RESERVE BANK OF INDIA

BULLETIN

JUNE 2016

VOLUME LXX NUMBER 6

The Reserve Bank of India Bulletin is issued monthly by the Department of Economic and Policy Research, Reserve Bank of India, under the direction of the Editorial Committee.
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Second Bi-monthly Monetary Policy Statement, 2016-17

*Second Bi-monthly Monetary Policy Statement, 2016-17 by Dr. Raghuram G. Rajan, Governor**

Monetary and Liquidity Measures

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

- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.5 per cent;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liabilities (NDTL); and
- continue to provide liquidity as required but progressively lower the average *ex ante* liquidity deficit in the system from one per cent of NDTL to a position closer to neutrality.

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

Assessment

2. Since the first bi-monthly statement of April 2016, global growth is uneven and struggling to gain traction. World trade remains muted in an environment of weak demand. In the United States, growth was slow once again in Q1 because of contracting industrial activity and exports. Recent indicators of labour market activity have also weakened. In the Euro area, by contrast, Q1 GDP rose strongly on the back of robust consumer spending and recovering employment and business conditions. In Q2 so far, unemployment is falling, *albeit* slowly, and purchasing managers' sentiment is upbeat. In Japan, growth surprised on the upside in Q1, with the economy escaping a technical recession, but industrial activity remains weak and deflationary pressures are building.

3. GDP growth slowed sequentially in China in Q1, with retail sales, industrial production and fixed investment showing signs of weakness in recent months amidst still rising levels of indebtedness among households and corporations. While macroeconomic stability is returning to some emerging market economies (EMEs), geo-political tensions and high volatility in financial markets impede the resumption of momentum, and the outlook remains challenging. The recent uptick in commodity prices is providing some relief to commodity exporters but political events could unsettle investor sentiment and consequently, capital flows could turn volatile again. For commodity importers, net terms of trade gains are moderating.

4. Global financial markets have recorded gains through Q2 of 2016, spurred by risk-on investor sentiment. Portfolio flows are returning, *albeit* hesitantly, to EME debt and equity markets. The firmness in crude prices that set in around mid-March has been supported in subsequent weeks by some temporary reductions in global supply. Gold prices remain elevated on safe haven demand. Other non-energy commodity prices remain stable with a hint of upside, while steel prices have firmed appreciably. Bond market yields across AEs have eased steadily, reflecting strong appetite in primary auctions in the face of the growing universe of negative yielding bonds. The US dollar continues to mirror changes in expectations of monetary policy action by the Fed. The yen and the euro have remained strong despite ultra-accommodative monetary policies. Among EMEs, some currencies are trading with an appreciating bias, with the biggest gains recorded by the currencies that had depreciated the most earlier.

* Released on June 07, 2016.

5. On the domestic front, the recently released provisional estimate of gross value added (GVA) for 2015-16 marginally scaled down the annual growth rate to 7.2 per cent, on a deceleration of services sector activity in relation to the advance estimates. There was, however, a sequential pickup in activity in Q4 in line with expectations. As regards the current financial year, the India Meteorological Department (IMD) has forecast an above-normal and well-distributed south west monsoon as *El Nino wanes – albeit* with a slightly delayed onset. Realisation of this prediction is critical for the outlook for agriculture since reservoir levels have been depleted to 17 per cent of capacity – 40 per cent lower than the level a year ago. Even though *rabi* procurement was lower in April-May 2016 than a year ago, mid-May food stocks at 58 million tonnes were almost three times the norm for Q1.

6. The index of industrial production decelerated in 2015-16, mainly pulled down by weak manufacturing in an environment of subdued investment demand and weak rural consumption. In May 2016, the manufacturing purchasing managers' index (PMI) remained subdued on account of slowing output and export orders. However, except for natural gas and crude oil, the core sector registered strong growth in April 2016 on account of a seasonal pick-up in industries like electricity, also supported by a low base. There are signs that corporate performance is improving. Available information on Q4 earnings suggests double digit growth in EBITDA levels for non-financial corporates. The Reserve Bank's latest rounds of forward looking surveys indicate an improvement in the overall business situation, driven by a pick-up in capacity utilisation and in order books – both domestic and external. These developments have improved the expectation of business conditions in the first half of 2016-17. Public investment, especially in roads and railways, is gaining strength, though the continuing weakness in private investment is of concern. Demand conditions are likely to improve going forward; consumer confidence is seen as rising on improving expectations of employment and spending, with rural demand aided by a stronger monsoon. Rising capacity utilisation should prompt private investment.

7. Some high frequency indicators for April point to a firming recovery, although it is still uneven. Leading the upturn are cargo traffic at major ports, automobile sales (especially two-wheelers and three-wheelers), commercial vehicle sales, passenger air and freight traffic, cement production and steel consumption. Abstracting from seasonal effects, this suggests that the expansion, especially in the service sector, is getting broad-based. On the other hand, railway freight traffic and passenger car sales have decelerated on sector-specific constraints. Purchasing managers in the services sector indicated slowing new business in May and subdued expectations of future activity.

8. The ebbing of inflation pressures for two consecutive months to March, after a period of steady rise, was interrupted once again in April. Retail inflation measured by the consumer price index (CPI) rose more sharply than expected due to a more-than-seasonal jump in food prices. Within the food group, inflation in respect of vegetables, fruits, sugar, meat and fish rose sizably from their prints in the previous month. Inflation in respect of pulses remained elevated; the recent decline in prices of pulses reversed, yielding a sharp increase in April. Production of pulses has fallen for the second consecutive year, according to the third advance estimates for 2015-16. There was also a firming of inflation relating to edible oils, spices and non-alcoholic beverages. Cereal inflation, however, remained subdued, reflecting supply management efforts that expanded offtake from food stocks. Inflation in respect of the fuel group

eased mainly due to firewood and stronger deflation in respect of LPG prices. Reflecting these recent inflation dynamics, three-months-ahead inflation expectations of households moved up marginally in May.

9. CPI inflation excluding food and fuel edged up in April, driven by prices of petrol and diesel embedded in transport and communication. Clothing and footwear also registered moderate increases in inflation. Services inflation remained elevated on account of house rents, water charges, tuition fees and taxi/auto fares. Excluding petrol and diesel from this category, inflation was sticky and above 5 per cent. However, since growth in rural wages and corporate staff costs have been modest, cost-push factors may be subdued for the time being.

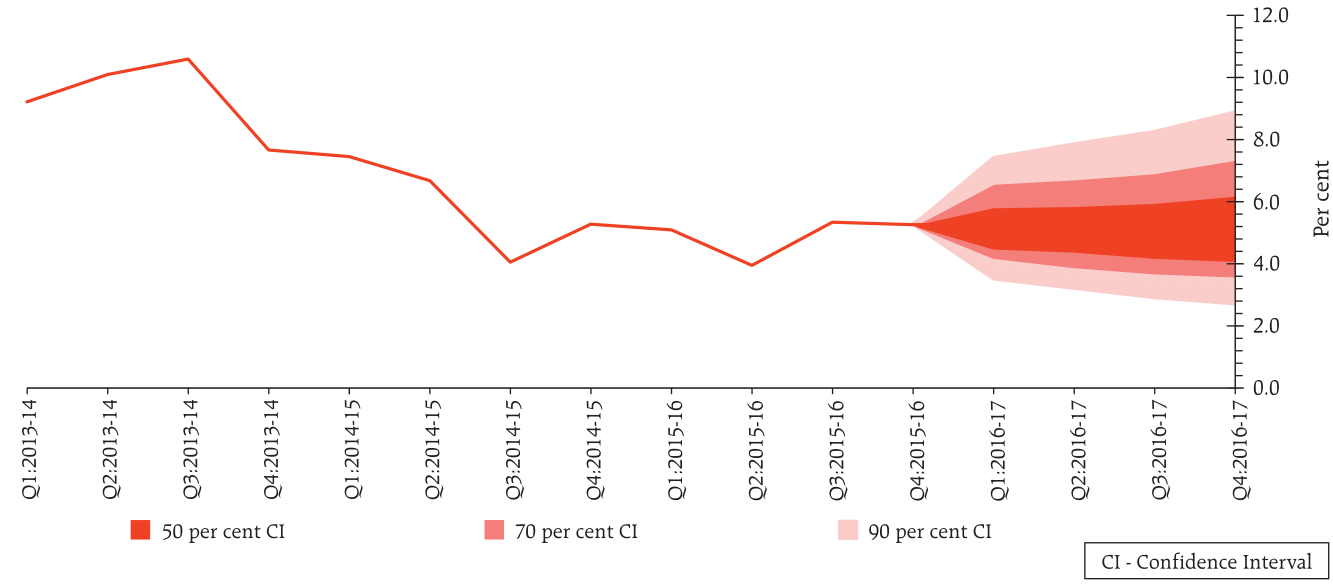
10. Despite the waning of liquidity pressures in early April, stronger-than-usual currency demand during the first two months of the financial year and build-up of cash balances by the Government from the second week of May tightened liquidity conditions from mid-May. In order to mitigate these pressures, the Reserve Bank injected liquidity through purchases under open market operations (OMOs) of ₹700 billion during April-May in pursuance of the revised liquidity management framework outlined in the April bi-monthly policy statement. Additionally, liquidity was injected through variable rate repos of various tenors, in addition to the regular 14-day term repos and overnight fixed rate repo and MSF. The average daily net liquidity injection through the liquidity adjustment facility (including MSF) declined from ₹1935 billion in March 2016 to ₹1030 billion during April-May and further to ₹120 billion in June (up to June 5, 2016). The weighted average call money rate (WACR) remained closely anchored to the policy rate within a narrower corridor of +/- 50 basis points around the policy repo rate. Volatility also declined significantly. Interest rates on money market instruments such as certificates of deposit (CDs) and commercial paper (CPs) also eased through the quarter so far.

11. Exports declined for the seventeenth consecutive month in April in US dollar terms in spite of a modest increase in volume. The fall in crude oil prices led to lower export realisations from petroleum products (POL), although the volume of shipments of petroleum products is estimated to have picked up modestly. Among non-oil items, exports of gems and jewellery, drugs and pharmaceuticals, chemicals and electronic goods improved over their levels a year ago. By contrast, exports of engineering goods declined for the ninth straight month while readymade garments recorded a fall for the fourth successive month. Imports fell sharply and across constituents – 25 items accounting for a share of 87 per cent in total imports recorded a decline; POL imports also declined, essentially reflecting lower prices. Accordingly, the trade deficit narrowed sequentially and was less than half its level a year ago. Portfolio flows resumed in April and May. The level of foreign exchange reserves rose to US $ 360 billion by May 27, 2016.

Policy Stance and Rationale

12. The inflation surprise in the April reading makes the future trajectory of inflation somewhat more uncertain. The expectations of a normal monsoon and a reasonable spatial and temporal distribution of rainfall, along with various supply management measures and the introduction of the electronic national agriculture market (e-NAM) trading portal, should moderate unanticipated flares of food inflation. In addition, capacity utilisation indicators suggest that the available headroom in industry could keep output prices subdued even as demand picks up. Nonetheless, there are upside risks – firming international commodity prices, particularly of crude oil; the implementation of the 7th Central Pay Commission

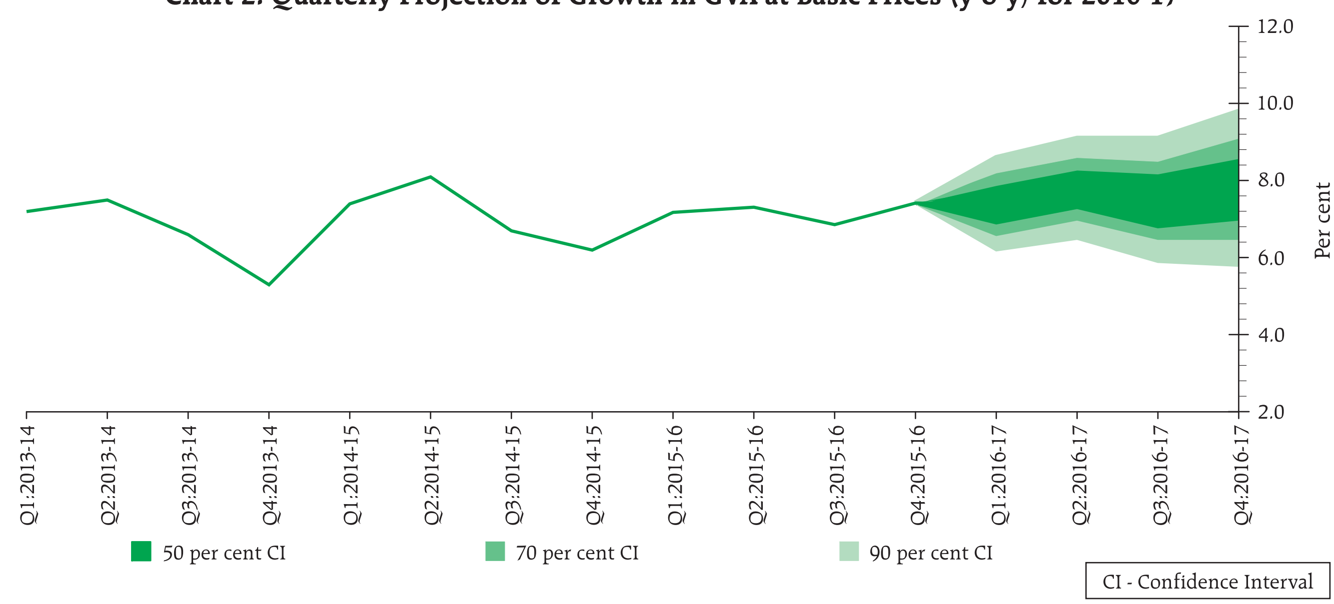
Chart 1: Quarterly Projection of CPI Inflation (y-o-y) for Q1:2016-17 to Q4:2016-17



awards which will have to be factored into projections as soon as clarity on implementation emerges; the upturn in inflation expectations of households and of corporates; and the stickiness in inflation excluding food and fuel. Taking these factors into account, the inflation projections given in the April policy statement are retained, though with an upside bias. Considerable uncertainty surrounds these projections (Chart 1), which should be clarified by incoming data in the next few months.

13. Domestic conditions for growth are improving gradually, mainly driven by consumption demand, which is expected to strengthen with a normal monsoon and the implementation of the Seventh Pay Commission award. Higher public sector capital

Chart 2: Quarterly Projection of Growth in GVA at Basic Prices (y-o-y) for 2016-17



expenditure, led by roads and railways, should crowd in private investment, offsetting somewhat the subdued appetite for fresh private investment due to financial stress. Yet, business confidence will be restrained to an extent on account of unrelenting global factors. On a reassessment of balance of risks, therefore, the GVA growth projection for 2016-17 has been retained at 7.6 per cent with risks evenly balanced (Chart 2).

14. In its bi-monthly monetary policy statement of April 2016, the Reserve Bank stated that it would watch macroeconomic and financial developments in the months ahead with a view to responding as space opens up. Incoming data since then show a sharper-than-anticipated upsurge in inflationary pressures emanating from a number of food items (beyond seasonal effects), as well as a reversal in commodity prices. A strong monsoon, continued astute food management, as well as steady expansion in supply capacity, especially in services, could help offset these upward pressures. Given the uncertainties, the Reserve Bank will stay on hold, but the stance of monetary policy remains accommodative. The Reserve Bank will monitor macroeconomic and financial developments for any further scope for policy action.

15. More monetary transmission to support the revival of growth continues to be critical. The government's reform measures on small savings rates combined with the Reserve Bank's refinements in the liquidity management framework should help the transmission of past policy rate reductions into lending rates of banks. The Reserve Bank will shortly review the implementation of the Marginal Cost Lending Rate framework by banks. Timely capital infusions into constrained public sector banks will also aid credit flow.

16. The third bi-monthly monetary policy statement will be announced on August 9, 2016.

SPEECHES

*Money and Education**

Raghuram G. Rajan

Thanks very much for inviting me to speak today. First, congratulations to all of you who are receiving degrees today. Congratulations also to your teachers, family, and friends who have invested in you and supported you.

Convocation speeches are meant to give you one last set of issues to ponder on before you are let loose on the world. I will actually talk about two issues – an economic point deriving from my training as an economist, and a point about private universities deriving from my work at one for over 20 years. I embark on this talk comforted by the knowledge that the bar for convocation speeches is low. If you even remember a word I say a few years from now, I will have surpassed the average convocation speaker – most people don't remember who spoke at their convocation, let alone what they said.

First, the economic point: In a very interesting recent book, Harvard philosopher Michael Sandel points to the range of things money can buy in modern society. He seems to want to make us angry at the growing dominance of the market.[1] Professor Sandel worries not just about the corrupting nature of some exchanges as they are monetised but also questions their effectiveness; for instance, do kids really develop a love of reading if they are bribed to read books? He is also concerned about unequal access to money, which makes trades using money inherently unequal. More generally, Sandel fears that the expansion of anonymous monetary exchange breaks down social cohesion, and argues for reducing money's role in society.

While Sandel's concerns are not entirely new, his examples are worth reflecting on. For instance, some companies pay the unemployed to stand in line for free public tickets to Congressional hearings in the United States. They then sell the tickets to lobbyists and corporate lawyers who have a business interest in the hearing but are too busy to stand in line. Clearly, public hearings are an important element of participatory democracy. All citizens should have equal access. So selling access seems a perversion of democratic principles.

The fundamental problem, though, is scarcity. We cannot accommodate everyone in the room who might have interest in a particularly important hearing. So we have to 'sell' entry. We can either allow people to use their time to bid for seats – the one who stands the longest wins the seat – or we can auction seats for money. The former seems fairer, because all citizens seemingly start with equal endowments of time – we all start with 24 hours in a day. But is a single mother with a high pressure job and three young children as equally endowed with spare time as a student on summer vacation? And is society better off if she, the chief legal counsel in a large corporation, spends much of her time standing in line for hearings?

Whether it is better to sell entry tickets for time or for money thus depends on what we hope to achieve. If we want to increase society's productive efficiency, people's willingness to pay with money is a reasonable indicator of how much they will gain if they have access to the hearing. Auctioning seats for money makes sense – the lawyer contributes more to society by preparing briefs than standing in line. On the other hand, if it is important that young impressionable citizens see how their democracy works, if it is important that we build social solidarity by making corporate executives stand in line with jobless teenagers, perhaps we should force people to bid with their time by standing in line, and make entry tickets non-transferable. And if we think that both objectives should play some role, perhaps we should turn a blind eye to some operators hiring those

* Convocation address by Dr. Raghuram G. Rajan, Governor, Reserve Bank of India, at Shiv Nadar University, Delhi on May 7, 2016.

