steel making	1.411	109.2	108.4	147.2	151.6	162.6
1.3.14.2 Metallic Iron	0.653	113.3	113.6	145.2	151.2	150.4
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	99.8	100.0	116.8	118.9	119.4
1.3.14.4 Mild Steel -Long Products	1.081	112.0	112.8	133.5	137.8	140.0
1.3.14.5 Mild Steel - Flat products	1.144	117.2	118.2	156.3	159.2	163.4
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	108.3	107.7	129.8	134.8	133.6
1.3.14.7 Stainless Steel - Semi Finished	0.924	108.7	106.3	138.7	139.2	147.8
1.3.14.8 Pipes & tubes	0.205	127.9	126.7	154.3	155.5	159.7
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	112.3	113.5	138.1	140.0	141.3
1.3.14.10 Castings	0.925	109.1	109.5	119.2	119.2	118.5
1.3.14.11 Forgings of steel	0.271	145.7	145.4	157.8	157.2	160.2
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	**3.155**	**115.9**	**115.9**	**130.6**	**130.9**	**131.6**
1.3.15.1 Structural Metal Products	1.031	114.1	113.3	124.0	123.6	123.9
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	127.8	127.4	156.3	157.6	158.6
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	98.9	96.9	96.9	96.9	97.5
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	96.7	98.0	117.8	118.6	120.1
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	102.9	104.1	108.3	108.7	109.7
1.3.15.6 Other Fabricated Metal Products	0.728	125.0	125.7	136.4	136.5	137.0
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	**2.009**	**109.8**	**108.6**	**112.7**	**112.7**	**113.6**
1.3.16.1 Electronic Components	0.402	99.1	100.6	104.9	105.1	106.2
1.3.16.2 Computers and Peripheral Equipment	0.336	134.8	134.0	134.6	134.7	134.9
1.3.16.3 Communication Equipment	0.310	114.9	114.4	119.3	119.3	119.8
1.3.16.4 Consumer Electronics	0.641	98.5	94.7	101.6	101.5	103.3
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	107.7	106.4	107.1	107.1	107.1
1.3.16.6 Watches and Clocks	0.076	141.8	141.7	145.7	145.4	145.9
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	102.8	103.1	103.0	104.0	102.9
1.3.16.8 Optical instruments and Photographic equipment	0.008	102.7	95.6	98.4	98.4	98.5
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	**2.930**	**113.6**	**113.2**	**122.0**	**122.3**	**121.9**
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	113.2	112.0	119.3	119.8	117.7
1.3.17.2 Batteries and Accumulators	0.236	117.1	117.8	121.9	122.3	123.7
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	98.1	99.5	102.1	100.4	102.4
1.3.17.4 Other electronic and Electric wires and Cables	0.428	115.9	116.1	140.1	140.6	141.8
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	111.1	111.2	114.0	114.1	114.6
1.3.17.6 Domestic appliances	0.366	119.7	119.2	128.7	129.1	129.4
1.3.17.7 Other electrical equipment	0.206	109.5	109.9	113.0	113.0	113.2
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	**4.789**	**114.0**	**113.8**	**120.7**	**120.5**	**120.7**
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	106.3	104.4	121.2	120.6	120.5
1.3.18.2 Fluid power equipment	0.162	119.4	120.2	120.8	120.8	121.7
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	111.6	111.5	114.6	114.9	116.0
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	111.8	110.4	119.0	117.5	118.7
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	80.2	83.7	75.3	75.0	73.1
1.3.18.6 Lifting and Handling equipment	0.285	113.4	113.5	119.6	123.3	119.9

No. 21: Wholesale Price Index (Concld.)

(Base: 2011-12 = 100)

Commodities	Weight	2020-21	2020	2021		
			Nov.	Sep.	Oct. (P)	Nov. (P)
1.3.18.7 Office machinery and Equipment	0.006	130.2	130.2	130.2	130.2	130.2
1.3.18.8 Other general-purpose machinery	0.437	128.7	127.7	135.9	131.6	132.9
1.3.18.9 Agricultural and Forestry machinery	0.833	121.6	121.6	129.0	129.3	129.7
1.3.18.10 Metal-forming machinery and Machine tools	0.224	108.4	108.2	115.5	116.0	116.0
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	75.7	75.6	77.9	78.1	78.7
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	128.0	131.7	131.6	133.0	132.6
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	121.9	123.3	124.6	124.8	124.0
1.3.18.14 Other special-purpose machinery	0.468	128.7	128.4	135.5	134.7	134.6
1.3.18.15 Renewable electricity generating equipment	0.046	65.2	65.5	66.5	66.6	66.3
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	**4.969**	**117.8**	**117.9**	**122.1**	**122.4**	**123.2**
1.3.19.1 Motor vehicles	2.600	119.4	120.1	122.2	122.4	123.2
1.3.19.2 Parts and Accessories for motor vehicles	2.368	116.1	115.5	122.1	122.5	123.1
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	**1.648**	**126.2**	**127.5**	**131.7**	**131.7**	**132.6**
1.3.20.1 Building of ships and Floating structures	0.117	158.8	158.8	158.9	158.9	158.9
1.3.20.2 Railway locomotives and Rolling stock	0.110	105.0	104.8	104.3	104.5	104.5
1.3.20.3 Motor cycles	1.302	124.7	126.5	131.0	131.1	132.2
1.3.20.4 Bicycles and Invalid carriages	0.117	130.3	128.7	137.3	137.3	137.9
1.3.20.5 Other transport equipment	0.002	128.5	127.7	135.0	136.0	136.6
1.3.21 MANUFACTURE OF FURNITURE	**0.727**	**133.2**	**133.6**	**148.1**	**150.7**	**150.6**
1.3.21.1 Furniture	0.727	133.2	133.6	148.1	150.7	150.6
1.3.22 OTHER MANUFACTURING	**1.064**	**132.4**	**135.0**	**135.1**	**137.9**	**136.6**
1.3.22.1 Jewellery and Related articles	0.996	130.5	133.3	133.0	136.0	134.6
1.3.22.2 Musical instruments	0.001	173.7	170.2	189.2	190.5	192.6
1.3.22.3 Sports goods	0.012	132.0	131.8	138.6	141.1	142.1
1.3.22.4 Games and Toys	0.005	142.4	141.5	151.0	149.9	151.6
1.3.22.5 Medical and Dental instruments and Supplies	0.049	167.4	168.5	172.9	172.9	172.9
2 FOOD INDEX	**24.378**	**153.4**	**159.7**	**162.1**	**164.8**	**170.4**

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

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

Industry	Weight	2019-20	2020-21	April-October		October	
				2020-21	2021-22	2020	2021
	1	2	3	4	5	6	7
General Index	100.00	129.0	118.1	105.8	127.0	129.6	133.7
1 Sectoral Classification							
1.1 Mining	14.37	109.6	101.0	87.1	104.9	98.5	109.7
1.2 Manufacturing	77.63	129.6	117.2	104.2	126.3	132.0	134.7
1.3 Electricity	7.99	158.4	157.6	155.7	173.4	162.2	167.3
2 Use-Based Classification							
2.1 Primary Goods	34.05	127.0	118.1	108.7	124.8	117.9	128.5
2.2 Capital Goods	8.22	93.3	75.9	62.1	84.0	91.3	90.3
2.3 Intermediate Goods	17.22	137.7	124.7	109.4	138.9	140.7	143.7
2.4 Infrastructure/ Construction Goods	12.34	136.6	124.7	108.5	142.3	144.1	151.8
2.5 Consumer Durables	12.84	119.0	101.2	85.0	109.2	133.8	125.6
2.6 Consumer Non-Durables	15.33	145.3	142.1	134.4	144.1	148.7	149.5

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(₹ Crore)

Item	Financial Year	April - November			
	2021-22 (Budget Estimates)	2021-22 (Actuals)	2020-21 (Actuals)	Percentage to Budget Estimates	
				2021-22	2020-21
	1	2	3	4	5
1 Revenue Receipts	**1788424**	**1358290**	**812710**	**75.9**	**40.2**
1.1 Tax Revenue (Net)	1545396	1135264	688430	73.5	42.1
1.2 Non-Tax Revenue	243028	223026	124280	91.8	32.3
2 Non-Debt Capital Receipt	**188000**	**20703**	**18141**	**11.0**	**8.1**
2.1 Recovery of Loans	13000	11339	11962	87.2	79.9
2.2 Other Receipts	175000	9364	6179	5.4	2.9
3 Total Receipts (excluding borrowings) (1+2)	**1976424**	**1378993**	**830851**	**69.8**	**37.0**
4 Revenue Expenditure	2929000	1800977	1665200	61.5	63.3
4.1 Interest Payments	809701	460323	383425	56.9	54.1
5 Capital Expenditure	554236	273630	241158	49.4	58.5
6 Total Expenditure (4+5)	**3483236**	**2074607**	**1906358**	**59.6**	**62.7**
7 Revenue Deficit (4-1)	**1140576**	**442687**	**852490**	**38.8**	**139.9**
8 Fiscal Deficit (6-3)	**1506812**	**695614**	**1075507**	**46.2**	**135.1**
9 Gross Primary Deficit (8-4.1)	**697111**	**235291**	**692082**	**33.8**	**785.3**

Source: Controller General of Accounts (CGA), Ministry of Finance, Government of India and Union Budget 2021-22.

No. 24: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2020-21	2020	2021					
		Nov. 27	Oct. 22	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	5676	2001	10507	11660	12406	10914	10304	11133
1.2 Primary Dealers	16740	12584	27651	31896	34137	31674	33660	31737
1.3 State Governments	13347	71680	66865	68355	71138	76360	72060	86665
1.4 Others	52802	121644	102057	98459	95319	99341	98250	100079
2 182-day								
2.1 Banks	67473	126536	80391	81117	76159	73633	68696	63455
2.2 Primary Dealers	30966	38808	52650	55234	62765	54144	50747	47832
2.3 State Governments	9436	4233	7717	7593	7593	7593	7593	8318
2.4 Others	31800	94013	97684	83272	68014	65366	61489	57109
3 364-day								
3.1 Banks	119024	140904	111412	114147	117948	116669	105248	110185
3.2 Primary Dealers	154197	120831	96903	94931	101864	101858	102088	107891
3.3 State Governments	18510	16367	19263	19563	20223	20223	20223	19553
3.4 Others	174501	131253	91150	93755	85931	90626	104832	97489
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	220351	159713	157140	178049	120216	99122	122651	200002
4.4 Others	747	233	785	1098	1721	883	597	1026
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	694471	880853	764250	759982	753497	748402	735192	741446

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

No. 25: Auctions of Treasury Bills

(Amount in ₹ Crore)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2021-22										
Oct. 27	10000	113	32893	8831	52	9999	8831	18831	99.12	3.5610
Nov. 2	10000	122	43959	9101	37	9999	9101	19100	99.10	3.6488
Nov. 10	10000	123	51726	13201	19	9999	13201	23200	99.13	3.5390
Nov. 17	10000	127	46169	4251	20	9999	4251	14250	99.13	3.5222
Nov. 24	10000	124	36824	20951	44	9999	20951	30950	99.13	3.5300
182-day Treasury Bills										
2021-22										
Oct. 27	3000	59	7159	0	37	3000	0	3000	98.13	3.8322
Nov. 2	3000	66	12475	0	26	3000	0	3000	98.10	3.8780
Nov. 10	3000	90	14854	0	11	3000	0	3000	98.13	3.8201
Nov. 17	3000	104	14974	0	27	3000	0	3000	98.13	3.8192
Nov. 24	3000	80	12590	700	26	3000	700	3700	98.13	3.8301
364-day Treasury Bills										
2021-22										
Oct. 27	7000	143	22795	300	49	7000	300	7300	96.13	4.0390
Nov. 2	7000	101	19630	660	49	7000	660	7660	96.08	4.0899
Nov. 10	7000	124	20270	1	63	6999	1	7000	96.10	4.0694
Nov. 17	7000	117	16395	0	72	7000	0	7000	96.07	4.1020
Nov. 24	7000	129	18175	300	60	7000	300	7300	96.04	4.1299

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
November 1, 2021	2.00-3.55	3.30
November 2, 2021	2.00-3.50	3.33
November 3, 2021	2.00-3.65	3.41
November 6, 2021	2.60-4.00	3.37
November 8, 2021	2.00-3.45	3.30
November 9, 2021	2.00-3.50	3.24
November 10, 2021	2.00-3.50	3.19
November 11, 2021	2.00-3.50	3.20
November 12, 2021	2.00-3.50	3.21
November 15, 2021	2.00-3.40	3.19
November 16, 2021	2.20-3.40	3.16
November 17, 2021	2.20-3.40	3.20
November 18, 2021	2.00-4.70	3.41
November 20, 2021	2.70-3.90	3.47
November 22, 2021	2.00-4.00	3.53
November 23, 2021	2.00-3.75	3.34
November 24, 2021	2.00-3.55	3.27
November 25, 2021	2.00-3.50	3.22
November 26, 2021	2.00-3.55	3.25
November 29, 2021	2.00-3.50	3.24
November 30, 2021	2.00-3.65	3.25
December 1, 2021	2.00-3.50	3.27
December 2, 2021	2.20-3.50	3.26
December 3, 2021	2.00-3.60	3.28
December 4, 2021	2.70-3.25	2.99
December 6, 2021	2.00-3.45	3.26
December 7, 2021	2.00-3.50	3.29
December 8, 2021	2.00-3.55	3.26
December 9, 2021	2.00-3.45	3.28
December 10, 2021	2.00-3.45	3.28
December 13, 2021	2.00-3.50	3.28
December 14, 2021	2.00-3.45	3.29
December 15, 2021	2.00-3.60	3.33

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2020	2021			
	Nov. 20	Sep. 24	Oct. 8	Oct. 22	Nov. 19
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	64068.52	60220.40	59201.66	57366.48	55596.33
1.1 Issued during the fortnight (₹ Crore)	791.91	3229.92	1684.57	410.21	2272.75
2 Rate of Interest (per cent)	3.35-4.54	3.35-4.49	3.47-4.90	3.62-4.49	3.59-4.22

No. 28: Commercial Paper

Item	2020	2021			
	Nov. 30	Oct. 15	Oct. 31	Nov. 15	Nov. 30
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	373146.10	399720.05	379278.30	450890.70	388363.05
1.1 Reported during the fortnight (₹ Crore)	64386.20	55664.10	56178.95	172504.00	115234.25
2 Rate of Interest (per cent)	2.79-8.80	3.38-8.47	3.32-12.71	3.38-10.44	3.38-12.76

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2020-21	2020	2021					
		Nov. 27	Oct. 22	Oct. 29	Nov. 5	Nov. 12	Nov. 19	Nov. 26
	1	2	3	4	5	6	7	8
1 Call Money	17461	12157	16775	14570	13336	14985	11384	15488
2 Notice Money	2604	632	940	2904	6100	730	4943	912
3 Term Money	757	687	390	373	285	410	214	358
4 Triparty Repo	421118	411117	571157	774300	532245	678189	744194	652602
5 Market Repo	337341	273258	322638	388328	335704	358178	424778	402681
6 Repo in Corporate Bond	2990	1208	3654	5351	1697	2510	3888	6203
7 Forex (US $ million)	67793	57492	76434	92929	90250	74746	67253	73584
8 Govt. of India Dated Securities	62490	70609	61211	56616	45603	51577	43374	51839
9 State Govt. Securities	5080	4965	3862	5087	5698	4495	6100	5137
10 Treasury Bills								
10.1 91-Day	4970	1555	3901	3487	5126	4212	1806	4211
10.2 182-Day	4870	7120	1694	2329	3912	3241	2406	2282
10.3 364-Day	4010	4704	2653	1685	2620	3866	3182	2083
10.4 Cash Management Bills	1490							
11 Total Govt. Securities (8+9+10)	82910	88953	73320	69203	62958	67392	56867	65552
11.1 RBI	–	4325	164	38	214	627	412	873

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

(Amount in ₹ Crore)

Security & Type of Issue	2020-21		2020-21 (Apr.-Nov.)		2021-22 (Apr.-Nov.) *		Nov. 2020		Nov. 2021 *	
	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	**74**	**102062**	**43**	**87738**	**94**	**111815**	**4**	**7070**	**17**	**57351**
1A Premium	73	97648	43	84220	89	110383	4	6905	16	56994
1.1 Public	53	38004	28	27130	76	89180	3	6999	14	36296
1.1.1 Premium	53	34848	28	24377	75	88281	3	6837	14	36175
1.2 Rights	21	64059	15	60608	18	22635	1	71	3	21055
1.2.1 Premium	20	62800	15	59843	14	22101	1	68	2	20820
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Public	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Bonds & Debentures	**16**	**5806**	**10**	**3871**	**20**	**9132**	**1**	**143**	**1**	**50**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Public	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	16	5806	10	3871	20	9132	1	143	1	50
3.2.1 Public	16	5806	10	3871	20	9132	1	143	1	50
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Total(1+2+3)	**90**	**107868**	**53**	**91609**	**114**	**120947**	**5**	**7213**	**18**	**57401**
4.1 Public	69	43809	38	31001	96	98312	4	7141	15	36346
4.2 Rights	21	64059	15	60608	18	22635	1	71	3	21055

Note : 1.Since April 2020, monthly data on equity issues is compiled on the basis of their listing date.
2.Figures in the columns might not add up to the total due to rounding of numbers.

Source : Securities and Exchange Board of India.

* : Data is Provisional

External Sector

No. 31: Foreign Trade

Item	Unit	2020-21	2020	2021				
			Nov.	Jul.	Aug.	Sep.	Oct.	Nov.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	2159043	175307	264805	247711	248696	266964	223756
	US $ Million	291808	23620	35531	33391	33807	35635	30036
1.1 Oil	₹ Crore	190896	11559	43617	34638	38214	39931	29494
	US $ Million	25804	1557	5852	4669	5195	5330	3959
1.2 Non-oil	₹ Crore	1968147	163748	221189	213073	210481	227033	194262
	US $ Million	266004	22063	29679	28722	28612	30305	26077
2 Imports	₹ Crore	2915958	250954	345085	336112	415501	400396	394420
	US $ Million	394436	33812	46303	45307	56482	53447	52945
2.1 Oil	₹ Crore	611353	46868	93624	71805	125101	93947	109344
	US $ Million	82684	6315	12562	9679	17006	12540	14678
2.2 Non-oil	₹ Crore	2304605	204086	251461	264307	290400	306449	285075
	US $ Million	311752	27497	33741	35628	39476	40906	38267
3 Trade Balance	₹ Crore	-756914	-75647	-80280	-88401	-166805	-133432	-170664
	US $ Million	-102627	-10192	-10772	-11916	-22675	-17811	-22909
3.1 Oil	₹ Crore	-420457	-35310	-50007	-37167	-86886	-54016	-79850
	US $ Million	-56880	-4757	-6710	-5010	-11811	-7210	-10719
3.2 Non-oil	₹ Crore	-336458	-40338	-30273	-51234	-79919	-79416	-90813
	US $ Million	-45748	-5435	-4062	-6906	-10864	-10601	-12190

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

No. 32: Foreign Exchange Reserves

Item	Unit	2021						
		Jan. 1	Nov. 26	Dec. 3	Dec. 10	Dec. 17	Dec. 24	Dec. 31
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Crore**	**4276976**	**4776057**	**4776854**	**4815036**	**4835997**	**4765329**	**4707812**
	US $ Million	**585324**	**637687**	**635905**	**635828**	**635667**	**635080**	**633614**
1.1 Foreign Currency Assets	₹ Crore	3957808	4304119	4305743	4338196	4353228	4287220	4234327
	US $ Million	541642	574664	573181	572860	572216	571369	569889
1.2 Gold	₹ Crore	270554	290793	288595	293134	298092	295562	292779
	US $ Million	37026	38825	38418	38709	39183	39390	39405
	Volume (Metric Tonnes)	676.65	750.37	752.23	753.17	754.1	754.1	754.1
1.3 SDRs	SDRs Million	1049	13657	13657	13657	13657	13657	13657
	₹ Crore	11035	142576	143677	144561	145226	143418	142017
	US $ Million	1510	19036	19126	19089	19089	19114	19114
1.4 Reserve Tranche Position in IMF	₹ Crore	37578	38569	38839	39145	39452	39129	38690
	US $ Million	5145	5162	5180	5170	5179	5207	5207