[1] *What Money Can't Buy: The Moral Limits of the Market*, by Michael Sandel, 2012, Allen Lane, London.

with spare time to stay in line in lieu of busy lawyers, so long as they do not corner all the seats.

What about the sale of human organs, another example Sandel worries about? Something seems wrong when a lung or a kidney is sold for money. However, we celebrate the kindness of a stranger who donates a kidney to a young child. So, clearly, it is not the transfer of the organ that outrages us – we do not think the donor is misinformed about the value of their kidney or is being fooled into parting with it. Nor, I think, do we have concerns about the scruples of the person selling the organ – after all, they are parting irreversibly with something that is very dear to them for a price that few of us would agree to.

I think part of our discomfort has to do with the circumstances in which the transaction takes place. What kind of society do we live in if people have to sell their organs to survive? But while a ban on organ sales may make us feel better, does it really make society better off? Possibly, if it makes society work harder to make sure people are never driven to the circumstances that would make them contemplate a sale. Possibly not, if it allows society to turn its back on the underlying problem, either moving the trade underground, or forcing people in dire circumstances to resort to worse remedies.

But I also think part of our unease has to do with what we perceive as an unequal exchange. The seller is giving up part of her body in an irreversible transaction. The buyer is giving up only money – perhaps earned on a lucky stock trade or through an overpaid job. If that money was earned by selling a portion of a lung, or by painful savings accumulated after years of backbreaking work, we might consider the exchange more equal. But the central virtue of money is precisely its anonymity. We need know nothing about the rupee we get to be able to use it. But because money's anonymity obscures its provenance, it may be socially less acceptable as a medium of payment for some objects.

Professor Sandel makes us think. But he seems to move too quickly to prescribe banning monetary transactions, when his real concern is perhaps with the unfair distribution of money. What he also seems to ignore are the virtues of anonymity. In a free market, all it takes to buy what you want is money. You do not need a pedigree, a great family history, the right table manners, or the right fashionable clothing or looks. It is because money has no odour, because it is the great equaliser, that so many people across history have been able to acquire resources and invested them to make the world we live in. Indeed, making it easy for Dalits to start businesses may do more for their social status because money empowers than many other forms of affirmative action. Rather than prohibiting the use of money and wealth, let us think about increasing society's tolerance for its use.

What can you take away from all this? First, that it helps to question everything, including my interpretation of Sandel, for only with questioning comes clarity. Second, if you believe my interpretation, there is a strong link between society's support for free markets and the fairness with which wealth and opportunity is distributed among the population. Unfortunately, even while inequality between countries is diminishing today, inequality within countries is increasing. Today, even well-run market economies seem to be favouring those who already have plenty. In part, this is because skills and capabilities have become much more important in well-paid jobs, and those born in good circumstances have a much better chance at acquiring these. The winner-take-all nature of many occupations, where a few of the most capable entrepreneurs and the best workers take most of the income (think apps, architecture or acting, for example) accentuates the value of early childhood preparation; and hence the benefit of being born to the right parents in the right community. Income inequality is on the rise, with some having colossal incomes and others worrying about the next meal.

What can we all do to restore faith in markets? We have to work to provide effective access to schooling and healthcare for all, a non-discriminating job market with many jobs, equal opportunities for further advancement regardless of gender, race or background. All this will increase the perceived legitimacy of wealth and society's willingness to broaden the areas where it is spent. Thoughtful philanthropy, as reflected in the founding of this school, can further help enhance society's acceptance of great wealth. Finally, as you embark on careers that are likely to be very successful, you should earn by creating perceptible value and, equally, spend to create value. Not only will your work be more enjoyable, but you will strengthen the economic freedoms we sometimes take for granted.

Let me turn briefly to my point about private education. Private education across the world is expensive, especially in high-quality research universities, and getting more expensive all the time. That is because the critical resource, good professors, is in short supply. Two solutions are proposed. One is technology. Why not have the best professors beam lectures at thousands of students over the net? The problem is that while such classes seem theoretically attractive, completion rates are abysmal. We do not finish such courses perhaps for the same reason we do not simply take a course syllabus and read the recommended books in the library – there are too many distractions in life for us to complete without other forms of compulsion. Online courses still need to figure out, not just how to get student commitment, but also how to provide the learning support that a university community and environment offers.

A second solution is to dispense with research and to have teachers who do not do research. After all, such teachers do not need Ph.Ds, and there should be many more available. Yet it does appear that students prefer degrees from research universities in the United States to those from teaching colleges, even for their undergraduate degrees where students do little research. Let me conjecture why. It is not that research professors know more about the basic material that has to be taught – their research is often specialised in a narrow area. Neither does research necessarily make you a good teacher – understanding the material at a deeper level may sometimes make it more difficult to explain. I do think, however, that good research requires curiosity. Almost all researchers remain curious through their lives, and constantly update their teaching material to reflect developments in the field. I would conjecture, though I have no proof, this is why teaching at research universities is, on average, preferred to teaching at teaching colleges – you are taught more up-to-date challenging material in the former.

The bottom line is that education at high quality research universities will remain expensive for a while, certainly till we learn to combine technology and people better. Given the need to broaden access to all the deserving, we have to make degrees affordable. One part of the solution is student loans, but we have to be careful that student loans are repaid in full by those who have the means, while they are forgiven in part for those who fall on bad times, or those who take low paying public service jobs. We also should make sure that unscrupulous schools do not prey on uninformed students, leaving them with high debt and useless degrees. A second part of the solution is philanthropy, not just by the founders, but by the successful students from a university. Giving back to the university is a way of subsidising the costs of future generations acknowledging the subsidies you received from the founders when you got your degree. I hope we develop a strong culture of alumni giving in India.

You have been very patient in listening to me. Let me conclude. India is changing, in many ways for the better. You will be able to help shape our country, the world, and your place in it. By all means set yourself ambitious goals. But remember that, as both ancient Indian philosophers and modern day behavioural psychologists say, the achievement of narrow personal goals – greater wealth, rapid promotion, or increasing renown – rarely brings you anything other than brief pleasure. I don't claim to know the secret of happiness, but this seems obvious – if you like the journey, if you get pleasure from the work you do, it matters far less when, or indeed whether, you reach your destination.

You have far more control over the journey you choose. And often the most enjoyable journeys are those where your goals are broader and where you take others with you, especially others who could not make it without your help. In doing so, you will make this world a better, and more stable, place.

Thank you! I wish you good luck in your future endeavours and hope they are crowned with success.

*Impact of Chinese Slowdown on SAARC Region and Policy Options**

Raghuram G. Rajan

It is indeed a pleasure to be here this morning. Let me welcome our guests of honour from the seven other South Asian Association for Regional Cooperation (SAARC) countries; especially Mr. Arjun Mahendran in his capacity as the present SAARCFINANCE Chair as also Mr. Fazle Kabir, the Bangladesh Bank Governor and Mr. Dasho Penjore, Governor Royal Monetary Authority of Bhutan who will be attending the SAARCFINANCE event for the first time. I welcome our distinguished guests, including our invitees from the IMF and the BIS.

SAARC[1], as a regional bloc was set up in 1985 with the aim of promoting the welfare of the people of South Asia, to accelerate regional economic growth, strengthen collective self-reliance and contribute to mutual trust, understanding and appreciation of one another's problems in the region. Since then, our nations have come a long way. They share a common goal of sustainable economic development, and face several similar developmental challenges. In terms of GDP based on Purchasing Power Parity (PPP), SAARC's share in the globe has increased rapidly from 4.0 per cent in 1980 to 9.0 per cent currently. However, SAARC nations also make up 24 per cent of total world population. We do need more growth, and do need to do more to support each other in this quest. Intra-regional trade accounts for a measly 5 per cent[2] compared to 66 per cent within EU.

However, today, I will not be talking of SAARC alone but the challenges SAARC faces in the context of globalisation. The world has become increasingly interdependent, with the strengthening of economic and financial linkages within geographic regions and across regions. Globalisation has brought several economic gains and improved consumer welfare, but at the same time exposed economies to spillovers from disturbances in one part of the geography to another.

Amid such growing vulnerabilities and imbalances, SAARC region shows continued resilience in the face of turbulent international markets, maintaining its spot as the fastest-growing region in the world. Average growth in the region has outstripped the average growth of Emerging Market and Developing Economies (EMDEs) throughout the post-crisis period. The outlook for the region has also improved as a result of significant disinflation in the region during 2014-16. However, within the region, growth trends have diverged temporally and spatially.

Moreover, the region is now facing newer challenges arising from uncertainties in other parts of the world. Possible moves by the US Fed, a potential rebound of oil prices, possible Brexit, geopolitical risks in the Middle East and volatility in financial markets due to risk-on or risk-off sentiment are some of the possibilities we have to anticipate. However, when we decided the theme of this conference, a common uncertainty that confronted us was the possible sharp slowdown of the Chinese economy. To my mind, this still remains a significant risk for the global economy and our region, though Chinese policymakers have a record of over three decades of astute policy making, which suggests they may significantly mitigate the potential downsides. Therefore, in the rest of this discussion, I will focus on the impact of the Chinese slowdown on SAARC region. I will also address potential policy responses, drawing specifically on India's policy actions.

Over the past two decades, China has emerged as a powerhouse of global production. China eclipsed the United States in 2013 to become the world's largest trading nation. As per WTO data, China was the world's

* Inaugural talk of Dr. Raghuram G. Rajan, Governor, Reserve Bank of India at SAARCFINANCE Governors' Symposium, May 26, 2016, Mumbai.

[1] Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

[2] UN Commodity Trade Statistics Database, 2014.

largest exporter and second largest importer in 2014 accounting for 12.4 per cent and 10.3 per cent share, respectively. The United States accounted for 8.6 per cent of the world's exports and 12.7 per cent of the world's imports. So it is clear that a slowdown in China will affect the global economy, including the SAARC region. The sharp contraction in China's imports over the past year, has already led to spillovers through the trade, confidence, tourism and remittance channels. SAARC nations have not been able to avert its impact. More negative externalities could follow as Chinese economy adjusts to a more sustainable path.

Not only has China had to rein in production as a result of weak post-crisis industrial country demand, it has also suffered from weak aggregate demand of its own, as it shifts from an investment- and export-led growth model to a consumption-led model. Combined with the previous bouts of leveraged expansion, China now has a number of sectors that suffer from the twin ailments of overcapacity and high leverage. Bad loans in the banking system are likely to grow over current levels – stressed loans are estimated to be around 5.5 per cent of the banks loan book today. In addition, there may be serious weaknesses in the shadow banking system, which could feed back to banks. Clearly, cleaning up the financial system will be a challenging but necessary task.

Work at the IMF suggests that a 1-per cent permanent negative shock to China GDP caused by one-off 1-percentage decline in its real GDP growth will knock off 0.23 percentage points from global growth in the short-run[3]. A key question is whether we in SAARC region are at significantly more risk than others. The answer probably is no because none of us is primarily commodity exporter to China, but it cannot be an unqualified one. Trade could be impacted due to second round effects – we export to those who traditionally export to China and have thus slowed down -- and due to similarity in trade patterns with China – we compete with those who now have excess production capacity.

On the financial side, exposure to China is large for the Asia-Pacific banks, especially for banks from Hong Kong, Singapore and Australia and much less for banks from our region. However, some of our countries, though not India, have significant borrowing from Chinese banks, and these borrowings could become costlier if Chinese banks turn inwards. Moreover, financial market losses in China can heighten the risk premia that industrial country investors will charge for investing in our region, and the result could be capital outflows of the kind that were seen last August and early this year.

Chinese growth will depend not just on its policies, but on growth elsewhere in the world. There appears to be a general consensus that global growth has been too slow for too long. The IMF downgraded its outlook for global growth in 2016 and 2017 by 0.2 and 0.1 percentage points, respectively. It is true that downside risks and uncertainties to the global outlook are large in the backdrop of event risks I have alluded to. However, a more careful look at the data suggests some care in jumping to the conclusion that growth has been slow. Global growth has averaged 3.5 per cent since 1980 and, in fact, if we take out the credit boom supported average growth of 4.5 per cent during the period 2000-2007 that led to global financial crisis, the global average falls to 3.2 per cent. The fact is that after the small contraction in 2009, global growth has averaged 3.8 per cent during 2010-15 and is still expected to be 3.2 per cent in 2016.

What this means is that growth in period before the financial crisis was perhaps goosed up by borrowing, and the post financial crisis period is not so bad in comparison, especially if we account for the deleveraging that has taken place in industrial countries. Of course, the question of why underlying industrial country growth has slowed in recent years is still being debated, and the answer probably lies in the hard-to-understand

[3] Cashin, Paul, Kamiar Mohadess and Mehdi Raissi (2016), 'China›s Slowdown and Global Financial Market Volatility: Is World Growth Losing Out?' IMF Working Paper, No. WP/16/63, March.

effects of population ageing and productivity slowdown. While stronger global growth may be just around the corner, as the IMF has anticipated every year in the last few years, it may yet be some time in coming. It might therefore be optimistic to expect that China will be lifted by global tides, and it will probably have to undertake the needed policy adjustment without the tailwind of global growth.

What should SAARC countries be doing? While growth in India, Bangladesh and Bhutan is still quite good, overall we are confronted with a difficult combination of relatively slow domestic demand growth since 2013 and a difficult global environment. Portfolio flows have turned more volatile in this period. Let me explain what India has been doing in the face of these global uncertainties.

First, there is no substitute for good policy. India has outlined and adhered to a path of fiscal consolidation to reduce the fiscal deficit that had widened dramatically following the post-financial crisis stimulus. It has contained inflation through a combination of better food management, a new inflation framework and calibrated monetary policies, and of course the good luck of lower energy prices. The resulting demand management has resulted in a lower current account deficit, down from 4.8 per cent in 2012-13 to about 1 percent in 2015-16. We have also embarked on a cleanup of bad debts in the banking system so as to free bank balance sheets to support growth.

In addition, the government has embarked on ambitious structural reforms to revive growth, including significant efforts in the agricultural sector to boost productivity through irrigation, insurance, and access to markets, a strong push to deregulate business, especially for start-ups, important efforts to improve the governance of public sector banks and to resolve distress in power distribution companies, and an immense effort to expand financial services to the excluded through the provision of bank accounts and of direct benefit transfers. While the eyes of the world have been on the much anticipated Goods and Services Tax reform, a number of other significant reforms have taken place, including the recent passage of the new Bankruptcy bill, which is likely to speed the resolution of distress tremendously. With the benefit of hindsight, I am sure we will see the cleaning up of the process of allocating public resources like spectrum and mines, as well as the process of appointing critical personnel such as public sector bank chiefs, as one of the most effective reforms undertaken by the government. This is significantly increasing transparency in our system.

A second element of our defense is being careful about foreign borrowing, especially at the very short term. So we have expanded limits for foreign portfolio investment into government debt in a very measured way, even though considerable pressure has been put on us by foreign investors to create more room. We have required any new debt investment to be in debt over 3 years in residual maturity. We have also reformulated our rules on foreign bank borrowing to ensure that domestic entities without foreign earnings either borrow in rupees or really long term. We are trying to create an offshore rupee corporate 'masala' bond market. Finally, a strong liberalisation of FDI regulations, coupled with the government's active efforts to attract foreign investors, have resulted in record FDI inflows last financial year.

We also are careful in moderating periods of extreme volatility in the currency through exchange intervention. This is more of an art than a science, and we are extremely careful not to try and target any particular rate. Instead, we let the market adjust as needed, intervening only when we are convinced the movement is excessive. As a result, despite running a current account deficit, the currency has been relatively stable even in extreme risk-off periods. Based on our macroeconomic situation, we also intend to expand or contract what can be taken out annually by households --- this will be a macro-prudential instrument.

The fourth element of our defense is foreign exchange reserves. We have about US$ 360 billion, plus forward positions to offset possible forward liabilities.

We also see merit in pooling reserves, and have a Contingent Reserve Agreement with BRICS countries, and a currency swap arrangement with SAARC countries. I am glad to say that this SAARC facility has been of use to some of you.

We are very conscious of the role the Indian economy plays in influencing growth in other SAARC economies. To avoid any negative externalities, we have kept the objective of securing and preserving macro-stability at the top of our agenda. The ongoing disinflation, aided by our new monetary policy framework, and the resultant outcome of relative exchange rate stability compared with other emerging market peers, have hopefully served as a public good in this region. We have contributed to strengthening the safety nets in the region. We look forward to a strengthening Indian economy as recent structural reforms take hold, and hope that some of this growth will spillover to your economies. In turn, we hope to be benefited as your economies pick up. Together, we can hopefully be an island of relative stability and co-operation in this turbulent world.

Thank you. I look forward to fruitful deliberations at the rest of the symposium.

*Regulating Financial Innovation: P2P Lending Platforms Design Challenges**

R. Gandhi

I am very happy to be addressing this Conclave to debate the discussion paper that the Reserve Bank has recently presented for public discourse on regulating the Peer to Peer Lending Platforms. Let me first explain the rationale for financial regulation in general and regulation on financial innovations in particular. Let me also discuss the different approaches that the Reserve Bank had employed in the past in dealing with financial innovations and finally the challenges that we have on hand in designing an appropriate regulatory approach to the Peer to Peer Lending Platforms.

Financial Regulation

2. The traditional neo-classical economic theory argues that unrestricted or laissez-faire competitive equilibrium is the most efficient economic arrangement. This is built on Pareto equilibrium and on the assumptions of perfect competition, with no externalities and no destructive competition.

3. Many academic liberals are doubtful of the benefits of regulation of financial services. Their case, as effectively summarised by David Llewellyn in his paper 'The Economic Rationale for Financial Regulation', goes like this: there are no market failures or imperfections; if they do exist they are not sufficiently serious to warrant regulation; regulation may not in practice solve these failures; or if it does, it can do so only by imposing costs that exceed the costs of the original problem; serious moral hazards may arise when regulation is imposed; and regulation imposes a wide range of costs which are paid ultimately by consumers.