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

No. 33: Non-Resident Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2020-21	2020	2021		2020-21	2021-22
		Nov.	Oct.	Nov.	Apr.-Nov.	Apr.-Nov.
	1	2	3	4	5	6
1 NRI Deposits	**141,895**	**139,264**	**141,305**	**140,734**	**7,012**	**2,592**
1.1 FCNR(B)	20,473	21,925	18,802	18,668	–2,319	–1,805
1.2 NR(E)RA	102,579	100,070	102,485	101,794	8,272	2,375
1.3 NRO	18,842	17,268	20,018	20,273	1,059	2,022

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2020-21	2020-21	2021-22	2020	2021	
		Apr.-Nov.	Apr.-Nov.	Nov.	Oct.	Nov.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**43955**	**35037**	**24714**	**7170**	**1914**	**1641**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**54927**	**42047**	**35961**	**8024**	**3240**	**2706**
1.1.1.1 Gross Inflows/Gross Investments	**81973**	**58853**	**54104**	**10335**	**5566**	**6138**
1.1.1.1.1 Equity	61088	44788	40202	8640	3845	4515
1.1.1.1.1.1 Government (SIA/FIPB)	948	265	1549	48	1105	112
1.1.1.1.1.2 RBI	51597	38599	27602	7355	2076	3894
1.1.1.1.1.3 Acquisition of shares	7091	4985	10111	1112	539	384
1.1.1.1.1.4 Equity capital of unincorporated bodies	1452	939	939	126	126	126
1.1.1.1.2 Reinvested earnings	16935	10953	11665	1464	1464	1464
1.1.1.1.3 Other capital	3950	3113	2237	230	257	159
1.1.1.2 Repatriation/Disinvestment	**27046**	**16807**	**18143**	**2311**	**2326**	**3432**
1.1.1.2.1 Equity	26983	16782	17689	2306	2286	3326
1.1.1.2.2 Other capital	63	24	454	4	40	106
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**10972**	**7010**	**11248**	**854**	**1326**	**1065**
1.1.2.1 Equity capital	5583	3744	5786	689	523	771
1.1.2.2 Reinvested Earnings	3013	2009	2065	251	251	251
1.1.2.3 Other Capital	6688	3362	5510	407	803	196
1.1.2.4 Repatriation/Disinvestment	4313	2105	2113	493	251	153
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**36137**	**20305**	**1574**	**10929**	**-2663**	**-42**
1.2.1 GDRs/ADRs	–	–	–	–	–	–
1.2.2 FIIs	38725	21823	2538	11091	-2128	-255
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	2589	1518	964	162	535	-213
1 Foreign Investment Inflows	**80092**	**55343**	**26288**	**18099**	**-749**	**1599**

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

(US$ Million)

Item	2020-21	2020	2021		
		Nov.	Sep.	Oct.	Nov.
	1	2	3	4	5
1 Outward Remittances under the LRS	**12684.40**	**942.44**	**1970.01**	**1564.90**	**1547.41**
1.1 Deposit	680.37	23.32	60.09	46.58	50.40
1.2 Purchase of immovable property	62.75	3.53	9.36	7.43	11.01
1.3 Investment in equity/debt	471.80	25.39	73.55	55.20	57.68
1.4 Gift	1586.24	110.55	210.23	172.06	206.21
1.5 Donations	12.59	0.65	0.85	0.83	0.94
1.6 Travel	3239.67	253.26	580.35	464.59	456.31
1.7 Maintenance of close relatives	2680.10	160.81	295.25	221.56	267.22
1.8 Medical Treatment	29.75	2.92	3.32	3.11	3.30
1.9 Studies Abroad	3836.12	355.77	718.32	579.84	482.35
1.10 Others	85.03	6.24	18.71	13.71	11.99

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

Item	2019-20	2020-21	2020	2021	
			December	November	December
	1	2	3	4	5
40-Currency Basket (Base: 2015-16=100)					
1 Trade-weighted					
1.1 NEER	98.00	93.92	92.96	94.04	93.50
1.2 REER	103.20	103.46	103.34	105.91	104.38
2 Export-weighted					
2.1 NEER	97.38	93.59	92.80	93.97	93.70
2.2 REER	102.88	102.96	103.13	105.37	104.15
6-Currency Basket (Trade-weighted)					
1 Base: 2015-16 = 100					
1.1 NEER	94.92	88.47	87.13	87.60	86.64
1.2 REER	103.62	101.88	101.66	104.31	102.68
2 Base: 2018-19 = 100					
2.1 NEER	100.78	93.93	92.50	93.00	91.98
2.2 REER	103.32	101.59	101.37	104.01	102.38

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

(Amount in US$ Million)

Item	2020-21	2020	2021	2021
		Nov-20	Oct-21	Nov-21
	1	2	3	4
1 Automatic Route				
1.1 Number	1063	87	76	90
1.2 Amount	26799	2045	1339	1694
2 Approval Route				
2.1 Number	13	0	0	3
2.2 Amount	8456	0	0	705
3 Total (1+2)				
3.1 Number	1076	87	76	93
3.2 Amount	35255	2045	1339	2399
4 Weighted Average Maturity (in years)	6.03	5.48	5.04	4.37
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.93	1.87	1.14	2.79
5.2 Interest rate range for Fixed Rate Loans	0.00-13.00	0.00-10.30	0.00-11.00	0.00-10.60
Borrower Category				
I. Corporate Manufacturing	12827	466	231	401
II. Corporate-Infrastructure	9985	900	1065	1110
a.) Transport	636	0	0	0
b.) Energy	2713	194	166	1106
c.) Water and Sanitation	151	0	0	0
d.) Communication	757	0	0	1
e.) Social and Commercial Infrastructure	1761	1	0	0
f.) Exploration,Mining and Refinery	1346	706	850	0
g.) Other Sub-Sectors	2622	0	48	3
III. Corporate Service-Sector	1894	583	16	48
IV. Other Entities	1026	5	0	100
a.) units in SEZ	26	5	0	0
b.) SIDBI	0			
c.) Exim Bank	1000	0	0	100
V. Banks	0	0	0	0
VI. Financial Institution (Other than NBFC)	2110	0	0	4
VII. NBFCs	6934	45	5	724
a). NBFC- IFC/AFC	6024	27	0	550
b). NBFC-MFI	84	18	0	1
c). NBFC-Others	827	0	5	173
VIII. Non-Government Organization (NGO)	0	0	0	0
IX. Micro Finance Institution (MFI)	8	0	0	0
X. Others	470	45	22	12

No. 38: India's Overall Balance of Payments

(US $ Million)

Item	Jul-Sep 2020			Jul-Sep 2021(P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**296176**	**264608**	**31568**	**404597**	**373408**	**31189**
1 CURRENT ACCOUNT (1.1+ 1.2)	**150791**	**135541**	**15250**	**194275**	**203886**	**-9611**
1.1 MERCHANDISE	**75591**	**90407**	**-14816**	**104842**	**149265**	**-44423**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**75200**	**45134**	**30066**	**89434**	**54621**	**34813**
1.2.1 Services	49793	28707	21086	61421	35836	25585
1.2.1.1 Travel	2138	2764	-626	2147	3919	-1772
1.2.1.2 Transportation	5368	4759	609	7584	8181	-597
1.2.1.3 Insurance	590	537	53	796	575	220
1.2.1.4 G.n.i.e.	144	190	-46	217	198	19
1.2.1.5 Miscellaneous	41554	20458	21096	50678	22962	27716
1.2.1.5.1 Software Services	24791	2769	22021	29965	3184	26781
1.2.1.5.2 Business Services	11624	12354	-730	13858	12457	1401
1.2.1.5.3 Financial Services	1003	1107	-104	1303	1463	-160
1.2.1.5.4 Communication Services	661	355	306	766	275	491
1.2.2 Transfers	20421	2035	18386	21154	2239	18915
1.2.2.1 Official	36	270	-233	18	315	-297
1.2.2.2 Private	20385	1766	18619	21135	1924	19212
1.2.3 Income	4986	14391	-9405	6859	16546	-9688
1.2.3.1 Investment Income	3541	13695	-10154	5362	15792	-10430
1.2.3.2 Compensation of Employees	1445	696	749	1497	754	743
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**145010**	**129067**	**15943**	**209579**	**169522**	**40057**
2.1 Foreign Investment (2.1.1+2.1.2)	**97296**	**65874**	**31422**	**132378**	**119040**	**13338**
2.1.1 Foreign Direct Investment	30502	6077	24424	20447	10987	9461
2.1.1.1 In India	29527	2450	27078	19281	6475	12806
2.1.1.1.1 Equity	23794	2445	21350	13940	6259	7681
2.1.1.1.2 Reinvested Earnings	4117		4117	4482	0	4482
2.1.1.1.3 Other Capital	1617	5	1611	859	216	643
2.1.1.2 Abroad	974	3627	-2653	1167	4512	-3345
2.1.1.2.1 Equity	974	1202	-228	1167	2060	-894
2.1.1.2.2 Reinvested Earnings	0	753	-753	0	781	-781
2.1.1.2.3 Other Capital	0	1672	-1672	0	1670	-1670
2.1.2 Portfolio Investment	66794	59796	6998	111931	108054	3877
2.1.2.1 In India	66420	58684	7736	110448	105904	4544
2.1.2.1.1 FIIs	66420	58684	7736	110448	105904	4544
2.1.2.1.1.1 Equity	55007	48183	6824	95335	94718	618
2.1.2.1.1.2 Debt	11413	10501	912	15112	11186	3926
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	375	1113	-738	1483	2150	-666
2.2 Loans (2.2.1+2.2.2+2.2.3)	**20645**	**24532**	**-3887**	**25555**	**17965**	**7590**
2.2.1 External Assistance	3209	1323	1886	2420	1303	1117
2.2.1.1 By India	10	21	-11	14	30	-15
2.2.1.2 To India	3199	1302	1897	2406	1273	1132
2.2.2 Commercial Borrowings	8775	12731	-3956	9114	5004	4110
2.2.2.1 By India	769	1005	-235	282	249	33
2.2.2.2 To India	8005	11726	-3721	8832	4755	4077
2.2.3 Short Term to India	8662	10479	-1817	14021	11658	2364
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	8662	9770	-1108	9615	11658	-2043
2.2.3.2 Suppliers' Credit up to 180 days	0	709	-709	4407	0	4407
2.3 Banking Capital (2.3.1+2.3.2)	**18762**	**30025**	**-11263**	**20817**	**20457**	**360**
2.3.1 Commercial Banks	18749	30025	-11276	20473	20457	17
2.3.1.1 Assets	7207	16747	-9539	10097	9858	239
2.3.1.2 Liabilities	11541	13279	-1737	10376	10598	-222
2.3.1.2.1 Non-Resident Deposits	10311	8377	1934	8574	9357	-783
2.3.2 Others	13	0	13	344	0	344
2.4 Rupee Debt Service	0	2	-2	0	2	-2
2.5 Other Capital	8307	8633	-327	30829	12059	18770
3 Errors & Omissions	**375**		**375**	**742**	0	**742**
4 Monetary Movements (4.1+ 4.2)	0	**31568**	**-31568**	0	**31189**	**-31189**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)		31568	-31568	0	31189	-31189

Note : P : Preliminary

No. 39: India's Overall Balance of Payments

(₹ Crore)

	Jul-Sep 2020			Jul-Sep 2021(P)		
	Credit	Debit	Net	Credit	Debit	Net
Item	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**2203029**	**1968215**	**234814**	**2997726**	**2766643**	**231083**
1 CURRENT ACCOUNT (1.1+ 1.2)	**1121622**	**1008187**	**113435**	**1439417**	**1510625**	**-71208**
1.1 MERCHANDISE	**562264**	**672468**	**-110205**	**776788**	**1105928**	**-329140**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**559358**	**335719**	**223639**	**662629**	**404696**	**257932**
1.2.1 Services	370373	213533	156840	455079	265514	189566
1.2.1.1 Travel	15903	20559	-4657	15905	29037	-13132
1.2.1.2 Transportation	39926	35397	4528	56188	60613	-4425
1.2.1.3 Insurance	4385	3994	391	5896	4263	1633
1.2.1.4 G.n.i.e.	1074	1414	-339	1607	1467	141
1.2.1.5 Miscellaneous	309085	152168	156917	375483	170133	205350
1.2.1.5.1 Software Services	184399	20598	163801	222016	23589	198426
1.2.1.5.2 Business Services	86464	91890	-5426	102675	92295	10380
1.2.1.5.3 Financial Services	7462	8233	-771	9652	10836	-1184
1.2.1.5.4 Communication Services	4914	2638	2275	5676	2035	3641
1.2.2 Transfers	151896	15140	136756	156732	16588	140144
1.2.2.1 Official	269	2006	-1737	137	2334	-2198
1.2.2.2 Private	151627	13134	138492	156596	14254	142342
1.2.3 Income	37089	107046	-69956	50817	122594	-71777
1.2.3.1 Investment Income	26339	101868	-75528	39725	117005	-77280
1.2.3.2 Compensation of Employees	10750	5178	5572	11092	5589	5503
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**1078616**	**960028**	**118588**	**1552809**	**1256019**	**296790**
2.1 Foreign Investment (2.1.1+2.1.2)	**723708**	**489983**	**233725**	**980814**	**881990**	**98824**
2.1.1 Foreign Direct Investment	226877	45202	181675	151499	81403	70095
2.1.1.1 In India	219632	18223	201410	142854	47973	94880
2.1.1.1.1 Equity	176987	18184	158803	103281	46371	56909
2.1.1.1.2 Reinvested Earnings	30620	0	30620	33210	0	33210
2.1.1.1.3 Other Capital	12025	39	11987	6364	1602	4761
2.1.1.2 Abroad	7245	26980	-19735	8645	33430	-24785
2.1.1.2.1 Equity	7245	8940	-1695	8645	15265	-6620
2.1.1.2.2 Reinvested Earnings	0	5603	-5603	0	5789	-5789
2.1.1.2.3 Other Capital	0	12437	-12437	0	12375	-12375
2.1.2 Portfolio Investment	496831	444780	52050	829315	800587	28729
2.1.2.1 In India	494044	436504	57540	818325	784660	33664
2.1.2.1.1 FIIs	494044	436504	57540	818325	784660	33664
2.1.2.1.1.1 Equity	409153	358396	50757	706356	701779	4577
2.1.2.1.1.2 Debt	84891	78108	6783	111968	82881	29087
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	2786	8276	-5490	10991	15927	-4936
2.2 Loans (2.2.1+2.2.2+2.2.3)	**153564**	**182478**	**-28914**	**189343**	**133104**	**56239**
2.2.1 External Assistance	23866	9840	14026	17930	9654	8276
2.2.1.1 By India	71	153	-82	106	220	-114
2.2.1.2 To India	23795	9687	14108	17824	9434	8390
2.2.2 Commercial Borrowings	65268	94694	-29426	67525	37075	30451
2.2.2.1 By India	5722	7473	-1751	2087	1844	242
2.2.2.2 To India	59545	87221	-27675	65439	35231	30208
2.2.3 Short Term to India	64430	77945	-13515	103887	86375	17512
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	64430	72671	-8241	71239	86375	-15136
2.2.3.2 Suppliers' Credit up to 180 days	0	5273	-5273	32649	0	32649
2.3 Banking Capital (2.3.1+2.3.2)	**139558**	**223336**	**-83778**	**154236**	**151566**	**2670**
2.3.1 Commercial Banks	139459	223336	-83877	151690	151566	124
2.3.1.1 Assets	53611	124564	-70953	74810	73041	1769
2.3.1.2 Liabilities	85848	98771	-12923	76881	78525	-1645
2.3.1.2.1 Non-Resident Deposits	76699	62311	14387	63530	69328	-5798
2.3.2 Others	99	0	99	2545	0	2545
2.4 Rupee Debt Service	0	15	-15	0	15	-15
2.5 Other Capital	61787	64217	-2430	228416	89344	139073
3 Errors & Omissions	**2791**	0	**2791**	**5500**	0	**5500**
4 Monetary Movements (4.1+ 4.2)	0	**234814**	**-234814**	0	**231083**	**-231083**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	234814	-234814	0	231083	-231083

Note : P: Preliminary

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

(US $ Million)

Item	Jul-Sep 2020			Jul-Sep 2021(P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**150790**	**135515**	**15275**	**194275**	**203856**	**-9581**
1.A Goods and Services (1.A.a+1.A.b)	**125384**	**119114**	**6270**	**166263**	**185101**	**-18838**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**75591**	**90407**	**-14816**	**104842**	**149265**	**-44423**
1.A.a.1 General merchandise on a BOP basis	75243	84319	-9076	104327	133243	-28916
1.A.a.2 Net exports of goods under merchanting	348	0	348	515	0	515
1.A.a.3 Nonmonetary gold		6088	-6088		16022	-16022
1.A.b Services (1.A.b.1 to 1.A.b.13)	**49793**	**28707**	**21086**	**61421**	**35836**	**25585**
1.A.b.1 Manufacturing services on physical inputs owned by others	68	11	56	75	16	59
1.A.b.2 Maintenance and repair services n.i.e.	35	204	-169	74	418	-345
1.A.b.3 Transport	5368	4759	609	7584	8181	-597
1.A.b.4 Travel	2138	2764	-626	2147	3919	-1772
1.A.b.5 Construction	589	563	26	716	715	0
1.A.b.6 Insurance and pension services	590	537	53	796	575	220
1.A.b.7 Financial services	1003	1107	-104	1303	1463	-160
1.A.b.8 Charges for the use of intellectual property n.i.e.	313	1456	-1143	202	2189	-1987
1.A.b.9 Telecommunications, computer, and information services	25515	3290	22225	30823	3651	27172
1.A.b.10 Other business services	11624	12354	-730	13858	12457	1401
1.A.b.11 Personal, cultural, and recreational services	530	817	-287	713	1243	-530
1.A.b.12 Government goods and services n.i.e.	144	190	-46	217	198	19
1.A.b.13 Others n.i.e.	1875	655	1220	2915	811	2105
1.B Primary Income (1.B.1 to 1.B.3)	**4986**	**14391**	**-9405**	**6859**	**16546**	**-9688**
1.B.1 Compensation of employees	1445	696	749	1497	754	743
1.B.2 Investment income	2753	13394	-10641	4349	15572	-11223
1.B.2.1 Direct investment	1272	8131	-6859	1983	9630	-7647
1.B.2.2 Portfolio investment	49	2126	-2076	111	2859	-2748
1.B.2.3 Other investment	78	3137	-3059	62	3082	-3020
1.B.2.4 Reserve assets	1354	1	1353	2193	1	2193
1.B.3 Other primary income	788	301	487	1012	220	792
1.C Secondary Income (1.C.1+1.C.2)	**20419**	**2009**	**18410**	**21153**	**2209**	**18944**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	20385	1766	18619	21135	1924	19212
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	19711	1287	18424	20237	1356	18881
1.C.1.2 Other current transfers	674	479	195	899	568	331
1.C.2 General government	35	243	-209	18	285	-267
2 Capital Account (2.1+2.2)	**109**	**198**	**-88**	**189**	**210**	**-20**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	8	100	-92	62	132	-71
2.2 Capital transfers	101	97	4	128	77	50
3 Financial Account (3.1 to 3.5)	**144902**	**160464**	**-15562**	**209391**	**200531**	**8859**
3.1 Direct Investment (3.1A+3.1B)	**30502**	**6077**	**24424**	**20447**	**10987**	**9461**
3.1.A Direct Investment in India	29527	2450	27078	19281	6475	12806
3.1.A.1 Equity and investment fund shares	27911	2445	25466	18422	6259	12163
3.1.A.1.1 Equity other than reinvestment of earnings	23794	2445	21350	13940	6259	7681
3.1.A.1.2 Reinvestment of earnings	4117		4117	4482		4482
3.1.A.2 Debt instruments	1617	5	1611	859	216	643
3.1.A.2.1 Direct investor in direct investment enterprises	1617	5	1611	859	216	643
3.1.B Direct Investment by India	974	3627	-2653	1167	4512	-3345
3.1.B.1 Equity and investment fund shares	974	1955	-981	1167	2842	-1675
3.1.B.1.1 Equity other than reinvestment of earnings	974	1202	-228	1167	2060	-894
3.1.B.1.2 Reinvestment of earnings		753	-753		781	-781
3.1.B.2 Debt instruments	0	1672	-1672		1670	-1670
3.1.B.2.1 Direct investor in direct investment enterprises		1672	-1672		1670	-1670
3.2 Portfolio Investment	**66794**	**59796**	**6998**	**111931**	**108054**	**3877**
3.2.A Portfolio Investment in India	66420	58684	7736	110448	105904	4544
3.2.1 Equity and investment fund shares	55007	48183	6824	95335	94718	618
3.2.2 Debt securities	11413	10501	912	15112	11186	3926
3.2.B Portfolio Investment by India	375	1113	-738	1483	2150	-666
3.3 Financial derivatives (other than reserves) and employee stock options	**2858**	**3936**	**-1078**	**5367**	**5806**	**-439**
3.4 Other investment	**44749**	**59086**	**-14337**	**71646**	**44496**	**27150**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	10325	8377	1948	8918	9357	-439
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	13	0	13	344	0	344
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	10311	8377	1934	8574	9357	-783
3.4.2.3 General government			0			
3.4.2.4 Other sectors			0			
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	20421	35702	-15281	23433	17406	6026
3.4.3.A Loans to India	19642	34677	-15035	23137	17128	6009
3.4.3.B Loans by India	779	1025	-246	296	279	17
3.4.4 Insurance, pension, and standardized guarantee schemes	78	62	16	55	13	42
3.4.5 Trade credit and advances	8662	10479	-1817	14021	11658	2364
3.4.6 Other accounts receivable/payable - other	5263	4466	797	7356	6062	1295
3.4.7 Special drawing rights			0	17862		17862
3.5 Reserve assets	0	**31568**	**-31568**	0	**31189**	**-31189**
3.5.1 Monetary gold			0			
3.5.2 Special drawing rights n.a.			0		17862	-17862
3.5.3 Reserve position in the IMF n.a.			0			
3.5.4 Other reserve assets (Foreign Currency Assets)	0	31568	-31568	0	13326	-13326
4 Total assets/liabilities	**144902**	**160464**	**-15562**	**209391**	**200531**	**8859**
4.1 Equity and investment fund shares	87202	57694	29508	121829	111787	10042
4.2 Debt instruments	52437	66736	-14299	62343	51494	10849
4.3 Other financial assets and liabilities	5263	36034	-30771	25219	37251	-12032
5 Net errors and omissions	**375**		**375**	**742**		**742**