* Valedictory address delivered by Shri R. Gandhi, Deputy Governor, Reserve Bank of India at the Mint Marketplace Lending Summit held at Four Seasons Hotel, Mumbai on May 17, 2016.

4. Another set of argument against regulations is that financial regulations actually serves the interests of the financial service providers and mostly detrimental to consumers, particularly because regulation results in reduced competition. As G. J. Benston points out, this happens because financial regulations typically include restrictions on entry, controls over products, restrictions on allowable business, restraints on prices, portfolio restrictions, restrictions on geographical diversifications, *etc.*

5. However, several other academics find that the validity of the neo-classical assumptions, when applied to the financial sector, do not hold good as there are in reality imperfections, information asymmetry, incompleteness, and failures in perfectly competitive or laissez-faire financial markets.

6. They argue that financial systems, markets and participants need regulation. Arguments range from the need for regulation per se to the need to avoid consequences of absence of regulations.

7. Prof Charles Goodhart, in his book 'Financial Regulation: Why, How and Where Now?' argues that the private sector, left to itself, produces market failure, or at least sub-optimal results. In his view, there are three main reasons for financial regulation. They are:

i. To protect the customer against monopolistic exploitation

ii. To provide smaller, retail (less informed) clients with protection, and

iii. To ensure systemic stability

8. According to David Llewellyn, financial regulations have three objectives *viz.*, to sustain systemic stability, to maintain the safety and soundness of financial institutions and to protect the customers. He argues that the case for regulation depends on various market imperfections and failures which, in the absence of regulation, produce sub-optimal results and reduce consumer welfare. In other words, the purpose of regulation should be limited to correcting identified market imperfections and failures.

9. One critical argument in favour of financial regulation relates to what happens in the absence of regulation. As Prof Charles Goodhart, says 'Whatever the social costs and benefits of an externally imposed system of regulation may be, public revulsion at the effects and outcome of failures of unregulated financial systems can force the establishment of …. external regulation'. Similarly, Randall Dodd argues 'No matter how much responsibility is granted to individuals or no matter how much self-reliance is promised by private enterprises, when troubles become big and bad enough, they all turn to the government and demand that prompt action be taken to rectify problem'.

10. Prof Goodhart also cautions 'Interposing regulation and supervision into an otherwise free-market context weakens the incentives for the owners and managers to monitor and control themselves, and for their clients to exercise due diligence'.

Financial Innovation

11. The Journal of Financial Innovation defines financial innovation as 'the action of creating and popularising new financial instruments as well as new financial technologies, markets and institutions. This includes innovation in the level of product, process and / or the institution'. We also know that innovations occur in businesses, when ideas are applied to meet the needs and expectations of the customers. It may be new needs, or hitherto unarticulated needs, or existing needs met in unique ways. Innovations are also driven sometimes by stringent rules & regulations.

12. There is a debate whether financial innovations should be regulated. Whether the innovators and entrepreneurs should be largely left alone, or whether public policy authorities should be actively involved in regulating those.

13. Innovations bring in positive changes in efficiency, productivity, quality, competitiveness, and market share, among other factors. However, as innovations usually result in paradigm shifts, they are typically disruptive. It takes effort and time to understand them. The associated dangers include untested effects, lack of clarity on long term effects, and can lead to misunderstanding and misusing the innovation. Innovations can sometimes be bad per se; sometimes even good innovations can be misused.

14. The World Economic Forum opines that financial innovation has been more positive than negative and hence it will be better not to regulate them away by imposing excessively harsh standards or outright bans on new products. The Forum suggests that let innovation occur; but react appropriately and quicker to any flaws that become apparent and therefore the tendency should naturally be to err on the side of caution.

15. An OECD Report argues that we should preserve the benefits of innovative activities, while ensuring that new products and services that prove harmful are appropriately contained.

Indian Experience

16. How have we been regulating financial innovations in India? The Reserve Bank has employed several approaches while examining whether a financial innovation should be regulated. They include:

i. To ignore

ii. To watch out

iii. To regulate passively

iv. To regulate actively, and

v. To ban

17. What determines the approach? I can answer this in a simple, rule of thumb manner as follows:

i. Can the innovation cause large scale damage; then ban it.

ii. Is the size or magnitude very small; then ignore it.

iii. Can informed decision be taken by the consumers; then caution them.

iv. Can it be beneficial to many consumers; passively regulate it with light touch regulation.

v. Can it be beneficial to many consumers, but consumer protection issues loom over; then actively regulate it.

18. For example, the Prize chits and Money Circulation schemes have been banned, whereas with regard to the virtual currencies like Bitcoins, we cautioned the public about the risks involved in dealing with them. We had a studied stance and we preferred to err on caution based on the simplicity or complexity of the product or service. While we said 'Yes' to micro finance, we said 'No' to complex derivatives. In some other cases, we looked for risk mitigants and permitted them only after they are available. For example, we did not permit banks to engage agents to collect or pay moneys, until technology enabled Banking Correspondents were available. We permitted Mobile Banking initially only for very small amounts and as security and confidence were built only then, higher amounts were permitted.

19. As regards Micro Finance, let me explain a little more, as it offers a good case study. When Micro Finance came on the scene in early 1990s, we recognised it as a new paradigm, with immense implications and were very supportive. When the demands for regulating the Micro Finance Institutions were made, Shri Jagdish Capoor, the then Deputy Governor, stated in 2001 'As MFIs are significantly different from commercial banks both in terms of institutional structure and product portfolio, application of the same set of regulatory and prudential guidelines to MFIs, in our view, not only runs the risk of distorting the emerging market but it may also reduce the efficiency of these institutions'. When the demands gained momentum by 2005, the then Governor, Dr Y. V. Reddy stated in August 2005, 'Microfinance movement across the country involving common people has benefited immensely by its informality and flexibility. Hence, their organisation, structure and methods of working should be simple and any regulation will be inconsistent with the core-spirit of the movement'. Thus we were extending every possible support for a financial innovation which was assessed by us as very important for furthering financial inclusion in the country. We were very convinced that light touch regulation was sufficient in those formative years. However, as the sector grew, certain inadequacies and failures became apparent. As Shri Anand Sinha, my predecessor mentioned in April 2012, 'In their eagerness to grow business, the institutions had given a go by to the conventional wisdom and good practices such as due diligence in lending and ethical recovery practices. Over-indebtedness of the borrowers led to difficulties in repayments and the forced recoveries by some MFIs led to public uproar and the subsequent intervention by the state government'. Consequently, we also had to tighten our regulations on micro-finance, based on the Malegam Committee recommendations.

Regulating P2P Lending Platforms

20. The first set of questions that we need to answer in dealing with the issue of regulating the P2P Lending Platforms are:

i. To regulate them or not?

ii. If to regulate, should it be ex-ante or ex-post?

iii. Is it now the right time? and

iv. If it is now the right time, should it be light touch or intensive regulation?

21. In the Discussion Paper, we have noted that internationally there are every type of approach to dealing with the P2P Platforms, ranging from outright ban to total indifference. Our tentative assessment is that P2P Lending Platforms need to be regulated, it may be the right time now and it can be light touch. Let me re-emphasise that these are tentative. We do want the stakeholders to express their views – either affirming our assessment or reasoning out alternate assessment.

22. Given the MFI episode and the prescient words of wisdom by Prof. Goodhart and Prof Dodd about public reaction to failures of unregulated entities, that I referred to earlier, we feel P2P Lending Platforms need to be regulated, even though they have not yet really taken serious magnitude.

23. Regulations are of two types – prudential regulation and conduct of business regulation. While

the prudential regulation focusses on solvency, safety and soundness of financial entities and financial system, the conduct of business regulation focusses on how the financial entities deal with their customers and includes information disclosure by the entities, their competence, their continuity and fair business practices.

24. It is clear that prudential regulation may have to be light for these Platforms, as they will not be handling the moneys of the lenders. Actually, we need to be prohibiting them from dealing in such moneys. Obviously, the conduct of business regulation will be appropriate. As the lenders 'trust' the Platforms for getting to know the borrowers, and avail additional services like KYC authentication, credit scoring, legal formalities, recovery assistance, *etc.* code of conduct and fair practices norms will need to be applied.

25. Next set of questions relate to the Platform's structure – should it be a corporate entity or other types as well, what should be its capital, how should its governance structure be, *etc.* We have given certain proposals in the Discussion Paper regarding these questions. These were primarily guided by the need for serious, fit and proper and long term players to maintain the Platforms.

26. Finally, the risk management structure focussing on operational risk and business continuity, and the technology and customer grievance redressal mechanisms will need attention. As lending and borrowing is a maturity transformation matter, continuity and availability will be the essence for the services rendered by the Platform. Accordingly, the expectations in this regard have been spelt out.

Conclusion

27. In the end, let me reiterate that the Reserve Bank considers that the innovation of P2P Lending through Platforms facilitates direct interaction between small lenders and small borrowers, and hence further financial inclusion; as consumer protection issues can get amplified, the role of the Platforms come into focus; with appropriate regulatory arrangement, we hope that the Platforms will be worthy of the trust that the lenders and the borrowers repose on them.

*Customer Service in Banks: Caveat Venditor**

S. S. Mundra

Introduction

Shri C. Krishnan, Member, Governing Council, Banking Codes and Standards Board of India (BCSBI); Shri Anand Aras, CEO, BCSBI; colleagues from the banking community, representatives from the media; ladies and gentlemen! At the outset, I would like to thank BCSBI for inviting me to inaugurate this annual conference of the Principal Code Compliance Officers (PCCOs) in the banks. Over the years, BCSBI has been instrumental in driving improvement in level of service extended by the banks to their customers. All of you are pretty familiar with role of BCSBI so I am not going to elaborate on that. You must also be aware about the two sets of Codes that BCSBI has developed for its member banks, namely:

- Code of Bank's Commitment to Customers and
- Code of Bank's Commitment to Micro and Small Enterprises

These Codes are reviewed periodically with a view to incorporate all the relevant regulatory guidelines, contemporary developments in the banking sector and evolving customer expectations. The BCSBI, in a way, helps the banks by providing an independent review and feedback on their adherence to the standards. The RBI attaches great importance to the work and assessments of the BCSBI, which places an onerous responsibility on the BCSBI in this relatively unexplored territory.

2. I am sure that today's deliberations will be a good opportunity for the participants:

- to deliberate upon the issues in implementation of the Codes
- to appreciate the importance of imbibing the Codes as a basic norm in day to day dealing with customers and
- to understand the linkage of the codes with the overarching principles of Charter of Customer Rights which is being implemented in your respective banks

3. A major challenge for all of us in the banking industry is to develop the right attitude for rendering service to customers. A broader question is whether we can define the standards of behaviour? Perhaps, it may be easier to identify the elements of unacceptable behaviour and try to redress grievances and improve the situation. The attitude and behavioural standards especially of the front-line executives of banks are very important aspects. We in the RBI keep harping on a need for informed and courteous frontline executives/ staff and even serve as torch bearers by conducting exclusive training programmes for the frontline executives of the banks. But the fact remains that customer service and enhancing customer experience is primary responsibility of the banks and hence, the onus of empowering the frontline staff and ensuring the presence of a bevy of well informed and courteous frontline executives lies squarely with the banks.

Recent steps by the RBI

4. Having dwelt upon generic issues, let me now focus on some specifics that I wish to raise this

* Keynote address delivered by Shri S. S. Mundra, Deputy Governor, Reserve Bank of India at the Conference of the Principal Code Compliance Officers organised by BCSBI in Mumbai on May 23, 2016. The assistance provided by Shri R. Sathish and Shri P. J. Mathkar is gratefully acknowledged.

Note: Caveat Venditor: A Latin term meaning 'let the seller beware,' in contrast to the more widely known saying caveat emptor (let the buyer beware). The principle of caveat venditor cautions that the seller is responsible for any problem that the buyer might encounter with a service or product.

morning. Very often, we found that the fair practices code adopted by banks / financial institutions is observed more in breach than in practice. In view of the growing complexities of the financial transactions and financial markets, the RBI, therefore, felt a need to clearly define the role and responsibility of financial services providers, especially in relation to consumer protection and the framing of the Charter of Customer Rights was a logical step in that direction.

5. Formulation of the Charter was done after extensive consultations with all stakeholders, studying global best practices and drawing upon the domestic experience. As you know, the Charter comprises five critical rights: a) Right to Fair Treatment, b) Right to Transparency, Fair and Honest Dealing, c) Right to Suitability, d) Right to Privacy and e) Right to Grievance Redress and Compensation.

6. As a follow up, a model Customer Rights Policy formulated jointly by the BCSBI and IBA was provided to all the member banks and the banks were advised to formulate their own board approved Customer Rights Policy based on the Charter and the model policy by July 31, 2015. The RBI would be undertaking a close monitoring of the implementation of the policy and if needed, would issue necessary regulatory instructions. It is heartening that all the banks have drawn up a Customer Rights Policy.

7. Let me now come to the disheartening part. Even a decade after having come into existence, the status of implementation of BCSBI Codes at the ground level remains far from satisfactory. I understand that BCSBI's assessment of the compliance by banks with the Codes and Standards, has brought out several instances of flagrant violations of the code. This is evident not only from the numerous complaints received by our Banking Ombudsman Offices across the country but also in our interactions with customers in Outreach programmes and Town Hall meetings. This aspect merits serious attention by Principal Code Compliance Officers (PCCOs). I am told that in the rating exercise undertaken by BCSBI on adherence to the Codes by the banks in 2014-15, only 14 per cent of the member banks were rated with high rating, 49 per cent got Above Average and 21 per cent banks received Average rating. These clearly evidence the fact that a number of banks need to enhance the present level of code implementation and appropriately fulfill their commitments to their customers laid out in the codes.

8. As you know, the Banking Ombudsman (BO) Scheme is envisaged as an inexpensive, expeditious customer grievance redress mechanism in the banking sector. The BO scheme works through a process of conciliation, mediation and adjudication. The nodal officers at the banks have a very important role in making the process seamless by ensuring expeditious response from the banks' side after proper examination and due attempt at resolution. It is incumbent on the nodal officers to furnish a quick revert on the complaint to the Banking Ombudsman. The nodal officer must also undertake a root cause analysis to ensure that similar complaints do not arise again. In the context of BO scheme, I would like to inform that the RBI is planning to augment the number of its BO offices in the near future and also to come out with certain amendments to the Scheme.

9. You would also be aware that in our quest for an early resolution of customer complaints, in May 2015 the RBI mandated all the public sector banks and select private sector and foreign banks to appoint Internal Ombudsman (Chief Customer Service Officers). The Internal Ombudsman are entrusted with the responsibility of examining those grievances which were either rejected by the bank's internal grievance redressal system or where only a partial relief was granted. I am happy to note that all banks have since

appointed Internal Ombudsman. We intend to meet them shortly and if needed, fine tune the instructions. A note of caution that I would like to sound here is about the role of the Internal Ombudsman, the Principal Nodal Officer and that of the PCCOs. Banks must ensure that these officials have clearly demarcated roles and responsibilities and a clear chain of command so as to avoid overlaps or vacuums.

10. Upon analysis of the grievances received under the BO Scheme, we observe that a vast majority (about 33 per cent) pertain to non-observance of the Fair Practices Code and non-adherence with commitments made under the BCSBI code, followed by complaints relating to credit/ debit cards, deposits accounts and pensions. The large number of complaints on account of non-adherence to Codes/standards is difficult to accept as the banks have voluntarily accepted these Codes formulated by the BCSBI.

Let me now raise a few major concerns in the area of customer service and also narrate some real life instances.

Cyber Frauds and Grievance Redressal

11. As the online transactions have increased so have the rise in complaints related to electronic banking transactions. Complaints related to unauthorised fund transfers, fraudulent withdrawals from ATMs using duplicate cards, phishing E-mails aimed at extracting personal information *etc.* have witnessed manifold increase in recent times. It is imperative to have a robust mechanism to prevent incidents of fraud in areas of mobile/net banking and electronic fund transfer so as to retain customers' confidence in these delivery channels. Raising customer awareness on safe usage of such channels should also be an important item on the agenda of the banks. Let me mention here that the RBI is already examining whether to issue regulatory directions with regard to limiting the liability of customers on fraudulent transactions arising out of cards and electronic banking transactions.

12. Incidentally our teams have recently undertaken a survey of almost 4,000 ATMs across the country with sample size fairly representing geographies and bank categories. Survey results are not comforting in any way. Almost 1/3rd of the ATMs were found to be not working at that point. Violation of regulatory instructions on display material, facilities for differently abled *etc.* were also observed. We will be taking necessary supervisory action in this regard.

Mis-selling

13. Next comes a very critical issue that I want to raise today. There has been increasingly large number of cases of mis-selling of third party products, particularly insurance products to the customers by the banks by bundling them with loans.

a. In a recent incident, a senior citizen, a retired General Manager of a private sector company who had invested his retirement benefits in Fixed Deposits with one Private Sector bank was convinced by the bank's representative to invest ₹2 lakh in an investment scheme assuring his funds would earn a minimum 11 per cent interest and there would be no deduction of income tax upon withdrawal after three years. Another representative from the same bank visited the depositor after a period of one year from the initial investment and convinced him to prematurely close three FDs aggregating ₹7 lakh and invest the proceeds in the same scheme. After completion of three years the customer found that he had earned only about 3.5 per cent returns. The representative is no longer in the service of the bank and the customer is in a hapless position. This is a clear case of selling of a product which was not suitable to the needs of the customer. A retired person needs a secure and steady return on investments and any financial product, where returns are not assured, is not suitable for such customer.

b. Another unnerving episode of mis-selling of insurance products by the DSAs got reported in the media recently. The agent promised loans from an NFBC at a very cheap rate provided the customer bought a particular insurance policy. Detailed inquiry later revealed that the named NBFC no more existed under that name, he was not an employee of any NBFC and this was just a ploy to mislead the customer in buying a policy. Such proposals were then tendered to the bank from DSA and were accepted by them without any verification. Needless to say it amounts to a fraudulent transaction. Bank would surely face an aggrieved customer later on. Such cases of mis-selling are rampant and as sellers of third party products using their own staff/ DSAs, the banks are equally vulnerable. Often, higher sales targets coupled with front ended high commissions are the main motives for such mis-sales. There is no real oversight on unethical selling of third party products.

c. Let me give another recent example of failure of a bank to render proper customer service. A customer was sanctioned a home loan and he had agreed to take a life insurance as a cover for the loan and signed relevant documents. However, the loan sanctioned and disbursed was for a lower quantum than original applied. On the unfortunate death of the borrower, the bank contested the claim stating that at the time of availing lower quantum of loan the borrower had not submitted an insurance proposal form and hence, the bank had not taken insurance. Our analysis revealed that the loan installments paid by the customer included the insurance premium as well but the bank had failed to complete the process of insurance. The appellate authority adjudicated that the bank was at fault and it didn't have appropriate procedure to secure insurance after the sanction of the loan and hence, an award was given in favour of the customer.