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

(₹ Crore)

Item	Jul-Sep 2020			Jul-Sep 2021(P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**1121609**	**1007991**	**113618**	**1439413**	**1510403**	**-70990**
1.A Goods and Services (1.A.a+1.A.b)	**932637**	**886001**	**46635**	**1231868**	**1371442**	**-139574**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**562264**	**672468**	**-110205**	**776788**	**1105928**	**-329140**
1.A.a.1 General merchandise on a BOP basis	559675	627181	-67506	772976	987218	-214242
1.A.a.2 Net exports of goods under merchanting	2588	0	2588	3812	0	3812
1.A.a.3 Nonmonetary gold	0	45287	-45287	0	118711	-118711
1.A.b Services (1.A.b.1 to 1.A.b.13)	**370373**	**213533**	**156840**	**455079**	**265514**	**189566**
1.A.b.1 Manufacturing services on physical inputs owned by others	505	85	420	558	118	440
1.A.b.2 Maintenance and repair services n.i.e.	263	1519	-1256	546	3100	-2554
1.A.b.3 Transport	39926	35397	4528	56188	60613	-4425
1.A.b.4 Travel	15903	20559	-4657	15905	29037	-13132
1.A.b.5 Construction	4383	4186	197	5302	5299	3
1.A.b.6 Insurance and pension services	4385	3994	391	5896	4263	1633
1.A.b.7 Financial services	7462	8233	-771	9652	10836	-1184
1.A.b.8 Charges for the use of intellectual property n.i.e.	2330	10833	-8503	1499	16220	-14721
1.A.b.9 Telecommunications, computer, and information services	189787	24472	165315	228370	27051	201318
1.A.b.10 Other business services	86464	91890	-5426	102675	92295	10380
1.A.b.11 Personal, cultural, and recreational services	3944	6078	-2135	5279	9207	-3928
1.A.b.12 Government goods and services n.i.e.	1074	1414	-339	1607	1467	141
1.A.b.13 Others n.i.e.	13948	4871	9077	21601	6006	15595
1.B Primary Income (1.B.1 to 1.B.3)	**37089**	**107046**	**-69956**	**50817**	**122594**	**-71777**
1.B.1 Compensation of employees	10750	5178	5572	11092	5589	5503
1.B.2 Investment income	20478	99630	-79152	32225	115376	-83151
1.B.2.1 Direct investment	9463	60481	-51018	14692	71350	-56658
1.B.2.2 Portfolio investment	366	15810	-15445	820	21184	-20364
1.B.2.3 Other investment	579	23331	-22752	461	22836	-22375
1.B.2.4 Reserve assets	10070	7	10063	16251	5	16246
1.B.3 Other primary income	5861	2238	3623	7500	1629	5871
1.C Secondary Income (1.C.1+1.C.2)	**151883**	**14944**	**136939**	**156729**	**16367**	**140361**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	151627	13134	138492	156596	14254	142342
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	146616	9573	137043	149936	10045	139891
1.C.1.2 Other current transfers	5011	3561	1450	6659	4209	2451
1.C.2 General government	257	1810	-1553	133	2113	-1980
2 Capital Account (2.1+2.2)	**813**	**1471**	**-658**	**1402**	**1553**	**-151**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	62	747	-685	457	981	-524
2.2 Capital transfers	751	725	27	946	572	374
3 Financial Account (3.1 to 3.5)	**1077815**	**1193566**	**-115751**	**1551410**	**1485770**	**65641**
3.1 Direct Investment (3.1A+3.1B)	**226877**	**45202**	**181675**	**151499**	**81403**	**70095**
3.1.A Direct Investment in India	219632	18223	201410	142854	47973	94880
3.1.A.1 Equity and investment fund shares	207607	18184	189423	136490	46371	90119
3.1.A.1.1 Equity other than reinvestment of earnings	176987	18184	158803	103281	46371	56909
3.1.A.1.2 Reinvestment of earnings	30620	0	30620	33210	0	33210
3.1.A.2 Debt instruments	12025	39	11987	6364	1602	4761
3.1.A.2.1 Direct investor in direct investment enterprises	12025	39	11987	6364	1602	4761
3.1.B Direct Investment by India	7245	26980	-19735	8645	33430	-24785
3.1.B.1 Equity and investment fund shares	7245	14543	-7298	8645	21055	-12410
3.1.B.1.1 Equity other than reinvestment of earnings	7245	8940	-1695	8645	15265	-6620
3.1.B.1.2 Reinvestment of earnings	0	5603	-5603	0	5789	-5789
3.1.B.2 Debt instruments	0	12437	-12437	0	12375	-12375
3.1.B.2.1 Direct investor in direct investment enterprises	0	12437	-12437	0	12375	-12375
3.2 Portfolio Investment	**496831**	**444780**	**52050**	**829315**	**800587**	**28729**
3.2.A Portfolio Investment in India	494044	436504	57540	818325	784660	33664
3.2.1 Equity and investment fund shares	409153	358396	50757	706356	701779	4577
3.2.2 Debt securities	84891	78108	6783	111968	82881	29087
3.2.B Portfolio Investment by India	2786	8276	-5490	10991	15927	-4936
3.3 Financial derivatives (other than reserves) and employee stock options	**21257**	**29276**	**-8019**	**39762**	**43017**	**-3256**
3.4 Other investment	**332850**	**439493**	**-106643**	**530835**	**329679**	**201155**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	76798	62311	14486	66075	69328	-3253
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	99	0	99	2545	0	2545
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	76699	62311	14387	63530	69328	-5798
3.4.2.3 General government	0	0	0			
3.4.2.4 Other sectors	0	0	0			
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	151894	265558	-113664	173616	128967	44649
3.4.3.A Loans to India	146100	257932	-111832	171423	126903	44520
3.4.3.B Loans by India	5793	7626	-1833	2193	2064	128
3.4.4 Insurance, pension, and standardized guarantee schemes	580	462	117	405	97	308
3.4.5 Trade credit and advances	64430	77945	-13515	103887	86375	17512
3.4.6 Other accounts receivable/payable - other	39149	33218	5932	54505	44912	9592
3.4.7 Special drawing rights	0	0	0	132346	0	132346
3.5 Reserve assets	**0**	**234814**	**-234814**	**0**	**231083**	**-231083**
3.5.1 Monetary gold	0	0	0			
3.5.2 Special drawing rights n.a.	0	0	0	0	132346	-132346
3.5.3 Reserve position in the IMF n.a.	0	0	0			
3.5.4 Other reserve assets (Foreign Currency Assets)	0	234814	-234814	0	98737	-98737
4 Total assets/liabilities	**1077815**	**1193566**	**-115751**	**1551410**	**1485770**	**65641**
4.1 Equity and investment fund shares	648628	429138	219490	902649	828246	74403
4.2 Debt instruments	390038	496397	-106359	461910	381529	80382
4.3 Other financial assets and liabilities	39149	268031	-228882	186851	275995	-89145
5 Net errors and omissions	**2791**	**0**	**2791**	**5500**	**0**	**5500**

Note : P: Preliminary

No. 42: International Investment Position

(US$ Million)

Item	As on Financial Year /Quarter End							
	2020-21		2020		2021			
			Sep.		Jun.		Sep.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1 Direct Investment Abroad/in India	193929	482226	188243	455981	199440	493763	202785	506723
1.1 Equity Capital and Reinvested Earnings	122726	456947	121267	430714	125397	467990	127072	480697
1.2 Other Capital	71203	25278	66976	25267	74043	25773	75713	26026
2 Portfolio Investment	7936	274104	5041	244308	7912	272859	8578	276375
2.1 Equity	2340	177278	1906	149095	3146	176203	4590	177034
2.2 Debt	5596	96826	3136	95213	4766	96657	3988	99341
3 Other Investment	80606	454253	64785	440252	76828	455000	80317	475775
3.1 Trade Credit	5644	100337	2792	102187	7875	102117	11879	100267
3.2 Loan	13335	197773	9038	189705	13622	197443	10131	201213
3.3 Currency and Deposits	42436	143760	34864	138822	35904	143096	41102	142904
3.4 Other Assets/Liabilities	19191	12384	18092	9538	19427	12344	17205	31391
4 Reserves	576984		544687		611075		635363	
5 Total Assets/ Liabilities	859454	1210583	802757	1140541	895254	1221622	927043	1258873
6 IIP (Assets - Liabilities)		-351129		-337784		-326368		-331830

Payment and Settlement Systems

No.43: Payment System Indicators

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

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2020-21	2020	2021		FY 2020-21	2020	2021	
		Nov.	Oct.	Nov.		Nov.	Oct.	Nov.
	1	2	3	4	5	6	7	8
A. Settlement Systems								
Financial Market Infrastructures (FMIs)								
1 CCIL Operated Systems (1.1 to 1.3)	27.97	2.45	2.85	2.56	161943141	10692192	16600978	17364381
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	11.55	0.79	1.04	0.97	110634315	6942678	11415739	12229072
1.1.1 Outright	6.28	0.48	0.55	0.46	10032187	727023	745937	617831
1.1.2 Repo	2.84	0.12	0.25	0.26	43751173	1762647	3822009	4273958
1.1.3 Tri-party Repo	2.43	0.19	0.23	0.25	56850956	4453008	6847793	7337283
1.2 Forex Clearing	16.04	1.64	1.73	1.53	48903961	3625849	4736040	4816873
1.3 Rupee Derivatives @	0.38	0.02	0.08	0.06	2404865	123665	449200	318437
B. Payment Systems								
I Financial Market Infrastructures (FMIs)	–	–	–	–	–	–	–	–
1 Credit Transfers - RTGS (1.1 to 1.2)	1591.92	137.80	184.11	172.14	105599849	7987655	10134368	10981778
1.1 Customer Transactions	1573.47	136.13	182.90	170.95	91008367	6802206	8956918	9589985
1.2 Interbank Transactions	18.45	1.67	1.22	1.19	14591482	1185449	1177450	1391793
II Retail								
2 Credit Transfers - Retail (2.1 to 2.6)	317867.59	30269.97	52919.52	51855.52	33504168	2986234	3748602	3552986
2.1 AePS (Fund Transfers) @	11.31	0.93	0.86	0.62	623	54	49	35
2.2 APBS $	14372.99	927.29	1192.91	1119.16	111001	4400	7519	9750
2.3 IMPS	32783.47	3391.14	4306.71	4120.29	2941500	276459	370712	364672
2.4 NACH Cr $	16465.29	1114.23	1660.26	1356.65	1216477	96069	122519	95602
2.5 NEFT	30927.89	2734.10	3574.46	3394.00	25130910	2218252	2476397	2314490
2.6 UPI @	223306.64	22102.28	42184.32	41864.80	4103658	390999	771407	768436
2.6.1 of which USSD @	10.45	0.91	1.11	1.00	172	15	16	15
3 Debit Transfers and Direct Debits (3.1 to 3.3)	10456.54	944.24	979.36	1031.91	865520	78709	85776	87212
3.1 BHIM Aadhaar Pay @	160.84	9.39	21.49	19.78	2580	181	560	536
3.2 NACH Dr $	9645.75	869.63	865.69	900.10	862027	78433	85103	86517
3.3 NETC (linked to bank account) @	649.96	65.22	92.18	112.03	913	96	114	158
4 Card Payments (4.1 to 4.2)	57786.60	5428.32	6008.76	5418.21	1291799	130239	177413	156325
4.1 Credit Cards (4.1.1 to 4.1.2)	17641.06	1662.58	2155.81	2011.16	630414	62350	100943	89217
4.1.1 PoS based $	8688.81	874.82	1075.23	1068.93	280769	30495	38442	37499
4.1.2 Others $	8952.25	787.76	1080.58	942.23	349645	31855	62500	51718
4.2 Debit Cards (4.2.1 to 4.2.1)	40145.54	3765.75	3852.95	3407.05	661385	67889	76471	67109
4.2.1 PoS based $	20773.50	2112.56	2302.56	2111.98	377630	42289	47226	43750
4.2.2 Others $	19372.04	1653.18	1550.39	1295.07	283755	25600	29245	23358
5 Prepaid Payment Instruments (5.1 to 5.2)	49742.55	4226.72	6131.06	6107.21	197696	16712	26372	25583
5.1 Wallets	39987.01	3421.15	4888.97	4871.05	152065	12724	21702	21057
5.2 Cards (5.2.1 to 5.2.2)	9755.54	805.58	1242.09	1236.16	45631	3987	4670	4526
5.2.1 PoS based $	607.15	53.62	64.58	74.48	10690	1111	998	1287
5.2.2 Others $	9148.39	751.96	1177.51	1161.68	34941	2877	3672	3240
6 Paper-based Instruments (6.1 to 6.2)	6703.70	596.35	635.20	577.00	5627190	494383	582604	533223
6.1 CTS (NPCI Managed)	6702.54	596.35	635.20	577.00	5625941	494383	582604	533223
6.2 Others	1.17	–	–	–	1249	–	–	–
Total - Retail Payments (2+3+4+5+6)	442557.14	41465.61	66673.91	64989.85	41486430	3706276	4620768	4355329
Total Payments (1+2+3+4+5+6)	444149.06	41603.41	66858.02	65161.98	147086278	11693931	14755136	15337107
Total Digital Payments (1+2+3+4+5)	437445.36	41007.06	66222.82	64584.98	141459089	11199549	14172532	14803884

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2020-21	2020	2021		FY 2020-21	2020	2021	
		Nov.	Oct.	Nov.		Nov.	Oct.	Nov.
	1	2	3	4	5	6	7	8
A. Other Payment Channels								
1 Mobile Payments (mobile app based) (1.1 to 1.2)	258033.70	24288.77	45884.23	45045.78	9201212	822100	1353833	1306948
1.1 Intra-bank $	25220.71	2191.98	3761.38	3230.26	1871390	165155	243728	222891
1.2 Inter-bank $	232812.99	22096.79	42122.85	41815.52	7329822	656945	1110105	1084057
2 Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	32493.63	2814.17	3233.71	2860.67	41581497	3419474	3960872	3937877
2.1 Intra-bank @	6886.15	585.09	631.51	570.26	20601554	1653359	1723311	1788978
2.2 Inter-bank @	25607.48	2229.09	2602.20	2290.41	20979943	1766114	2237561	2148899
B. ATMs								
3 Cash Withdrawal at ATMs $ (3.1 to 3.3)	60905.81	5887.86	6037.14	5690.35	2889826	277940	289888	271685
3.1 Using Credit Cards $	51.41	4.64	5.64	5.45	2560	231	286	276
3.2 Using Debit Cards $	60602.23	5857.58	6002.43	5656.45	2878025	276797	288605	270470
3.3 Using Pre-paid Cards $	252.17	25.63	29.07	28.44	9240	912	997	939
4 Cash Withdrawal at PoS $ (4.1 to 4.2)	394.77	37.91	5.34	4.82	1533	143	64	63
4.1 Using Debit Cards $	353.50	32.33	4.44	4.14	1484	137	39	39
4.2 Using Pre-paid Cards $	41.27	5.58	0.90	0.68	49	6	25	24
5 Cash Withrawal at Micro ATMs @	9460.43	684.78	946.33	925.63	225420	18820	24799	25112
5.1 AePS @	9460.43	684.78	946.33	925.63	225420	18820	24799	25112

PART III - Payment Infrastructures (Lakh)

System	As on March 2021	2020	2021	
		Nov.	Oct.	Nov.
	1	2	3	4
Payment System Infrastructures				
1 Number of Cards (1.1 to 1.2)	9602.51	9528.15	9991.94	10015.90
1.1 Credit Cards	620.49	601.13	663.61	675.83
1.2 Debit Cards	8982.02	8927.02	9328.34	9340.07
2 Number of PPIs @ (2.1 to 2.2)	21952.60	20443.15	25307.71	25421.67
2.1 Wallets @	20052.10	18857.67	22886.70	22911.53
2.2 Cards @	1900.51	1585.48	2421.01	2510.13
3 Number of ATMs (3.1 to 3.2)	2.39	2.34	2.41	2.42
3.1 Bank owned ATMs $	2.14	2.09	2.13	2.13
3.2 White Label ATMs $	0.25	0.25	0.28	0.29
4 Number of Micro ATMs @	4.04	3.57	5.34	5.57
5 Number of PoS Terminals	47.20	45.77	51.55	52.92
6 Bharat QR @	35.70	30.46	44.35	45.41
7 UPI QR *	925.22	697.82	1285.05	1373.33

@: New inclusion w.e.f. November 2019
$: Inclusion separately initiated from November 2019 - would have been part of other items hitherto.
*: New inclusion w.e.f. September 2020; Includes only static UPI QR Code

Note : 1. Data is provisional.
2. ECS (Debit and Credit) has been merged with NACH with effect from January 31, 2020.
3. The data from November 2019 onwards for card payments (Debit/Credit cards) and Prepaid Payment Instruments (PPIs) may not be comparable with earlier months/ periods, as more granular data is being published along with revision in data definitions.
4. Only domestic financial transactions are considered. The new format captures e-commerce transactions; transactions using FASTags, digital bill payments and card-to-card transfer through ATMs, etc.. Also, failed transactions, chargebacks, reversals, expired cards/ wallets, are excluded.