14. Several field level studies have been undertaken by various consumer organisations in this area. The RBI has also undertaken study on mis-selling of Third Party Products (TPPs) in semi-urban and rural areas which has revealed startling facts. The Right to Suitability enshrined in our Charter of Customer Rights has been totally ignored or rather knowingly violated for the reasons best known to the banks. RBI is seized of this issue and may be constrained to take strict actions including imposition of heavy penalties, if the banking industry continues to follow such unethical and unacceptable practices of mis-selling of third party products. It would be appropriate for the banks to put in place a system of periodic inspection of the sale of third party products by involving their internal inspection teams and plug the loopholes, wherever identified. The PCCOs need to play a central role in administering this.

Money Muling

15. Another area that the banks need to guard against is misuse of accounts for money muling. In a recent episode, it was observed that an idle account was used for receiving and transferring large fund without the

knowledge of the account holder. The fact came to light only when the income tax authorities served a notice on the account holder. This episode highlights the failure of bank's systems and processes for monitoring of accounts. The newly opened accounts under the PMJDY could be very vulnerable to such sharp practices and hence, banks need to clearly guard against them. Kite flyers and the Ponzi scheme operators also sometimes use mule accounts to swindle public money. I sincerely urge the PCCOs gathered here to seriously introspect on this aspect as this is not one-bank's headache or a bank-specific issue. It is an industry-wide issue with wider ramifications. Banks should have a robust system to monitor the transactions being undertaken in those accounts for taking proactive action, which entails a better customer protection. Though the banks have some alert and exception transaction reporting mechanism at present, it is mostly primitive and generally ineffective. Failure to guard against misuse of customers' accounts might result in banks incurring supervisory sanctions and enforcement actions.

High Service Charges and Negative Balance in savings accounts

16. Another area of concern that we have is around levying of excessive charges for various services. While The RBI does not wish to micromanage the banks' affairs, the imposition of usurious and uncalled for charges certainly invokes our attention. Despite our guidelines on non-imposition of charges for non-maintenance of minimum balance in a savings bank account, we have been receiving certain complaints of such practices. It is in this context that we had to reiterate our instructions on stopping imposition of such charges leading to a negative balance in savings accounts. I insist that all banks must stop these practices forthwith if not already done so.

17. Before I conclude let me list out few good practices that I would like the industry to adopt for enhanced customer service:

a. Non-insistence on local address for account opening – I believe the banks continue to insist on providing a proof of local address also to the migrants for opening a bank account. As long as the individual is able to provide a proof of address (whether local or a permanent place elsewhere) and a proof of identity for KYC purposes, I don't think there should be any reservation in opening an account. A self-declaration of the address, then should be sufficient for the purpose of the correspondence *etc.* RBI, in consultation with IBA is already working on a standardised form for account opening across banks. We also intend to highlight the list of documents that may be offered as a proof of identity and address (KYC) by the customers, in the same form so as to prevent harassment by the uninformed officials.

b. There is growing need for the banks to invest in a technology enabled, centralised grievance redressal system. This would not only empower the executive management to identify the geographical locations from where maximum complaints emanate but would also enable them to undertake a systemic root cause analysis and remove the pain points, be it the product, service or the individual.

Conclusion

18. As the competition intensifies with the licensing of more new banks, only those entities which provide better customer service and experience would survive. Various research studies have shown that customers

are willing to pay for quality service and would transact with the institutions which provide better services. Some of you might have heard me speak at another forum about customers choosing to move to another bank in case if he/she was dissatisfied with the services received at the present. I had then said that with the implementation of a unified KYC, this phenomena, what I termed as account number portability, would come into the realms of possibility. With the introduction of unified payments interface, a customer can be identified with his unique 'virtual address' mapped to his mobile phone linked to the bank account number. With this information available centrally at the NPCI, the portability of the account would merely need a change in linkage to an account in another bank at the backend. Banks must, therefore, build structure and processes that aim at providing quality and efficient services or else face the prospects of a customer silently walking away without causing any inconvenience to her and loss of business to the bank.

19. I hope that the deliberations later in the day would cover issues that I have raised in my address. I once again thank BCSBI for inviting me today and thank you all for a patient hearing.

ARTICLES

*Industrial Outlook Survey: 2015-16**

This annual article, fourth in the series, presents the findings of Industrial Outlook Survey (IOS) conducted quarterly during FY: 2015-16 (covering 70th to 73rd rounds of the survey). In the first two quarters, the business sentiments in the manufacturing sector weakened followed by improvements in the third quarter. However, the fourth quarter witnessed some reversal with weakened business sentiments. Based on 4-quarter average Business Expectation Index (BEI), the business situation remained weaker in FY: 2015-16 as compared to FY:2014-15.

I. Introduction

The Reserve Bank of India monitors trends in various macroeconomic indicators in the process of formulating the monetary policy. However, most of these indicators are available with a time lag. In order to bridge the gap, the Reserve Bank conducts a few forward looking surveys covering corporate and household sectors. With more economic activities coming in the ambit of organised sector and the corporate sector being one of the key sectors in the economy, business sentiment surveys, which capture the sentiments that drive the current and near-term business decisions, provide key information inputs for policy formulation. Many other central banks also conduct such business sentiment surveys seeking qualitative information on various business indicators.

In line with the prevailing international practices, the Reserve Bank has been conducting the Industrial Outlook Survey (IOS) for Indian manufacturing sector on a quarterly basis, since 1998. The survey captures the assessment of business sentiments for the current quarter and expectation for the ensuing quarter, based on qualitative responses on a set of indicators pertaining to the demand conditions, financial conditions, employment conditions and price situation.

The survey schedule is canvassed among a fixed panel of 2,500 manufacturing companies, mostly with paid-up capital above ₹5 million, representing a good mix of size and industry groups. The panel of respondents is kept uniform to the extent possible and is updated with addition of new companies or deletion of closed/merged companies to maintain good coverage of main industries. The survey is voluntary and the response rates have been around 55 per cent in 2015-16.

This article analyses the survey responses for four quarters- from April-June 2015 to January-March 2016 (*i.e.* FY: 2015-16). The quarterly survey results are regularly disseminated through the RBI website. The related data tables (annual series) are presented in Annex.

II. Business sentiments declined

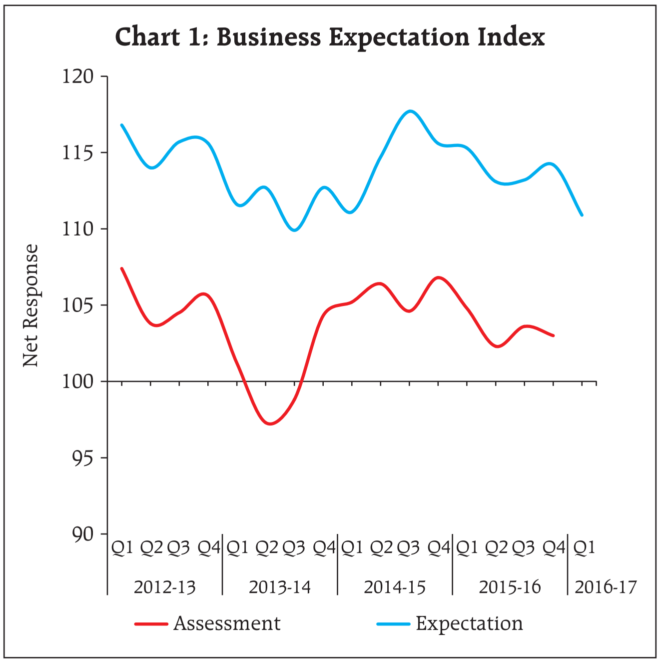
The Business Expectation Index (BEI), which is computed as a weighted average of the Net Response (NR)[1] on nine select performance indicators[2], gives a single snapshot of the industrial outlook in each quarter. For each of the survey round, two indices are computed – one based on the assessment of current quarter and another based on expectation for ensuing quarter.

During the financial year 2015-16, the BEI (based on assessment) remained optimistic, hovering over the threshold level of 100, which separates contraction (below the threshold level) and expansion (above the threshold level) in the economy. The BEI (assessment) showed decline in the business situation in the first two quarters of FY: 2015-16 and improved in the third quarter. However, it again moderated in Q4.

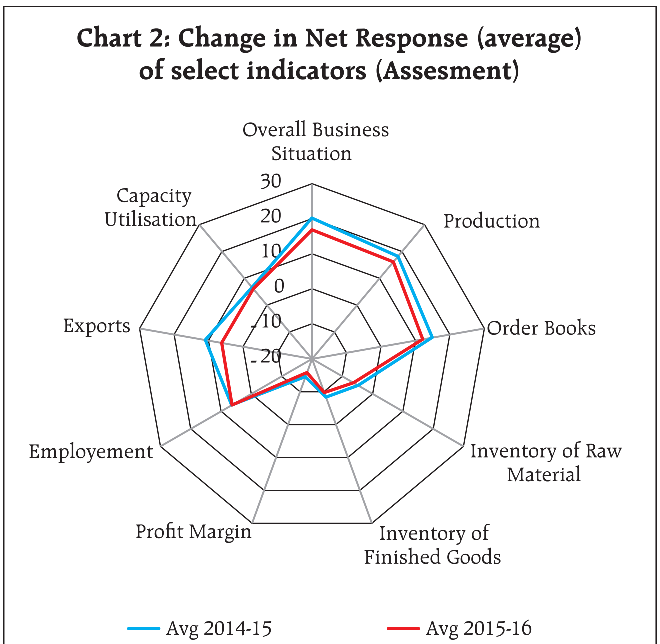
* Prepared in the Division of Enterprise Surveys, Department of Statistics and Information Management. Reserve Bank of India, Mumbai. The latest round of the survey data was released on April 5, 2016 on RBI website and is available at https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/IOSQ040416124A4E08B1684B73949143890318EBAD.PDF. The survey results are based on reporting by the respondents and are not necessarily shared by the Reserve Bank of India.

1 Net Response is the percentage difference between the optimistic (positive) and pessimistic (negative) responses.

2 The detailed methodology used for the analysis of survey data was published in the article 'Quarterly Industrial Outlook Survey: Trends since 2000-01' in the RBI Monthly Bulletin of October 2009. However, for ready reference, the nine indicators considered for computation of BEI are – (1) overall business situation, (2) production, (3) order books, (4) inventory of raw material, (5) inventory of finished goods, (6) profit margin, (7) employment, (8) exports and (9) capacity utilisation.



On an annual basis, the 4-quarter average[3] BEI for 2015-16 stands at 103.4, which was 105.7 in the previous year. The decline in business situation in the 2015-16, as indicated by BEI is seen across all the nine indicators (which constitute BEI). Significant dips are seen in the indicators 'overall business situation', 'production', 'order books' and 'exports'(Chart 2).



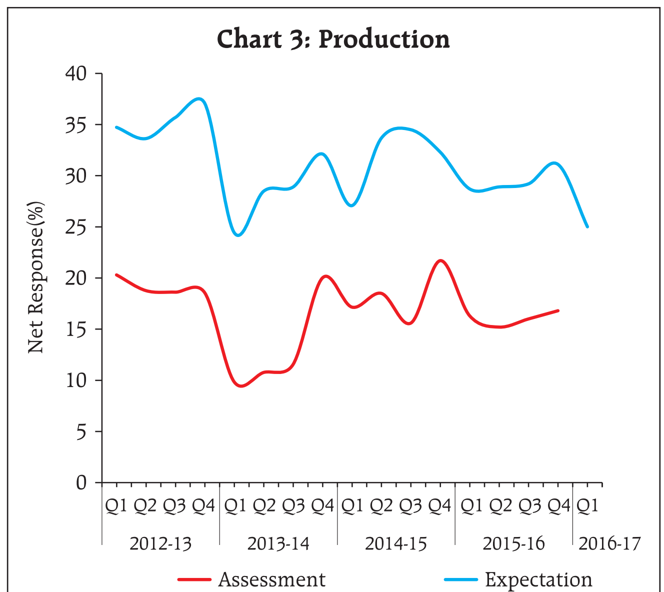
Generally the index based on expectation remains higher than the index based on assessment. The BEI (outlook/expectation) continued to be above the BEI (assessment) in FY:2015-16;however, their gap narrowed in the third quarter of the year and widened subsequently in Q4. On an annual basis, the 4-quarter average BEI (outlook) stood lower at 114.0 in FY: 2015-16 as compared to 114.8 in FY: 2014-15.

III. Demand conditions remained sluggish in FY:2015-16

The survey collects perceptions of Indian manufacturers on the demand conditions through various indicators, namely, production, order books, capacity utilisation, level of inventories, exports and imports. For most of the above indicators, outlook during 2015-16 weakened as compared to the corresponding position a year ago.

The assessment of production dipped in H1: 2015-16, partly reflecting seasonality. However, it improved in H2:2015-16. Though the net responses relating to 'Expectations' are always higher than that of 'Assessment', both the series mostly moved in similar direction (Chart 3).

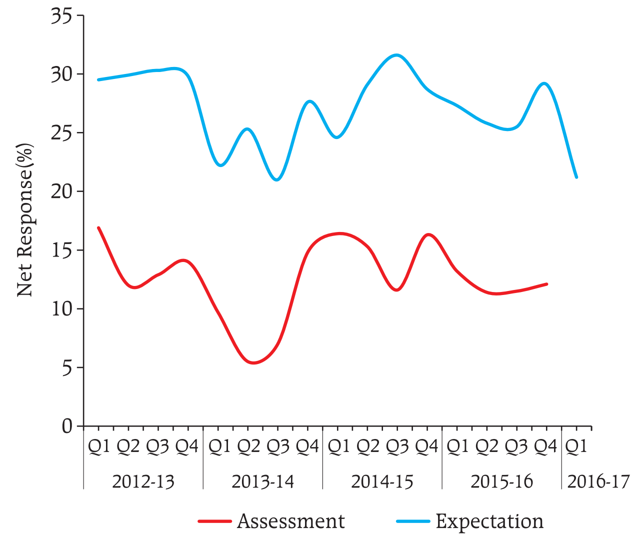
The assessment of order books also declined in H1:2015-16 in line with production and gradually improved in H2: 2015-16. Nevertheless, in absolute



NR = per cent in increase – per cent in decrease. 'Increase' in production is considered optimistic

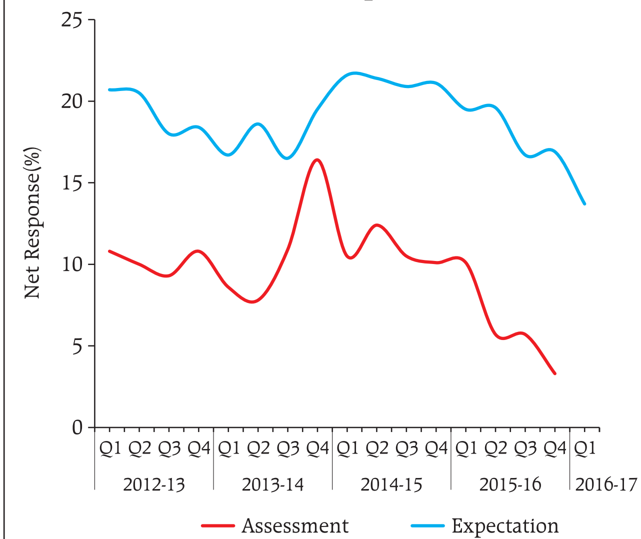
[3] Simple arithmetic average of the net responses of nine business indicators of BEI, over the four quarters of the Financial Year.

Chart 4: Order Books



NR = per cent in increase – per cent in decrease.'Increase' in order books is considered optimistic.

Chart 6: Exports



NR = per cent in increase – per cent in decrease.'Increase' in export is considered optimistic.

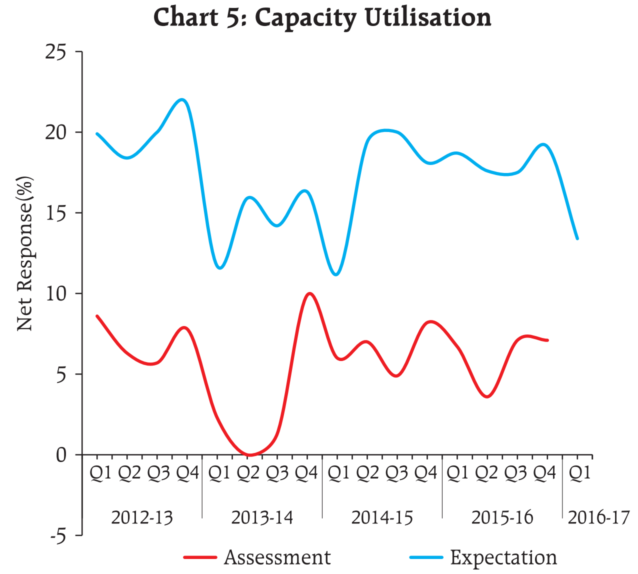
sense, the net response for production and order books remained in the positive territory throughout the year, which may be indicative of the stable growth (Chart 4).

The outlook on capacity utilisation (CU) reflected similar movement as of production (Chart 5). The net response on capacity utilisation (assessment) also remained in the positive zone since Q3:2013-14. However, it dipped significantly in Q2:2015-16, but bounced back to the 2014-15 level thereafter.

Outlook on exports continued to exhibit declining trend from the levels attained in 2014-15. The assessment showed similar movements with a sharp dip in Q2:2015-16 (Chart 6).