Occasional Series

No. 44: Small Savings

(₹ Crore)

Scheme		2019-20	2020		2021	
			Feb.	Dec.	Jan.	Feb.
		1	2	3	4	5
1 Small Savings	**Receipts**	**159573**	**16911**	**16781**	**14261**	**14405**
	Outstanding	**1078535**	**1046766**	**1196084**	**1210379**	**1224772**
1.1 Total Deposits	**Receipts**	**116389**	**11460**	**12407**	**9820**	**10143**
	Outstanding	**734807**	**716363**	**827156**	**836976**	**847119**
1.1.1 Post Office Saving Bank Deposits	Receipts	25893	2690	3307	2049	2252
	Outstanding	166140	156258	190437	192486	194738
1.1.2 MGNREG	Receipts					
	Outstanding					
1.1.3 National Saving Scheme, 1987	Receipts	36	-20	-21	-26	-23
	Outstanding	3143	2939	3086	3060	3037
1.1.4 National Saving Scheme, 1992	Receipts	-1	-3	-3	0	57
	Outstanding	9	-23	-17	-17	40
1.1.5 Monthly Income Scheme	Receipts	16510	1887	1053	1162	1135
	Outstanding	209168	207059	217980	219142	220277
1.1.6 Senior Citizen Scheme 2004	Receipts	20334	2131	2014	1886	1950
	Outstanding	76042	73728	90914	92800	94750
1.1.7 Post Office Time Deposits	Receipts	41795	4494	4330	3952	3798
	Outstanding	166087	161115	195847	199799	203597
1.1.7.1 1 year Time Deposits	Outstanding	92618	90327	104601	105928	107099
1.1.7.2 2 year Time Deposits	Outstanding	7097	6970	7324	7375	7418
1.1.7.3 3 year Time Deposits	Outstanding	7536	7464	7330	7285	7267
1.1.7.4 5 year Time Deposits	Outstanding	58836	56354	76592	79211	81813
1.1.8 Post Office Recurring Deposits	Receipts	11821	281	1727	797	974
	Outstanding	114222	115291	128912	129709	130683
1.1.9 Post Office Cumulative Time Deposits	Receipts	1	0	0	0	0
	Outstanding	-25	-25	-24	-24	-24
1.1.10 Other Deposits	Receipts	0	0	0	0	0
	Outstanding	21	21	21	21	21
1.2 Saving Certificates	**Receipts**	**30170**	**3937**	**3941**	**3909**	**3647**
	Outstanding	**252190**	**248022**	**274905**	**278848**	**282483**
1.2.1 National Savings Certificate VIII issue	Receipts	19495	2619	1923	1903	1843
	Outstanding	117987	115127	129270	131173	133016
1.2.2 Indira Vikas Patras	Receipts	-101	1	-1	-1	0
	Outstanding	162	-288	158	157	157
1.2.3 Kisan Vikas Patras	Receipts	-18168	-1120	-669	-603	-470
	Outstanding	1135	3949	-5121	-5724	-6194
1.2.4 Kisan Vikas Patras - 2014	Receipts	28972	2452	2677	2610	2274
	Outstanding	122602	118507	140538	143148	145422
1.2.5 National Saving Certificate VI issue	Receipts	-4	0	8	0	0
	Outstanding	-155	-180	-147	-147	-147
1.2.6 National Saving Certificate VII issue	Receipts	-24	-15	3	0	0
	Outstanding	-106	-99	-103	-103	-103
1.2.7 Other Certificates	Outstanding	10565	11006	10310	10344	10332
1.3 Public Provident Fund	**Receipts**	**13014**	**1514**	**433**	**532**	**615**
	Outstanding	**91538**	**82381**	**94023**	**94555**	**95170**

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

Source: Accountant General, Post and Telegraphs.

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

(Per cent)

Central Government Dated Securities					
Category	2020		2021		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(A) Total (in ₹. Crore)	**7137069**	**7357111**	**7635902**	**7882533**	**8235318**
1 Commercial Banks	38.55	37.81	37.77	35.99	37.82
2 Non-Bank PDs	0.34	0.25	0.27	0.34	0.35
3 Insurance Companies	25.33	25.64	25.30	25.83	24.18
4 Mutual Funds	2.42	2.62	2.94	2.82	2.91
5 Co-operative Banks	1.86	1.83	1.82	1.82	1.50
6 Financial Institutions	1.42	1.00	1.00	1.43	1.17
7 Corporates	0.94	1.05	1.06	1.39	0.72
8 Foreign Portfolio Investors	2.05	2.10	1.87	1.79	1.81
9 Provident Funds	4.77	4.61	4.44	4.04	3.77
10 RBI	15.00	15.71	16.20	17.11	16.98
11. Others	7.32	7.37	7.33	7.43	8.79
11.1 State Governments	1.86	1.76	1.69	1.67	1.67

State Governments Securities					
Category	2020		2021		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(B) Total (in ₹. Crore)	**3564979**	**3721573**	**3879982**	**4028849**	**4153508**
1 Commercial Banks	34.60	34.19	33.69	33.75	35.94
2 Non-Bank PDs	0.54	0.36	0.48	0.39	0.44
3 Insurance Companies	30.26	30.25	30.04	29.67	27.50
4 Mutual Funds	1.96	1.92	1.82	1.74	1.97
5 Co-operative Banks	4.19	4.11	4.05	4.12	3.60
6 Financial Institutions	1.92	1.88	1.86	1.79	1.72
7 Corporates	0.39	0.45	0.49	1.45	1.32
8 Foreign Portfolio Investors	0.02	0.02	0.02	0.02	0.03
9 Provident Funds	21.31	21.20	22.00	21.09	18.27
10 RBI	0.00	0.81	0.77	0.88	0.85
11. Others	4.80	4.82	4.77	5.10	8.38
11.1 State Governments	0.18	0.18	0.18	0.18	0.18

Treasury Bills					
Category	2020		2021		
	Sep.	Dec.	Mar.	Jun.	Sep.
	1	2	3	4	5
(C) Total (in ₹. Crore)	**982286**	**839729**	**690646**	**901327**	**763582**
1 Commercial Banks	53.50	54.75	55.54	52.25	50.22
2 Non-Bank PDs	2.16	1.65	2.82	1.82	1.33
3 Insurance Companies	4.06	4.50	5.61	4.75	4.12
4 Mutual Funds	19.90	18.98	17.80	19.93	17.72
5 Co-operative Banks	1.63	1.61	2.43	1.60	1.32
6 Financial Institutions	1.34	1.11	1.24	2.56	2.12
7 Corporates	1.63	2.01	3.16	3.00	2.40
8 Foreign Portfolio Investors	0.00	0.00	0.00	0.00	0.15
9 Provident Funds	0.00	0.09	0.22	0.10	0.37
10 RBI	4.80	0.68	0.49	2.58	2.63
11. Others	10.99	14.63	10.70	11.42	17.62
11.1 State Governments	7.76	13.27	5.98	7.97	12.64

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

(₹ Crore)

Item	2016-17	2017-18	2018-19	2019-20	2020-21 RE	2021-22 BE
	1	2	3	4	5	6
1 Total Disbursements	**4265969**	**4515946**	**5040747**	**5410887**	**6523916**	**7160694**
1.1 Developmental	2537905	2635110	2882758	3074492	3906147	4254004
1.1.1 Revenue	1878417	2029044	2224367	2446605	3259401	3242247
1.1.2 Capital	501213	519356	596774	588233	636062	922982
1.1.3 Loans	158275	86710	61617	39654	10684	88775
1.2 Non-Developmental	1672646	1812455	2078276	2253027	2526514	2810847
1.2.1 Revenue	1555239	1741432	1965907	2109629	2334608	2602289
1.2.1.1 Interest Payments	724448	814757	894520	955801	1082302	1244457
1.2.2 Capital	115775	69370	111029	141457	189487	177328
1.2.3 Loans	1632	1654	1340	1941	2419	31230
1.3 Others	55417	68381	79713	83368	91255	95843
2 Total Receipts	**4288432**	**4528422**	**5023352**	**5734166**	**6489736**	**7039032**
2.1 Revenue Receipts	3132201	3376416	3797731	3851563	3834126	4682025
2.1.1 Tax Receipts	2622145	2978134	3278947	3231582	3175594	3829889
2.1.1.1 Taxes on commodities and services	1652377	1853859	2030050	2012578	2100982	2514708
2.1.1.2 Taxes on Income and Property	965622	1121189	1246083	1216203	1071552	1311449
2.1.1.3 Taxes of Union Territories (Without Legislature)	4146	3086	2814	2800	3060	3732
2.1.2 Non-Tax Receipts	510056	398282	518783	619981	658532	852135
2.1.2.1 Interest Receipts	33220	34224	36273	31137	39830	33198
2.2 Non-debt Capital Receipts	69063	142433	140287	110094	54861	201138
2.2.1 Recovery of Loans & Advances	20942	42213	44667	59515	21151	19581
2.2.2 Disinvestment proceeds	48122	100219	95621	50578	33710	181557
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	**1064704**	**997097**	**1102729**	**1449230**	**2634928**	**2277532**
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	1046708	989167	1097210	1440548	2580406	2276017
3A.1.1 Net Bank Credit to Government	617123	144792	387091	571872	890012	-----
3A.1.1.1 Net RBI Credit to Government	195816	-144847	325987	190241	107494	-----
3A.1.2 Non-Bank Credit to Government	429585	844375	710119	868676	1690394	-----
3A.2 External Financing	17997	7931	5519	8682	54522	1514
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	1046708	989167	1097210	1440548	2580406	2276017
3B.1.1 Market Borrowings (net)	689821	794856	795845	971378	1778062	1620936
3B.1.2 Small Savings (net)	35038	71222	88961	209232	455724	367863
3B.1.3 State Provident Funds (net)	45688	42351	51004	38280	47300	45504
3B.1.4 Reserve Funds	-6436	18423	-18298	10411	-3450	5051
3B.1.5 Deposits and Advances	17792	25138	66289	-14227	29050	28868
3B.1.6 Cash Balances	-22463	-12476	17395	-323279	34179	121663
3B.1.7 Others	287268	49653	96014	548753	239540	86132
3B.2 External Financing	17997	7931	5519	8682	54522	1514
4 Total Disbursements as per cent of GDP	*27.7*	*26.4*	*26.7*	*26.6*	*33.0*	*32.1*
5 Total Receipts as per cent of GDP	*27.9*	*26.5*	*26.6*	*28.2*	*32.9*	*31.6*
6 Revenue Receipts as per cent of GDP	*20.3*	*19.8*	*20.1*	*18.9*	*19.4*	*21.0*
7 Tax Receipts as per cent of GDP	*17.0*	*17.4*	*17.4*	*15.9*	*16.1*	*17.2*
8 Gross Fiscal Deficit as per cent of GDP	*6.9*	*5.8*	*5.8*	*7.1*	*13.3*	*10.2*

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

Source : Budget Documents of Central and State Governments.