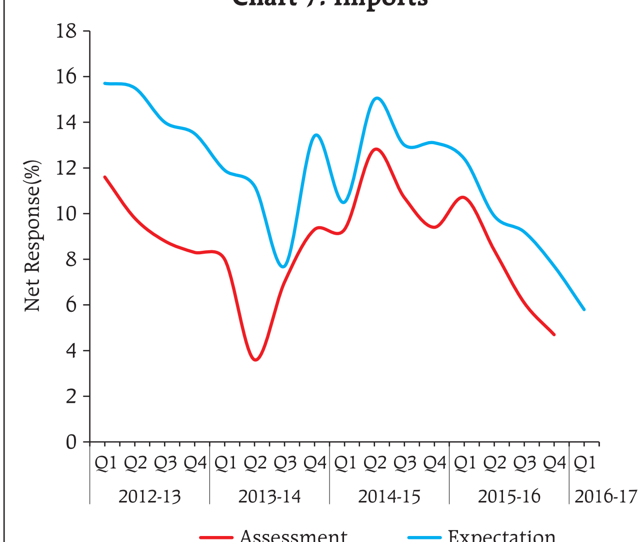
The outlook on imports declined uniformly throughout FY:2015-16. Going forward, the outlook for Q1:2016-17 continues with lowered optimism (Chart 7).

Chart 5: Capacity Utilisation



NR = per cent in increase – per cent in decrease.'Increase' in Capacity utilisation is considered optimistic.

Chart 7: Imports



NR = per cent in increase – per cent in decrease.'Increase' in imports is considered optimistic.

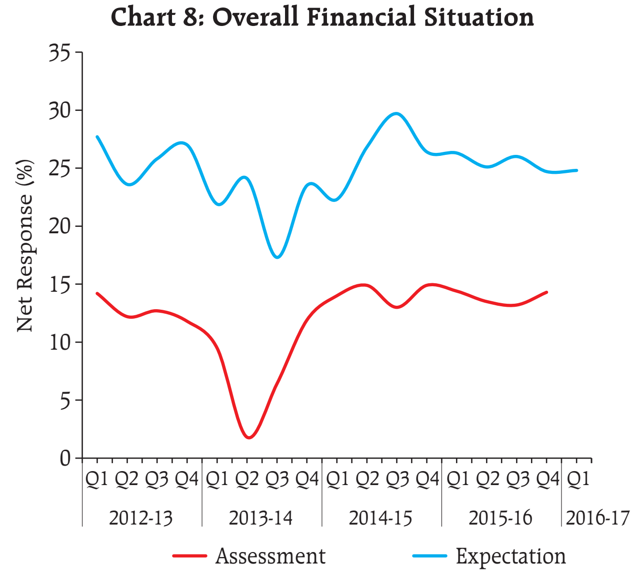
According to the survey, most of the responding firms (about 75 per cent) reported 'average' position for the inventory levels of raw material and finished goods on a quarterly basis during FY:2015-16. Of the remaining, on an annual basis, relatively higher percentage of respondents reported with 'above average' level of inventory (pessimism) than those reported 'below average' (optimism) during FY:2015-16, leading to negative net response levels.

IV. Financial situation in FY:2015-16

The survey assesses the financial situation based on several indicators, *viz.*, overall financial situation, availability of finance, cost of external finance, and profit margin. The optimism level in the assessment and expectation of overall financial situation remained flat and hovered in the positive territory in FY:2015-16.

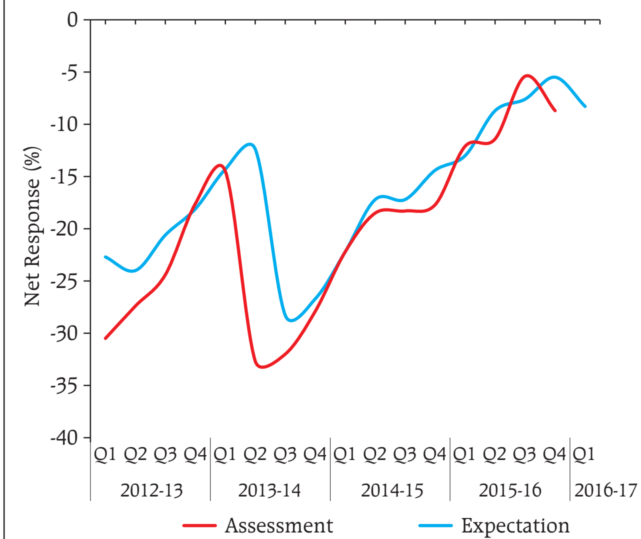
As regards availability of finance from different sources like, internal accruals, banks/other financial institutions and overseas, majority of companies (varying in the range of 60-85 per cent for different sources) reported 'no change' in the situation. Among the remaining responses, the assessment remained optimistic as more companies indicated better situation than those that felt worsening of situation.

Chart 8: Overall Financial Situation



NR = per cent in better – per cent in worsen.'Better' overall financial situation is considered optimistic.

Chart 9: Cost of Finance

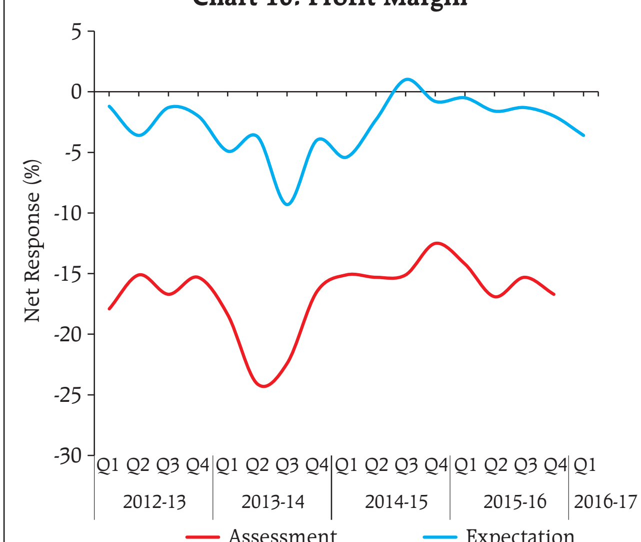


NR = per cent in decrease – per cent inincrease.'Decrease' in cost of external finance is considered optimistic.

Though most of the companies indicated 'increase' or 'no change' in 'cost of finance', the sentiment has improved during 2015-16; although the outlook for Q1:2016-17 indicates marginal moderation (Chart 9).

The assessment of 'profit margin' remained in the contraction zone. During the year, the assessment followed a downward trend, with a slight improvement in Q3:2015-16 (Chart 10). The outlook (expectation)

Chart 10: Profit Margin



NR = per cent in increase – per cent in decrease.'Increase' in profit margin is considered optimistic.

almost reached the expansion zone in Q1:2015-16, but thereafter went further into the contraction zone.

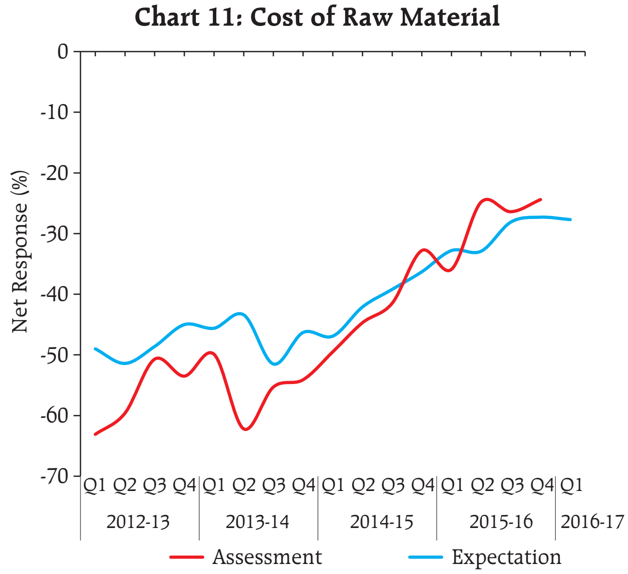
V. Employment and Price Situation

The survey seeks views of the companies on employment outlook. Majority (about 70-80 per cent) of companies reported 'no change' in the employment level on quarter-to-quarter basis and based on the remaining responses, the optimism level remained high in the first three quarters which dipped in the last quarter. The outlook for Q1:2016-17 indicates further decline in the optimism level. The assessment followed a downward trend consistently throughout the year following the trend in demand outlook.

As regards price situation, the survey elicits current assessment as well as one quarter ahead outlook on cost of raw material and selling prices from the respondent companies. The outlook on cost of raw material continued to improve in FY:2015-16 (Chart 11).

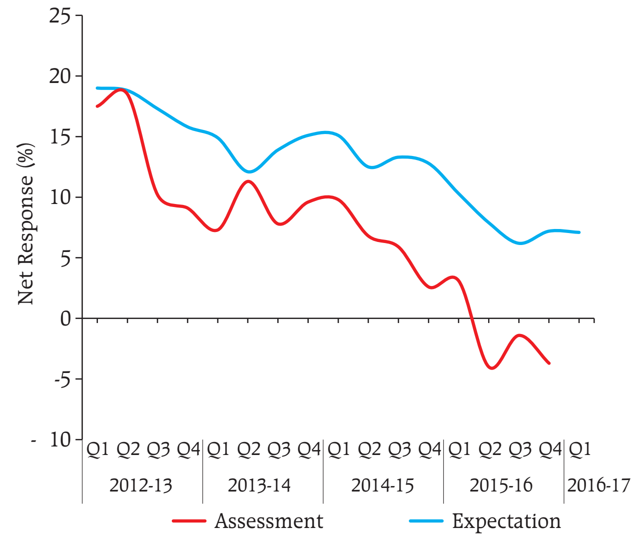
Although, net response on 'cost of raw material' continued to remain pessimistic, the secular (upward) trend is due to lesser percentage of companies assessing and expecting the cost of raw material to rise. The outlook for Q1:2016-17 remains flat. The percentage of respondent reporting 'decrease' in the cost of finance

Chart 11: Cost of Raw Material



NR = per cent in decrease – per cent in increase'Decrease' in cost of raw material is considered optimistic.

Chart 12: Selling Price



NR = per cent in increase – per cent in decrease. 'Increase' in selling price is considered optimistic.

and cost of raw material has increased gradually during the year.

The net response on selling price continued to witness downward trend during the year. The assessment witnessed a sharper downward trend as compared to the movements of expectation. It entered into the contraction zone in Q2:2015-16 and remained in this territory subsequently (Chart 12).

VI. Size-wise Analysis

Currently, in the IOS, size-wise categorisation of the respondents is done on the basis of amount invested in plant and machinery. There are four such categories: Micro (for investment upto ₹2.5 million), Small (for investment between ₹2.5 million and ₹50 million), Medium (for investment between ₹50 million and ₹100 million)[4] and Large (for investment more than ₹100 million). In the past few rounds, around 4 per cent of the respondents reported as Micro Enterprises, 20 per cent as Small, 35 per cent as Medium and 40 per cent as Large. Net Responses (NR)

[4] This classification is in accordance with MSME definition under the MSMED Act, 2006 (source : Annual Reports 2015-16, Ministry of MSME, GoI page 169)

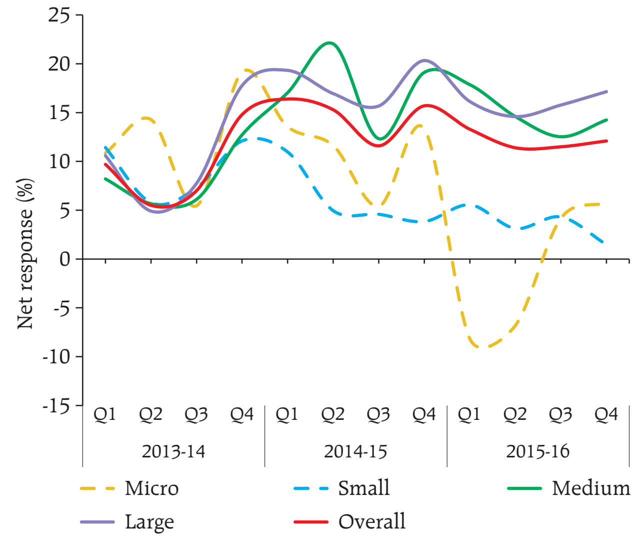
of these categories were calculated and compared with the overall NR for the select indicators *viz.*, Availability of finance, Production, Order Books, Capacity Utilisation and Selling Price. Large and Medium Enterprises being in majority seem to be driving the overall NR. While Small Companies' NR by and large track the similar movements, the NR of Micro Enterprises stands out of the others.

In assessing Production, while all other NRs were range bound and relatively stable, the sentiments in terms of NR of Micro Enterprises has been following a downward trend since Q4: 2013-14 which finally entered into the contraction zone in Q2:2015-16 (Chart 13). Similar pattern is observed in other demand indicators *viz.* Capacity Utilisation and Order Books, for which assessment entered into the contraction zone in Q1: 2015-16. Capacity Utilisation shows no signs of a turnaround in 2015-16 (Chart 14 and 15).

The sentiments on availability of finance varied widely in case of micro enterprises during the period 2013-16 and witnessed a downward trend between Q2:2014-15 to Q2:2015-16. The other categories *viz.* small, medium and large enterprises reported steady level of optimism in respect of availability of finance (Chart 16).

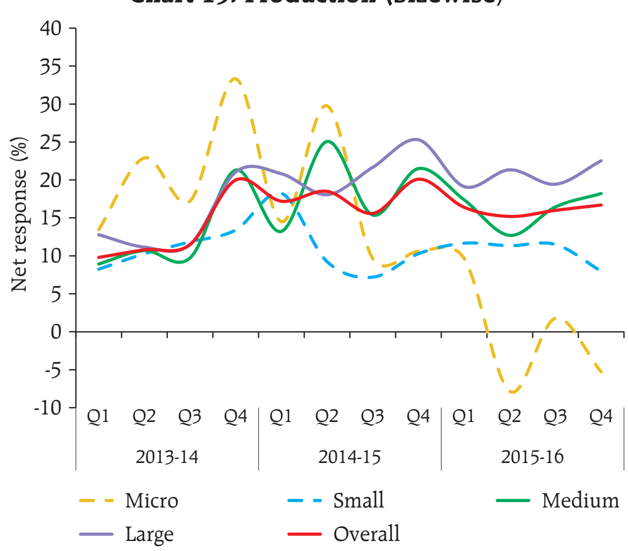
Interestingly, sentiments on Selling Price showed that the NR for Micro enterprises remained range bound in the positive territory, while NR for larger sized

Chart 14: Order Books(Sizewise)



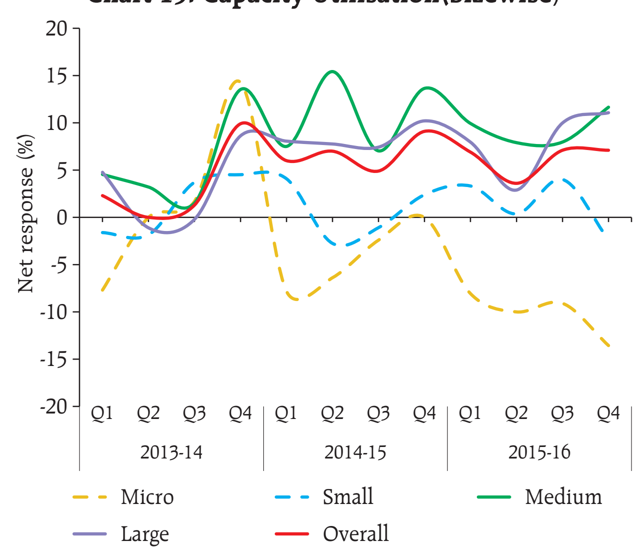
NR = per cent in increase – per cent in decrease. 'Increase' in order books is considered optimistic

Chart 13: Production (Sizewise)

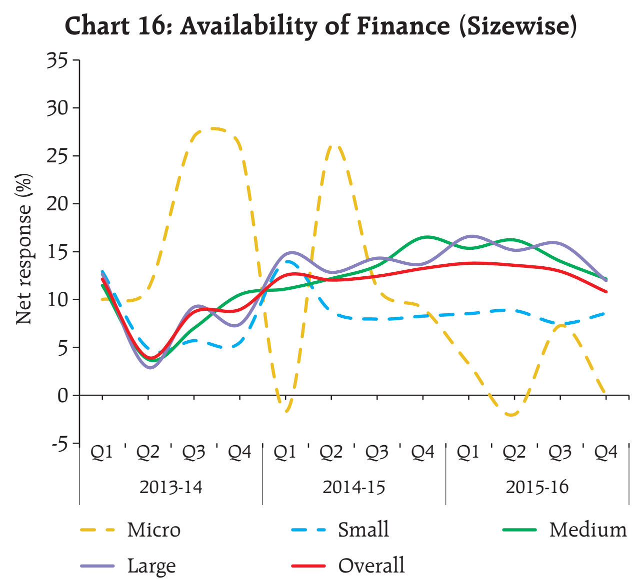


NR = per cent in increase – per cent in decrease. 'Increase' in production is considered optimistic

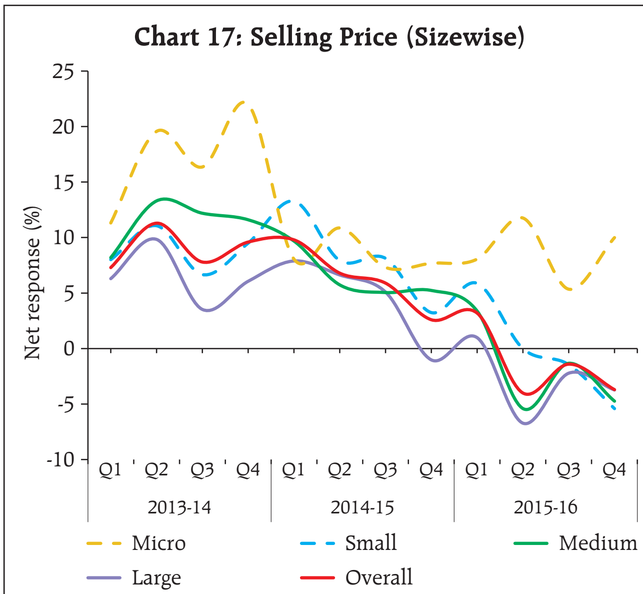
Chart 15: Capacity Utilisation(Sizewise)



NR = per cent in increase – per cent in decrease. 'Increase' in Capacity Utilisation is considered optimistic



NR = per cent in improve – per cent in worsen. 'Improve' in availability of finance is considered optimistic



NR = per cent in increase – per cent in decrease. 'Increase' in selling price is considered optimistic

companies continued to decline and crossed over to the contraction zone in FY: 2015-16 (Chart 17).