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

(₹ Crore)

Sr. No	State/Union Territory	During November-2021					
		Special Drawing Facility (SDF)		Ways and Means Advances (WMA)		Overdraft (OD)	
		Average amount availed	Number of days availed	Average amount availed	Number of days availed	Average amount availed	Number of days availed
	1	2	3	4	5	6	7
1	Andhra Pradesh	587	21	2151	18	1663	3
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	65	5	-	-	-	-
6	Goa	11	2	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	-	-	-	-	-	-
9	Himachal Pradesh	-	-	-	-	-	-
10	Jammu & Kashmir UT	-	-	1037	26	899	11
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	-	-	-	-	-	-
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	-	-	-	-	-	-
16	Manipur	-	-	303	29	269	20
17	Meghalaya	89	12	86	6	-	-
18	Mizoram	-	-	155	18	6	3
19	Nagaland	78	21	295	7	76	6
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	-	-	-	-	-	-
23	Rajasthan	2343	21	-	-	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	645	21	1345	19	682	9
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	-	-	-	-	-	-
29	West Bengal	-	-	-	-	-	-

Note: The State of J&K has ceased to exist constitutionally from October 31, 2019 and the liabilities of the State continue to remain as liabilities of the new UT of Jammu and Kashmir.
Source: Reserve Bank of India.

No. 48: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of November 2021			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	9054	892	--	-
2	Arunachal Pradesh	1920	3	--	-
3	Assam	3853	60	--	-
4	Bihar	6102	--	--	-
5	Chhattisgarh	5264	--	1	4550
6	Goa	670	338	--	-
7	Gujarat	5330	524	--	-
8	Haryana	842	1330	--	-
9	Himachal Pradesh	--	--	--	2500
10	Jammu & Kashmir UT	--	--	--	-
11	Jharkhand	490	--	--	-
12	Karnataka	6292	--	--	30500
13	Kerala	2338	--	--	-
14	Madhya Pradesh	--	1003	--	-
15	Maharashtra	48418	686	--	25000
16	Manipur	168	110	--	-
17	Meghalaya	791	45	9	-
18	Mizoram	383	49	--	-
19	Nagaland	1794	36	--	-
20	Odisha	12233	1595	92	30783
21	Puducherry	336	--	--	1280
22	Punjab	1987	--	8	-
23	Rajasthan	--	--	129	5200
24	Tamilnadu	7258	--	40	14023
25	Telangana	6193	1350	--	-
26	Tripura	565	10	--	700
27	Uttar Pradesh	1009	--	180	-
28	Uttarakhand	3566	139	--	-
29	West Bengal	9715	633	214	-
	Total	**136567**	**8803**	**672**	**114536**

Note: The State of J&K has ceased to exist constitutionally from October 31, 2019 and the liabilities of the State continue to remain as liabilities of the new UT of Jammu and Kashmir.

No. 49: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2019-20		2020-21		2021-22						Total amount raised, so far in 2021-22	
						September		October		November			
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	42415	33444	50896	41915	6000	4840	5000	3840	2000	840	32750	24739
2	Arunachal Pradesh	1366	1287	767	767	-	-	-	-	-	-	400	400
3	Assam	12906	10996	15030	14230	1700	1700	1600	1600	1000	500	6500	6000
4	Bihar	25601	22601	27285	24685	2000	2000	4000	3000	4000	4000	20000	19000
5	Chhattisgarh	11680	10980	13000	10500	1000	1000	2000	1500	-	-1000	4000	2500
6	Goa	2600	2000	3354	3054	400	200	100	100	100	-100	1300	900
7	Gujarat	38900	28600	44780	33280	3000	1000	5554	3554	-	-1000	17554	7554
8	Haryana	24677	20677	30000	25550	1000	1000	3000	2500	-	-500	16500	12200
9	Himachal Pradesh	6580	4460	6000	3755	1000	1000	-	-100	2000	1795	3000	2695
10	Jammu & Kashmir UT	7869	6760	9328	6020	1100	1100	-	-	400	225	4600	3725
11	Jharkhand	7500	5656	9400	8900	500	500	1000	500	-	-	1500	500
12	Karnataka	48500	42500	69000	61900	-	-	6000	6000	4000	2500	10000	8500
13	Kerala	18073	12617	28566	23066	5500	4500	2000	1000	-	-	19000	16000
14	Madhya Pradesh	22371	16550	45573	38773	6000	6000	2000	-1000	4000	4000	14000	11000
15	Maharashtra	48498	32998	69000	50022	8500	7000	2500	-1000	3000	3000	51750	41750
16	Manipur	1757	1254	1302	1044	147	47	140	90	200	200	1087	937
17	Meghalaya	1344	1070	1777	1587	400	400	200	140	-	-50	1000	790
18	Mizoram	900	745	944	677	80	80	104	104	-	-	434	184
19	Nagaland	1000	423	1721	1366	150	150	89	89	-	-	989	889
20	Odisha	7500	6500	3000	500	-	-	-	-1000	-	-500	-	-3500
21	Puducherry	970	470	1390	790	124	124	-	-	125	125	249	249
22	Punjab	27355	18470	32995	23467	5170	3770	1162	862	-	-500	12282	2532
23	Rajasthan	39092	24686	57359	44273	6000	5500	5000	3730	1500	617	32100	25635
24	Sikkim	809	481	1292	1292	251	251	-	-	-	-	751	751
25	Tamil Nadu	62425	49826	87977	76796	1000	1000	4000	2740	4000	2260	47000	40000
26	Telangana	37109	30697	43784	37365	3500	2660	1500	660	3000	2160	28000	22211
27	Tripura	2928	2578	1916	1631	300	300	-	-	-	-	300	150
28	Uttar Pradesh	69703	52744	75500	59185	7500	6500	7500	5524	5000	2513	40000	26791
29	Uttarakhand	5100	4500	6200	5208	-	-150	-	-	-	-	1200	350
30	West Bengal	56992	40882	59680	50180	8500	7000	5000	3500	3500	2500	38000	21827
	Grand Total	634521	487454	798816	651777	70822	59472	59449	37934	37825	23585	406246	297259

- : Nil.

Note: The State of J&K has ceased to exist constitutionally from October 31, 2019 and the liabilities of the State continue to remain as liabilities of the new UT of Jammu and Kashmir.

Source: Reserve Bank of India.

Explanatory Notes to the Current Statistics

Table No. 1

1.2& 6: Annual data are average of months.

3.5 & 3.7: Relate to ratios of increments over financial year so far.

4.1 to 4.4, 4.8,4.9 &5: Relate to the last friday of the month/financial year.

4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.

4.10 to 4.12: Relate to the last auction day of the month/financial year.

4.13: Relate to last day of the month/ financial year

7.1&7.2: Relate to Foreign trade in US Dollar.

Table No. 2

2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.

2.2.2: Include cash, fixed deposits and short-term securities/bonds, e.g., issued by IIFC (UK).

Table No. 4

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

Table No. 5

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

Table No. 6

For scheduled banks, March-end data pertain to the last reporting Friday.

2.2: Exclude balances held in IMF Account No.1, RBI employees' provident fund, pension fund, gratuity and superannuation fund.

Table Nos. 7 & 11

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

Table No. 8

NM_2 and NM_3 do not include FCNR (B) deposits.

2.4: Consist of paid-up capital and reserves.

2.5: includes other demand and time liabilities of the banking system.

Table No. 9

Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.

L_1 and L_2 are compiled monthly and L_3 quarterly.

Wherever data are not available, the last available data have been repeated.

Table No. 13

Data against column Nos. (1), (2) & (3) are Final and for column Nos. (4) & (5) data are Provisional.

Table No. 14

Data in column Nos. (4) & (8) are Provisional.

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 2018-19 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). The details on methodology used for compilation of NEER/REER indices are available in December 2005, April 2014 and January 2021 issues of the RBI Bulletin.

Table No. 37

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

Table Nos. 38, 39, 40 & 41

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

Table No. 43

Part I-A. Settlement systems

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

Part I-B. Payments systems

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

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

5: Available from December 2010.

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

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

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

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

Part II-A. Other payment channels

1: Mobile Payments –

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

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

Part II-B. ATMs

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

Part III. Payment systems infrastructure

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

Table No. 45

(-): represents nil or negligible

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

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

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

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

Table No. 46

GDP data is based on 2011-12 base. GDP data from 2019-20 pertains to the Provisional Estimates of National Income released by National Statistics Office on 29th May 2020. GDP for 2020-21 is from Union Budget 2020-21.

Data pertains to all States and Union Territories.

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: Borrowings through dated securities.

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

This data may vary from previous publications due to adjustments across components with availability of new data.

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

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

Table No. 47

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

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

OD is advanced to State Governments beyond their WMA limits.

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

- : Nil.

Table No. 48

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

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

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

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

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

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

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

Notes

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

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