VII. Conclusion

The BEI (assessment) remained lower in all quarters as compared to its levels of same quarters of the previous year, FY: 2014-15, indicating a slowdown in the Indian manufacturing activities. All the individual indicators (used for BEI computation) witnessed moderation during FY: 2015-16 over FY: 2014-15. In particular, the net responses of overall business situation, production, order books and exports showed significant decline in FY: 2015-16 over FY: 2014-15. Going forward, BEI(expectation) for Q1: 2016-17 indicates further sluggishness in the manufacturing sector.

Improved sentiments on cost of raw material and cost of finance were observed during FY: 2015-16 alongwith the declining selling price. The net response of profit margin remained in the negative region and decreased further in FY: 2015-16. The sentiments of enterprises in different size segments varied to some extent.

Annex

Table 1: Assessment & Expectation for Production

(Percentage responses)@

Year$	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response#	Increase	Decrease	No change	Net response#
2010-11	1395	51.5	11.4	37.1	40.2	51.7	8.2	40.1	43.5
2011-12	1429	44.1	15.8	40.1	28.3	49.5	9.3	41.2	40.2
2012-13	1414	37.7	18.7	43.6	19.1	45.8	10.5	43.7	35.3
2013-14	1216	33.0	20.0	47.0	13.0	40.5	12.0	47.5	28.5
2014-15	1543	35.4	17.2	47.4	18.2	42.2	10.3	47.4	31.9
2015-16	1321	34.5	18.4	47.1	16.1	40.4	11.0	48.7	29.5
Q1: 2016-17						38.8	13.8	47.4	25.0

'Increase' in production is optimistic.
@ Due to rounding off percentage may not add up to 100.
# Net Response (NR) is the difference of percentage of the respondents reporting optimism and that reporting pessimism.
$ Annual responses are arithmetic mean of quarterly responses.
The above footnotes(@, # and $) are applicable for all the tables 1 to 17.

Table 2: Assessment & Expectation for Order Books

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
2010-11	1395	44.7	9.7	45.6	35.0	46.5	6.9	46.5	39.6
2011-12	1429	39.1	16.2	44.8	22.9	44.3	9.5	46.2	34.8
2012-13	1414	32.7	18.7	48.6	14.0	40.4	10.5	49.2	29.9
2013-14	1216	29.7	20.4	49.9	9.3	36.3	12.2	51.5	24.1
2014-15	1543	31.5	16.6	52.0	14.9	38.3	9.7	52.0	28.5
2015-16	1321	31.0	19.0	50.0	12.1	38.1	11.2	50.8	26.9
Q1: 2016-17						35.5	14.3	50.3	21.2

'Increase' in order books is optimistic.

Table 3: Assessment & Expectation for Pending Orders

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Below Normal	Above Normal	Normal	Net response	Below Normal	Above Normal	Normal	Net response
2010-11	1395	12.6	7.2	80.2	5.4	10.7	7.3	82.0	3.5
2011-12	1429	16.2	5.5	78.4	10.7	12.4	6.6	81.0	5.8
2012-13	1414	18.4	5.1	76.4	13.3	14.2	5.6	80.2	8.7
2013-14	1216	19.1	4.5	76.4	14.6	16.1	4.9	79.0	11.2
2014-15	1543	17.1	5.2	77.8	11.9	12.6	5.5	81.9	7.1
2015-16	1321	18.7	4.9	76.5	13.8	13.8	6.6	79.7	7.2
Q1: 2016-17						15.1	4.9	80.0	10.2

'Below Normal' in pending orders is optimistic.

Table 4: Assessment & Expectation for Capacity Utilisation

(Percentage responses)

Indicator	Options	Assessment				Expectation			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
Capacity Utilisation (CU)-(main product)	Increase	24.2	22.2	23.0	23.3	30.6	26.6	27.8	27.7
	No Change	58.7	58.9	60.5	59.6	58.7	61.3	61.6	62.8
	Decrease	17.1	18.9	16.5	17.2	10.6	12.1	10.6	9.5
	Net Response	7.1	3.4	6.6	6.1	20.0	14.5	17.2	18.2
Level of CU (compared to the average in last 4 quarters)	Above normal	9.8	9.0	9.8	9.4	11.2	10.3	10.2	10.3
	Normal	71.4	70.9	71.4	71.7	76.6	74.8	76.5	76.7
	Below Normal	18.9	20.0	18.8	18.9	12.3	14.9	13.2	12.9
	Net Response	-9.1	-11.0	-9.0	-9.5	-1.1	-4.6	-3.0	-2.6
Assessment of Prod. Capacity (with regard to expected demand in next 6 months)	More than adequate	13.3	14.9	13.9	14.4	12.6	14.5	13.0	14.7
	Adequate	78.4	77.0	77.2	77.5	80.5	78.1	80.3	78.5
	Less than adequate	8.3	8.5	8.4	8.2	6.9	7.4	6.7	6.9
	Net Response	4.9	6.0	5.5	6.2	5.7	7.0	6.3	7.8

'Increase' in capacity utilisation is optimistic.

Table 5: Assessment & Expectation for Exports

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
2010-11	1395	31.8	12.5	55.6	19.3	32.4	9.5	58.1	22.9
2011-12	1429	28.8	14.6	56.7	14.2	32.5	9.9	57.6	22.6
2012-13	1414	25.3	15.0	59.7	10.2	29.6	10.2	60.1	19.4
2013-14	1216	25.6	14.6	59.8	10.9	27.9	10.0	62.1	17.8
2014-15	1543	24.8	14.0	61.2	10.9	29.8	8.6	61.5	21.2
2015-16	1321	23.3	17.1	59.7	6.2	27.3	9.2	63.5	18.2
Q1: 2016-17						25.7	12.0	62.3	13.7

'Increase' in exports is optimistic.

Table 6: Assessment & Expectation for Imports

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
2010-11	1395	27.7	6.7	65.6	20.9	26.0	5.4	68.6	20.6
2011-12	1429	22.9	8.1	69.0	14.8	24.1	6.5	69.4	17.6
2012-13	1414	20.3	10.7	69.0	9.6	22.1	7.4	70.5	14.7
2013-14	1216	18.8	11.9	69.3	7.0	20.0	9.0	71.0	11.1
2014-15	1543	19.8	9.3	70.9	10.5	19.8	7.0	73.2	12.9
2015-16	1321	18.4	10.9	70.7	7.5	18.2	8.4	73.5	9.8
Q1: 2016-17						16.7	10.9	72.4	5.8

'Increase' in imports is optimistic.

Table 7: Assessment & Expectation for level of Inventory (Raw Material and Finished Goods)

(Percentage responses)

Indicator	Options	Assessment				Expectation			
		2012-13	2013-14	2014-15	2015-16	2012-13	2013-14	2014-15	2015-16
Inventory of raw material	Below average	7.6	8.2	8.1	6.9	5.6	6.0	6.2	5.9
	Average	80.4	78.9	79.2	80.0	84.3	83.8	84.0	83.7
	Above average	12.0	13.0	12.7	13.2	10.0	10.2	9.8	10.5
	Net Response	-4.4	-4.8	-4.7	-6.3	-4.4	-4.2	-3.6	-4.7
Inventory of finished goods	Below average	7.0	7.6	7.7	7.5	6.4	6.5	6.7	6.2
	Average	78.6	76.6	76.3	75.5	84.1	82.3	82.6	80.9
	Above average	14.3	15.8	16.0	17.1	9.5	11.2	10.7	12.9
	Net Response	-7.3	-8.1	-8.3	-9.7	-3.2	-4.7	-4.0	-6.8

'Below average' in inventory of raw material and finished goods is optimistic.

Table 8: Assessment & Expectation for Employment Outlook

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
(2010-11	1395	24.0	6.1	70.0	17.9	22.7	4.7	72.5	18.0
2011-12	1429	21.4	6.9	71.6	14.5	22.0	5.3	72.8	16.7
2012-13	1414	17.3	9.7	73.0	7.7	19.2	6.6	74.2	12.6
2013-14	1216	13.7	11.5	74.8	2.2	14.9	8.1	77.0	6.8
2014-15	1543	15.4	9.0	75.6	6.5	15.8	6.7	77.6	9.1
2015-16	1321	15.4	9.5	75.1	5.8	15.8	6.6	77.6	9.2
Q1: 2016-17						15.1	8.0	76.9	7.1

'Increase' in employment is optimistic.

Table 9: Assessment & Expectation for Overall Financial Situation

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
2010-11	1395	39.1	7.3	53.6	31.7	42.9	5.2	51.9	37.8
2011-12	1429	30.2	13.8	56.0	16.4	36.7	7.9	55.4	28.9
2012-13	1414	27.0	14.3	58.7	12.8	34.7	8.6	56.7	26.0
2013-14	1216	23.3	15.9	60.7	7.4	31.9	10.1	58.0	21.7
2014-15	1543	27.1	12.9	60.0	14.2	33.7	7.4	58.9	26.3
2015-16	1321	27.2	13.4	59.5	13.7	34.2	8.6	57.3	25.5
Q1: 2016-17						33.1	8.3	58.6	24.8

'Better' overall financial situation is optimistic.

Table 10: Assessment & Expectation for Working Capital Finance Requirement

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
2010-11	1395	38.1	4.8	57.0	33.3	36.6	3.7	59.7	32.8
2011-12	1429	39.2	5.5	55.3	33.7	38.1	4.5	57.4	33.6
2012-13	1414	36.0	6.2	57.8	29.8	36.0	4.3	59.6	31.7
2013-14	1216	33.4	7.2	59.4	26.2	33.0	5.8	61.2	27.3
2014-15	1543	32.5	6.5	61.0	26.1	32.8	5.0	62.2	27.8
2015-16	1321	30.2	6.5	63.2	23.8	30.5	4.8	64.8	25.7
Q1: 2016-17						30.0	5.4	64.6	24.6

'Increase' in working capital finance is optimistic.

Table 11: Assessment & Expectation for Availability of Finance

(Percentage responses)

Indicator	Options	Assessment			Expectation		
		2013-14	2013-14	2014-15	2013-14	2013-14	2014-15
Availability of finance (from internal accruals)	Improve	20.4	23.0	21.7	24.6	25.7	24.6
	No Change	67.2	66.2	68.4	67.9	67.5	68.8
	Worsen	12.3	10.7	9.9	7.5	6.8	6.7
	Net Response	8.1	12.3	11.8	17.1	18.9	17.9
Availability of Finance (from banks & other sources)	Improve	17.1	19.7	19.0	19.0	20.8	21.1
	No Change	74.2	73.1	74.8	76.2	74.6	74.6
	Worsen	8.7	7.2	6.2	4.8	4.6	4.3
	Net Response	8.4	12.6	12.8	14.2	16.2	16.8
Availability of Finance (from overseas, if applicable)	Improve	9.8	11.3	11.1	10.9	11.8	12.7
	No Change	84.9	83.3	83.7	84.4	84.6	83.6
	Worsen	6.3	5.4	5.2	4.8	3.6	3.7
	Net Response	3.5	5.9	5.9	6.1	8.2	9.0

Improvement' in availability of finance is optimistic.

Table 12: Assessment & Expectation for Cost of External Finance

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Decrease	Increase	No change	Net response	Decrease	Increase	No change	Net response
2010-11	1395	4.9	36.5	58.6	-31.7	4.8	30.7	64.5	-25.9
2011-12	1429	3.4	50.2	46.4	-46.8	3.8	42.5	53.7	-38.6
2012-13	1414	7.1	32.1	60.9	-25.0	8.4	29.7	61.9	-21.3
2013-14	1216	6.4	33.2	60.4	-26.8	7.0	27.4	65.6	-20.4
2014-15	1543	6.6	25.7	67.7	-19.2	6.1	23.9	70.0	-17.8
2015-16	1321	11.2	20.8	67.9	-9.6	9.9	18.6	71.6	-8.7
Q1: 2016-17						8.8	17.1	74.1	-8.3

'Decrease' in cost of external finance is optimistic.

Table 13: Assessment & Expectation for Cost of Raw Material

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Decrease	Increase	No change	Net response	Decrease	Increase	No change	Net response
2010-11	1395	2.5	66.7	30.7	-64.2	2.6	52.8	44.5	-50.2
2011-12	1429	4.5	65.6	29.9	-61.0	3.8	55.9	40.4	-52.1
2012-13	1414	4.0	60.7	35.3	-56.7	3.2	51.7	45.2	-48.5
2013-14	1216	3.5	58.9	37.5	-55.4	3.3	50.0	46.7	-46.7
2014-15	1543	6.1	48.3	45.6	-42.1	3.9	45.0	51.0	-41.1
2015-16	1321	11.4	40.4	48.2	-29.0	6.3	36.6	57.1	-30.3
Q1: 2016-17						8.3	36.0	55.7	-27.7

'Decrease' in cost of raw material is optimistic.

Table 14: Assessment & Expectation for Selling Price

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
2010-11	1395	30.8	11.4	57.8	19.5	24.8	8.8	66.4	16.0
2011-12	1429	28.0	14.4	57.6	13.6	27.9	9.7	62.4	18.2
2012-13	1414	25.6	11.7	62.7	13.8	25.6	7.9	66.5	17.7
2013-14	1216	22.7	13.7	63.6	9.0	22.7	8.8	68.5	14.0
2014-15	1543	20.1	13.8	66.1	6.3	21.4	8.0	70.5	13.4
2015-16	1321	16.9	17.7	65.4	-1.8	18.7	10.8	70.5	7.9
Q1: 2016-17						20.2	13.1	66.7	7.1

'Increase' in selling price is optimistic.

Table 15: Assessment & Expectation for Profit Margin

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
2010-11	1395	21.2	24.3	54.5	-3.0	23.8	17.8	58.4	5.9
2011-12	1429	16.5	30.4	53.1	-13.9	21.2	20.7	58.1	0.5
2012-13	1414	15.6	31.8	52.6	-16.2	19.9	22.0	58.1	-2.0
2013-14	1216	13.2	33.5	53.3	-20.3	17.7	23.2	59.0	-5.5
2014-15	1543	14.1	28.5	57.4	-14.5	18.3	20.2	61.6	-1.9
2015-16	1321	13.8	29.5	56.7	-15.8	18.5	19.8	61.8	-1.4
Q1: 2016-17						18.5	22.1	59.4	-3.6

'Increase' in profit margin is optimistic.

Table 16: Assessment & Expectation for Overall Business Situation

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Better	Worsen	No change	Net response	Better	Worsen	No change	Net response
2010-11	1395	48.0	7.0	45.0	41.0	50.4	5.4	44.2	45.1
2011-12	1429	37.5	13.6	48.9	23.9	45.1	7.6	47.3	37.5
2012-13	1414	32.7	15.2	52.1	17.5	42.3	8.5	49.1	33.8
2013-14	1216	29.3	17.5	53.3	11.8	39.1	9.9	50.9	29.2
2014-15	1543	33.3	13.1	53.6	20.2	42.2	7.2	50.6	35.0
2015-16	1321	31.2	14.5	54.4	16.8	41.0	7.7	51.4	33.2
Q1: 2016-17						39.4	8.9	51.7	30.5

'Better' Overall Business Situation is optimistic.

Table 17: Assessment & Expectation for Salary/Other Remuneration

(Percentage responses)

Year	Total response	Assessment				Expectation			
		Increase	Decrease	No change	Net response	Increase	Decrease	No change	Net response
2013-14	1216	29.5	3.5	67.0	26.1	23.9	2.9	73.2	21.0
2014-15	1543	31.1	3.9	64.8	27.2	26.9	3.3	69.8	23.6
2015-16	1321	31.9	2.9	65.3	29.0	26.6	3.0	70.3	23.6
Q1: 2016-17						33.2	2.9	63.9	30.3

'Increase in Salary / other remuneration' is optimistic.

Table 18: Business Expectation Index (BEI)

Year	BEI-Assessment	BEI-Expectation
2010-11	119.9	122.7
2011-12	112.7	119.9
2012-13	105.3	115.5
2013-14	100.4	111.7
2014-15	105.7	114.8
2015-16	103.4	114.0
Q1: 2016-17		110.9

*Inflation Expectations Survey of Households: 2015-16**

1 Introduction

The Reserve Bank has been conducting Inflation Expectations Survey of Households (IESH) on a quarterly basis, since September 2005. The survey elicits qualitative and quantitative responses from the households, on expected price changes and inflation for three-month and one-year ahead. As the household inflation expectations are subjective assessments based on individual's consumption basket, it is not comparable with official measure of inflation, periodically released by the Government. However, it provides useful directional information on near-term inflationary pressures and also supplements other economic indicators. The quarterly survey results of IESH are regularly published on RBI website and this article presents an analysis over a longer horizon covering the last four rounds (40th to 43rd round) of survey.

2 Survey Schedule and Sample Coverage

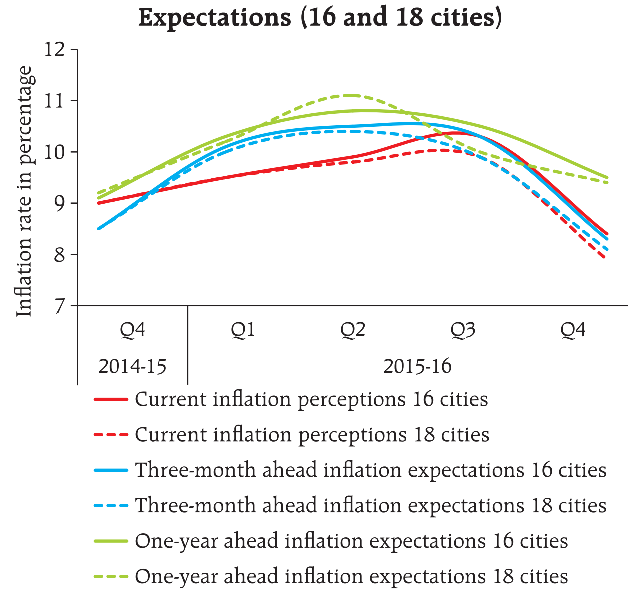
The survey schedule is organised into four blocks: Block 1 collects information on respondent's profile; in Blocks 2 and Block 3, qualitative response on general and product group-wise price expectations from the respondents for three month and one year ahead, respectively, are collected and Block 4 collects quantitative response on current and expected inflation rates. For the qualitative response, the options are: (i) price increase *more than current rate*, (ii) price increase *similar to current rate*, (iii) price increase *less than current rate*, (iv) *no change in prices*, and (v) *decline in prices.* For the quantitative response, the inflation rate ranges from *'less than 1 per cent'* to *'16 per cent and above'*, with intermediate class intervals of size 100 basis points.

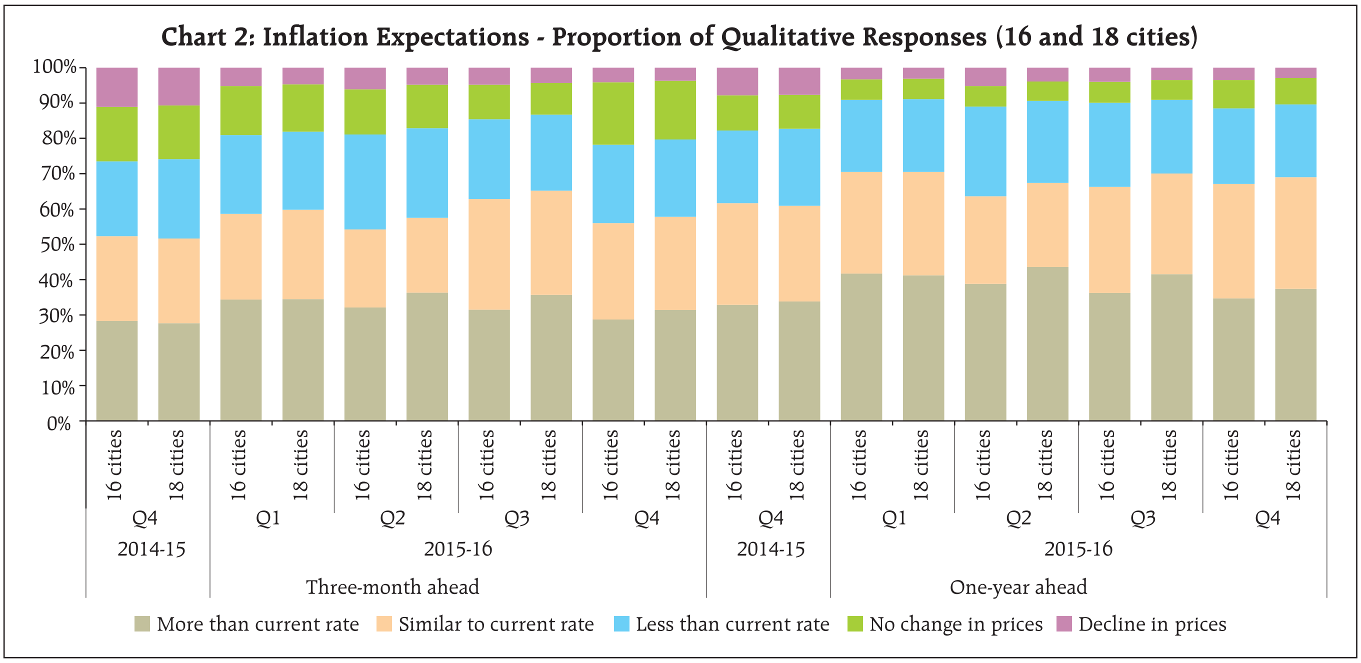
* Prepared in the Division of Household Surveys, Department of Statistics and Information Management, Reserve Bank of India, Mumbai. The previous annual article was published in June 2015 issue of the RBI Bulletin. The observations / views expressed in the article is based on survey results and not that of Reserve Bank of India.

Prior to March 2015 round, the survey was conducted in 16 cities covering four metropolitan cities, *viz.*, Delhi, Kolkata, Mumbai and Chennai, and twelve major cities *viz.*, Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Guwahati, Hyderabad, Jaipur, Kolhapur, Lucknow, Nagpur, Patna and Thiruvananthapuram. From March 2015 round onwards, the coverage of survey was further extended as per the recommendations of Technical Advisory Committee on Surveys (TACS), by including three cities *viz.*, Chandigarh, Raipur and Ranchi, and excluding Kolhapur. The survey covered 5500 households in each round, selecting 500 households from each metro and 250 households from each major city. The selected households are spread across the cities, with adequate representation of households with respect to gender and occupation.

During the study period, the survey result shows that there is a consistency in the overall inflation perceptions and expectations for 16 and 18 cities, in terms of both qualitative and quantitative responses (Chart 1 and 2). Further, both data show more or less similar trends in inflation perceptions and expectations. The subsequent discussions are based on the survey results from 18 cities.

Chart 1: Median Inflation Perceptions and Expectations (16 and 18 cities)





3 Survey Results

3.1 Movements of Price Expectations for Three-Month and One-Year ahead

The percentage of respondents expecting general prices to increase in three-month and one-year ahead varied during the financial year 2015-16. These proportions reached the minimum level in Q4:2015-16 and it was around 80 per cent and around 90 per cent respectively for three-month and one-year ahead expectations. The percentage of respondents expecting general price to increase *'more than current rate'* in the next three-month period moved up marginally from 34.5 per cent in Q1: 2015-16 to 36.3 per cent in Q2: 2015-16, but declined to 31.4 per cent in Q4:2015-16. The said expectation for the next one-year period declined from 41.2 per cent in Q1: 2015-16 to 37.4 per cent in Q4: 2015-16.

Tables 3.1 to 3.4 presents cross-tabulation of three-month and one-year ahead general price expectations for the study period. Results show that majority of households who expected general price to increase *'more than current rate'* in three-month ahead, also expected the same for one-year ahead across the study period.

Results show that there is a moderation in inflation expectations among all product groups except for *services* for three-month ahead since Q2:2015-16 and it is reflected in the decline in percentage of households expecting prices to increase *more than current rate* (Chart 3). Similar trend was observed for one-year ahead expectations across the product groups (Chart 4). It was observed that the proportion of

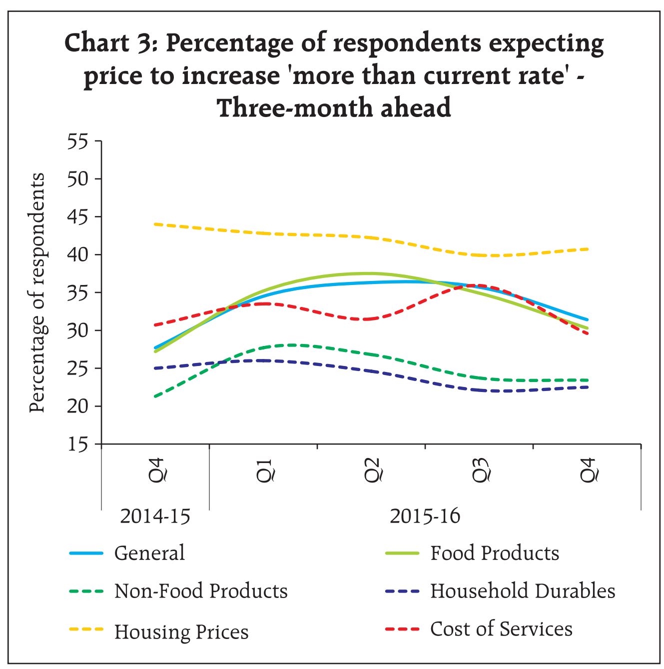


Chart 4: Percentage of respondents expecting price to increase 'more than current rate' - One-year ahead

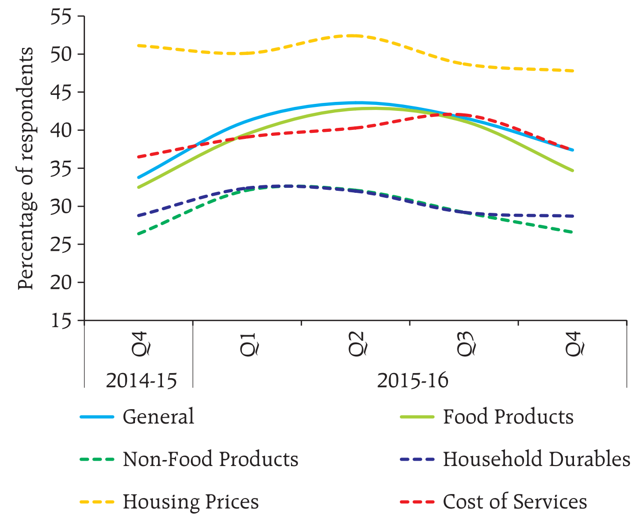
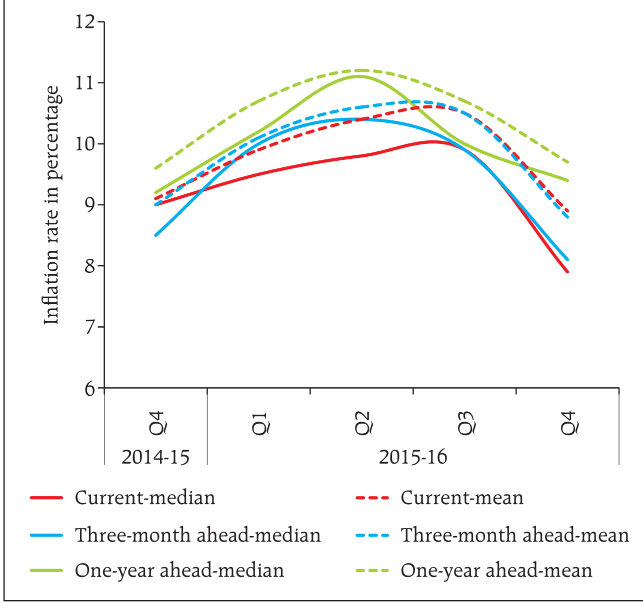


Chart 5: Inflation Rates - Mean & Median



respondents expecting general price to increase *more than current rate* is almost similar to those of *food products* and *services*, for both three-month and one-year ahead periods. Also, these proportions moved closely for *non-food products* and *household durables.* On the other hand, households' expectations for *housing* were relatively higher since Q4: 2014-15.

3.2 Respondents' Current Inflation Perception vis-à-vis Expectations

The quantitative responses show that the median inflation perception and expectations (three-month and one-year ahead) remained elevated till Q2: 2015-16 and then moderated considerably (Chart 5). Also, it was observed that the mean inflation perceptions and expectations were almost same in Q3:2015-16. Further, mean and median inflation expectations were generally higher than those of current perceptions in all quarters.

3.3 Identification of Major Sources of Variation

An analysis of variance (ANOVA) revealed that city has been a significant source of variation for inflation perceptions and expectations (Table 4). Other significant sources of variation were age-group and occupation-category of the respondents.

3.4 City-wise Inflation Expectations

From Charts 6 and 7, it can be seen that in each survey round, city-wise expected inflation rates varied considerably. The recent moderation in inflation expectations was well spread across the cities. Raipur recorded the lowest inflation expectations for both three-month and one-year ahead periods in Q2: 2015-16 and Q3: 2015-16, whereas Guwahati recorded the

Chart 6: City-wise three-month ahead median inflation expectations

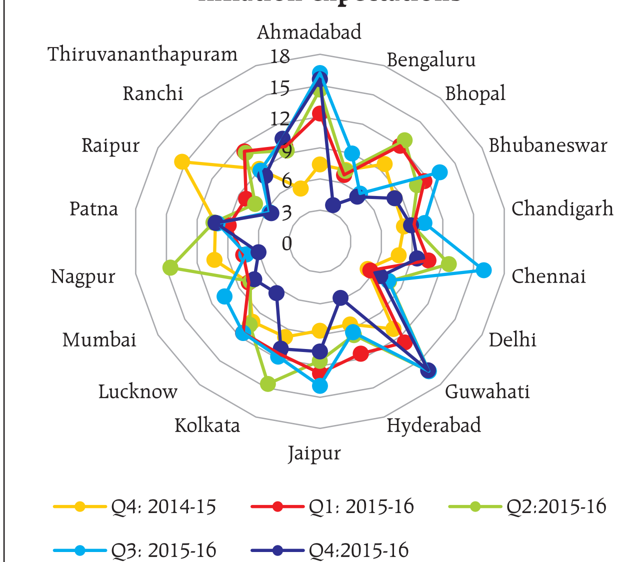


Chart 7: City-wise one-year ahead median inflation expectations

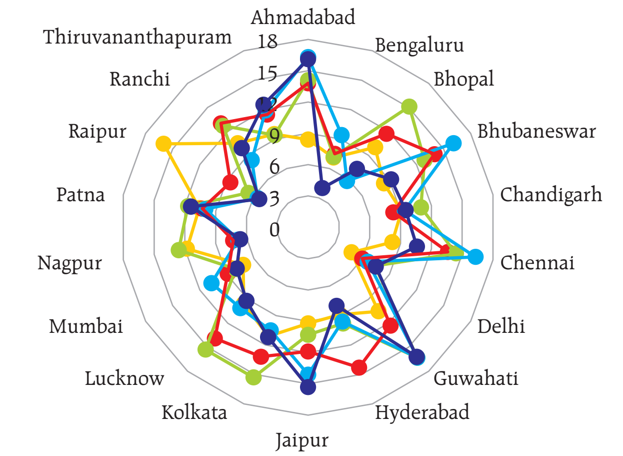
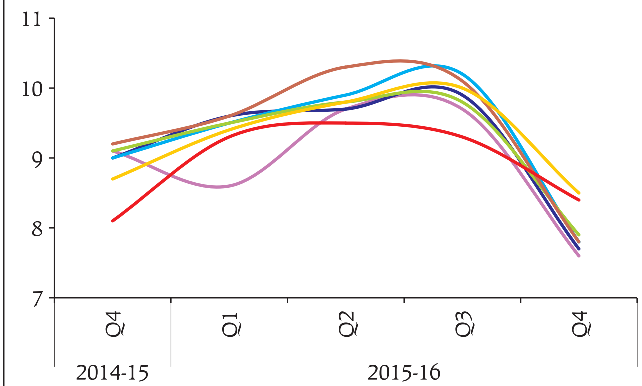


Chart 8: Occupation category-wise median current inflation perceptions



highest in Q2:2015-16, Q3:2015-16 and Q4:2015-16 (Table 5).

3.5 Occupation-wise Inflation Perceptions and Expectations

Respondents from various occupation categories showed similar trend with respect to inflation perception over the quarters (Chart 8). Retired persons generally, reported relatively higher median inflation perceptions and financial sector employees and other category reported the lower median inflation perceptions.

3.6 Bootstrap Confidence Interval for Estimates of Inflation Rates

Drawing 10,000 re-samples using Simple Random Sampling with Replacement (SRSWR), the 99 per cent bootstrap confidence intervals for mean inflation is calculated and given in Table 6. It is observed that the confidence interval has a small width indicating that the point estimates are quite precise for estimating the population mean of households' inflation perceptions and expectations.

4 Conclusions

The median rates of inflation perceptions and expectations of households dipped to the lowest in Q4: 2015-16. This fall is well spread across the cities and occupational categories covered in the survey. The moderation in price expectation was also observed across various product-groups. Among the product-groups, the highest proportion of households expected *housing* prices to increase by *more than current rate*, whereas the lowest proportion was for *non-food products* and *household durables*. The general price expectations are more closely aligned with price expectations on *food products* and *services* compared to other product groups. City has been a significant source of variation for inflation perceptions and expectations, as observed throughout the survey history.

Annex-Data Tables

Table 1. Distribution of Perceived and Expected Inflation Rates (18 cities)

(in per cent)

Inflation Rate	Current Inflation Rates				Inflation Expectations Three-month Ahead				Inflation Expectations One-year Ahead			
	Q1: 2015-16	Q2: 2015-16	Q3: 2015-16	Q4: 2015-16	Q1: 2015-16	Q2: 2015-16	Q3: 2015-16	Q4: 2015-16	Q1 : 2015-16	Q2: 2015-16	Q3: 2015-16	Q4: 2015-16
<1	0.3	0.6	0.2	0.4	0.7	0.5	0.2	0.5	0.7	0.5	0.1	0.8
1-2	0.5	0.7	0.2	1.2	1.7	0.8	0.3	2.1	0.5	0.6	0.3	1.6
2-3	1.2	1.2	0.7	3.4	2.0	1.8	1.3	4.7	1.3	1.4	0.9	3.2
3-4	1.6	2.5	1.1	4.8	4.1	2.8	2.1	6.0	3.1	3.0	1.9	4.6
4-5	6.4	6.4	5.2	9.2	4.7	5.3	4.9	9.6	6.1	6.2	4.8	9.1
5-6	9.3	7.8	10.6	16.5	6.5	7.0	6.7	10.7	6.7	5.8	7.5	8.8
6-7	8.7	5.9	7.1	8.3	7.8	6.0	6.6	8.1	5.6	4.4	8.3	5.0
7-8	7.7	6.3	7.7	7.1	8.8	6.1	8.7	7.4	5.7	4.2	7.3	6.5
8-9	6.0	4.9	5.8	5.4	7.7	5.1	7.3	8.2	8.1	5.5	7.3	6.6
9-10	18.3	16.7	12.9	9.8	5.7	10.6	12.6	8.0	10.9	10.1	11.4	9.2
10-11	10.5	11.4	11.1	8.5	11.5	9.2	10.3	7.3	8.8	8.0	9.2	8.4
11-12	3.6	3.4	4.1	2.2	6.5	7.0	5.9	2.9	4.3	5.2	6.5	4.6
12-13	1.5	2.0	2.3	1.7	4.5	5.5	3.7	2.7	3.6	5.0	2.1	3.4
13-14	0.8	1.0	1.3	0.9	2.4	2.8	2.3	1.4	2.6	3.3	1.7	2.2
14-15	4.7	4.2	4.3	2.4	5.4	5.0	3.5	2.3	5.9	6.7	1.8	4.1
15-16	3.6	3.3	3.4	3.7	3.6	3.8	3.3	2.3	4.8	4.8	1.5	4.3
>=16	15.3	21.7	22.3	14.6	16.5	20.9	20.2	15.7	21.5	25.3	27.4	17.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 2: Derived Perceived and Expected Inflation Rates (18 cities)

(in per cent)

Survey Round	Survey Quarter ended	Current		Expectations			
				Three-month Ahead		One-year Ahead	
		Mean	Median	Mean	Median	Mean	Median
39	Q4:2014-15	9.1	9.0	9.0	8.5	9.6	9.2
40	Q1:2015-16	9.9	9.5	10.1	10.0	10.7	10.2
41	Q2:2015-16	10.4	9.8	10.6	10.4	11.2	11.1
42	Q3:2015-16	10.5	9.9	10.5	9.9	10.7	10.0
43	Q4:2015-16	8.9	7.9	8.8	8.1	9.7	9.4

Note: Derived from the distribution observed in Table-1

Table 3.1. Cross-tabulation of General Price Expectations for Three-month Ahead and One-year Ahead Q1:2015-16: Round 40 (18 cities)

General price expectations One-year Ahead	General price expectations Three-month Ahead: Price increase more than current rate	Price increase similar to current rate	Price increase less than current rate	No change in prices	Decline in prices	Total
Price increase more than current rate	26.1	7.5	3.7	2.7	1.2	41.2
Price increase similar to current rate	4.8	14.8	4.3	4.0	1.4	29.3
Price increase less than current rate	2.1	1.7	12.1	4.1	0.5	20.6
No change in prices	1.0	0.9	1.3	2.0	0.6	5.8
Decline in prices	0.5	0.3	0.7	0.6	1.0	3.1
Total	34.5	25.3	22.1	13.4	4.7	100.0

General price expectations for one-year ahead is dependent on general price expectations for three-month ahead at 5 per cent level of significance

Table 3.2. Cross-tabulation of General Price Expectations for Three-month Ahead and One-year Ahead Q2:2015-16: Round 41 (18 cities)

General price expectations One-year Ahead	General price expectations Three-month Ahead: Price increase more than current rate	Price increase similar to current rate	Price increase less than current rate	No change in prices	Decline in prices	Total
Price increase more than current rate	29.2	7.3	3.7	2.9	0.6	43.6
Price increase similar to current rate	3.8	10.7	5.3	3.3	0.8	23.8
Price increase less than current rate	2.0	2.2	14.6	3.4	1.0	23.2
No change in prices	0.9	0.8	1.3	1.9	0.5	5.5
Decline in prices	0.4	0.2	0.4	0.8	2.0	3.9
Total	36.3	21.2	25.4	12.3	4.8	100.0

General price expectations for one-year ahead is dependent on general price expectations for three-month ahead at 5 per cent level of significance

Table 3.3. Cross-tabulation of General Price Expectations for Three-month Ahead and One-year Ahead Q3:2015-16: Round 42 (18 cities)

General price expectations One-year Ahead	General price expectations Three-month Ahead: Price increase more than current rate	Price increase similar to current rate	Price increase less than current rate	No change in prices	Decline in prices	Total
Price increase more than current rate	28.1	8.3	3.0	1.8	0.3	41.6
Price increase similar to current rate	3.6	16.8	4.1	2.9	1.0	28.5
Price increase less than current rate	2.3	2.6	12.6	2.4	1.0	20.9
No change in prices	1.0	1.2	1.2	1.4	0.7	5.6
Decline in prices	0.7	0.5	0.6	0.5	1.2	3.5
Total	35.7	29.5	21.5	9.0	4.3	100.0

General price expectations for one-year ahead is dependent on general price expectations for three-month ahead at 5 per cent level of significance

Table 3.4. Cross-tabulation of General Price Expectations for Three-month Ahead and One-year Ahead Q4:2015-16: Round 43 (18 cities)

General price expectations One-year Ahead	General price expectations Three-month Ahead					
	Price increase more than current rate	Price increase similar to current rate	Price increase less than current rate	No change in prices	Decline in prices	Total
Price increase more than current rate	24.5	5.6	3.1	3.4	0.7	37.4
Price increase similar to current rate	4.0	17.5	4.3	5.3	0.5	31.6
Price increase less than current rate	1.5	2.1	12.7	3.8	0.6	20.6
No change in prices	1.0	0.9	1.4	3.4	0.8	7.5
Decline in prices	0.4	0.3	0.4	0.6	1.2	2.9
Total	31.4	26.4	21.9	16.6	3.7	100.0

General price expectations for one-year ahead is dependent on general price expectations for three-month ahead at 5 per cent level of significance

Table 4: ANOVA Results: Factors that Explain the Total Variability (18 cities)

Survey Round	Survey Quarter	Current	Three-month Ahead	One-year Ahead
39	Q4: 2014-15	City	City	City
40	Q1: 2015-16	City, Category	City, Category, Age-Group	City, Category
41	Q2: 2015-16	City, Age-Group, Gender	City, Age-Group, Gender	City, Age-Group, Gender
42	Q3: 2015-16	City, Age-Group	City, Age-Group	City, Age-Group
43	Q4: 2015-16	City, Age-Group	City	City, Category

Table 5: City-wise median Inflation Perceptions and Expectations

	Current				Three-month Ahead				One-year Ahead			
	Q1: 2015-16	Q2: 2015-16	Q3: 2015-16	Q4: 2015-16	Q1: 2015-16	Q2: 2015-16	Q3: 2015-16	Q4: 2015-16	Q1 : 2015-16	Q2: 2015-16	Q3: 2015-16	Q4: 2015-16
Ahmadabad	11.9	12.5	15.8	10.9	12.3	14.6	16.2	15.6	13.8	14.1	16.3	16.1
Bengaluru	5.6	6.0	9.7	3.6	6.8	7.2	9.0	3.7	7.5	7.2	9.4	4.0
Bhopal	10.2	10.2	5.9	5.2	12.0	12.7	6.0	5.6	11.7	15.1	5.8	7.3
Bhubaneswar	9.7	9.8	11.6	8.0	11.6	10.8	13.3	8.3	14.0	12.9	16.1	9.2
Chennai	10.3	12.5	16.3	10.1	10.6	12.6	16.0	9.5	13.6	14.4	16.3	10.6
Delhi	6.5	7.4	6.3	6.3	5.6	7.7	7.6	6.7	6.0	7.4	6.6	7.5
Guwahati	11.5	16.4	16.3	16.1	12.7	16.3	16.3	16.2	12.3	16.3	16.3	16.2
Hyderabad	10.3	9.0	9.1	6.6	11.5	9.6	9.3	5.8	14.3	9.8	9.6	8.0
Jaipur	9.9	9.7	12.9	14.3	12.7	11.5	13.9	10.6	11.9	10.3	14.1	15.3
Kolkata	11.8	14.4	10.8	10.4	11.5	14.6	11.8	11.0	13.2	15.3	10.5	11.2
Lucknow	10.8	14.6	10.9	7.3	11.5	10.5	11.5	6.5	13.9	15.3	10.1	9.2
Mumbai	8.0	6.9	10.6	7.1	7.9	7.7	10.6	7.3	8.9	8.0	10.7	7.9
Nagpur	6.5	11.7	6.4	5.4	7.5	14.6	7.2	6.0	7.3	12.6	6.8	6.6
Patna	8.2	9.1	9.4	9.0	8.9	10.4	10.0	10.2	10.3	11.7	10.0	11.4
Thiruvananthapuram	10.8	10.3	12.5	13.6	9.7	9.3	10.5	10.5	11.5	9.4	11.9	12.5
Chandigarh	7.3	8.3	9.4	9.0	9.2	9.0	10.2	8.9	8.3	11.0	9.4	9.5
Ranchi	9.8	9.9	7.6	7.0	11.3	11.1	8.9	8.2	13.0	12.7	8.4	9.9
Raipur	6.9	6.3	6.3	5.2	8.2	7.2	5.6	5.4	8.6	6.6	5.6	5.4

Table 6: 99 Percent Bootstrap Confidence Intervals (BCI) based on 10,000 resamples (18 cities)

Survey Round	Survey Quarter	Current		Three-month Ahead		One-year Ahead	
		BCI for Mean	Interval width	BCI for Mean	Interval width	BCI for Mean	Interval width
40	Q1:2015-16	(9.73, 10.01)	0.28	(10.05, 10.35)	0.30	(10.80, 11.11)	0.31
41	Q2:2015-16	(10.22, 10.52)	0.30	(11.00, 11.31)	0.31	(11.52, 11.85)	0.33
42	Q3:2015-16	(10.39, 10.69)	0.30	(10.62, 10.92)	0.30	(11.13, 11.45)	0.32
43	Q4:2015-16	(8.70, 9.01)	0.31	(8.69, 9.01)	0.32	(9.54, 9.86)	0.32

*Finances of Foreign Direct Investment Companies, 2014-15**

An analysis of financial performance of select 3,320 non-government non-financial foreign direct investment (FDI) companies for the year 2014-15, based on their audited annual accounts closed on March 31, 2015 showed that FDI companies performed better than non-FDI companies in terms of Gross Value Added (GVA) during the study period. The growth in GVA for FDI companies accelerated in 2014-15, whereas for non-FDI companies, it had decelerated. The sales growth for FDI accelerated during 2014-15 vis-à-vis the previous year. The growth in operating profits moderated, due to increased operating expenses. Net profit (i.e., Profit after Tax) growth accelerated during 2014-15. The performance of both manufacturing and services sectors improved in terms of sales growth in 2014-15 vis-à-vis the previous year. Merchandise exports remained in contraction mode as in the previous year. Gross fixed assets as well as net fixed assets grew at lower rates in 2014-15 as compared to the previous year. Operating profit margin and Return on equity (RoE) increased marginally in 2014-15. FDI companies relied mainly on external sources of funds for expanding their business and these funds were predominantly used for gross fixed asset formation as well as in non-current investment. Further, the share of cash and cash equivalents in total uses of funds increased significantly in 2014-15 as compared to the previous year.

This article presents an analysis of the financial performance of non-government non-financial (NGNF) foreign direct investment (FDI)[1] companies for the financial year 2014-15 based on the audited annual accounts of select 3,320 FDI companies which closed their accounts on March 31, 2015[2]. The data are based on Ministry of Corporate Affairs (MCA) systems (Extensible Business Reporting Language (XBRL) and Form AOC-4 (Non-XBRL) platform). Of these companies, 327 were public limited companies and 2,993 pertain to private limited companies. These companies were classified into 10 major countries and 9 major industry groups. A company is classified into a country depending upon the country of origin with the largest FDI shareholder in the company. The information on activities code available in the Corporate Identity Number (CIN) of a company was used to classify the companies into various industry groups based on National Industrial Classification (NIC) 2004 classification[3].

The article assesses the performance of the select FDI companies during the period 2012-13 to 2014-15 based on the same set of companies' data compiled for relevant financial years. Further, the performance of these companies were also compared with those of 2,50,983 select non-FDI companies. Reference may be made to the detailed data of FDI companies for the year 2014-15 released in May 2016 under 'Press Release' in the Reserve Bank of India website along with explanatory notes.

Industrial composition of these FDI companies, showed that 'Computer and related activities' (601)[4], 'Trade Wholesale & Retail' (234), 'Machinery and machine tools' (232), 'Chemicals and chemical products' (131), and 'Transport, storage and communication' (110)

* Prepared in the Company Finances Division of the Department of Statistics and Information Management, Reserve Bank of India, Mumbai. Previous article was published in December 2015 issue of the RBI Bulletin.

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

[2] The paid-up capital (PUC) of select 3,320 NGNF FDI companies in the year 2014-15 accounted for 21.4 per cent of total PUC of Non-Financial FDI companies reported in the Reserve Bank's Census on Foreign Liabilities and Assets of Indian Direct Investment Companies, 2014-15.

[3] The classification of industry groups may not be same as in the previous article. In the previous article, the industry group of the company is determined on the basis of the industry from which the company has reported more than 50 per cent of its total income.

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

were the predominant industries for foreign direct investment. Among the countries of origin of foreign direct investment, USA has the highest number of companies of FDI origin (675), followed by Mauritius (563), Singapore (383), UK (201) and Japan (200).

1. Growth: Gross Value Added (GVA) improved marginally

1.1 FDI companies performed better than non-FDI companies in terms of GVA during the study period, *i.e.*, 2012-13 to 2014-15. Growth in GVA of FDI companies accelerated marginally to 15.8 per cent in 2014-15 from 15.6 per cent in 2013-14, mainly due to manufacturing and services sectors. However, growth in GVA of non-FDI companies moderated to 11.7 per cent in 2014-15 from 12.2 per cent in 2013-14, mainly due to deceleration in services sector (Table 1).

1.2 Sales and value of production of select FDI companies grew at higher rates of 13.0 per cent and 13.8 per cent in 2014-15, respectively, as compared with 11.0 per cent and 10.2 per cent recorded in 2013-14. Growth in operating expenses also increased significantly to 13.6 per cent in 2014-15 from 8.9 per cent in 2013-14 (Chart 1).

Table 1: GVA of FDI and non-FDI companies

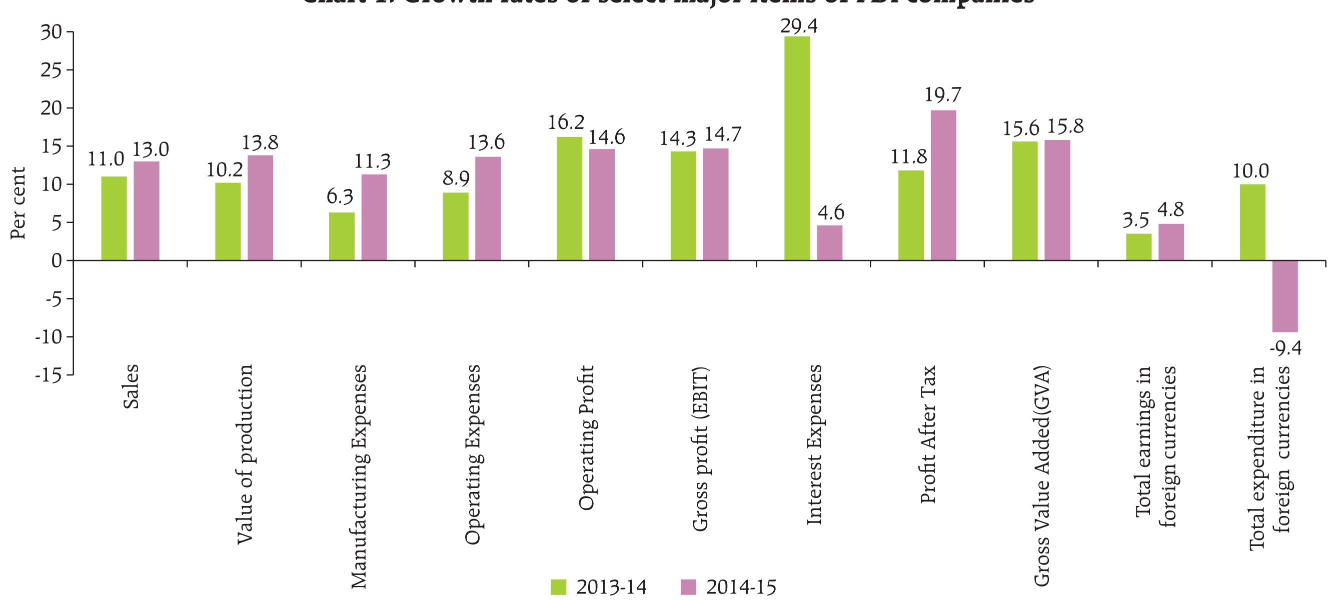
(Per cent)

Item	FDI companies		non-FDI companies	
Year	2013-14	2014-15	2013-14	2014-15
All Companies	**15.6**	**15.8**	**12.2**	**11.7**
Manufacturing sector	15.3	19.8	10.8	11.2
Services sector	10.2	13.3	15.2	12.1

1.3 The growth in operating profit moderated to 14.6 per cent in 2014-15 from 16.2 per cent in 2013-14, due to increased in operating expenses. However, the net profits (PAT) grew at a higher rate of 19.7 per cent in 2014-15 as compared to11.8 per cent in 2013-14, mainly due to deceleration in growth of interest expenses during the year (Chart 1).

1.4 The sales growth of both manufacturing as well as services sector of FDI companies accelerated in 2014-15 as compared to the previous year. In the manufacturing sector, the sales growth of all the industry groups increased in 2014-15 except for

Chart 1: Growth rates of select major items of FDI companies



'Chemicals and chemical products' and 'Rubber and plastic products'. In the services sector, the sales for all the industry groups accelerated in 2014-15 except for 'Computer and related activities' (Statement 1).

1.5 The operating profit for manufacturing and services sectors of FDI companies accelerated during 2014-15. In the manufacturing sector, except for 'Chemicals and chemical products', all industry groups registered an increase in the growth of operating profits. In the services sector, significant growth in operating profit was witnessed for 'Transport, storage and communication' industry during 2014-15 as compared to the previous year (Statement 1).

1.6 In contrast with FDI companies, the sales growth for non-FDI companies declined from 10.0 per cent in 2013-14 to 6.4 per cent in 2014-15. The non-FDI companies witnessed deceleration in operating expenses in 2014-15 *vis-à-vis* the previous year. The growth in operating profits of manufacturing and services sectors for non-FDI companies moderated in 2014-15 as compared to the previous year (Statement 1).

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

2.1 Growth in total earnings in foreign currencies of FDI companies increased to 4.8 per cent in 2014-15 as against 3.5 per cent in 2013-14. However, the total expenditure in foreign currencies contracted by 9.4 per cent in 2014-15 which grew at 10.0 per cent in 2013-14 (Chart 1).

2.2 Merchandise exports remained in contraction mode in 2014-15 as was in the previous year. Also the exports intensity of sales (measured as exports to sales ratio) of FDI companies declined continuously in the study period and was at 8.4 per cent in 2014-15. Among the FDI share classes, sharp increase in exports growth was observed for the companies categorised in FDI share class of '25 per cent to 50 per cent', largely due to base effect, whereas the other FDI share classes remained in contraction mode. Further, manufacturing sector exports remained in contraction mode in 2014-15. However, services sector registered increase in exports growth during 2014-15, mainly driven by 'Computer and related activities' (Statement 1 and Statement 2).

2.3 For FDI companies, imports contracted by 9.2 per cent in 2014-15 from 8.2 per cent growth in 2013-14. For manufacturing sector, imports contracted by 11.1 per cent in 2014-15 from 4.0 per cent growth recorded in 2013-14. The contraction in imports growth was observed in 'Food products and beverages', 'Motor vehicles and other transport equipment's' and 'Electrical machinery and apparatus' industries. Services sector also witnessed sharp decline in imports growth during 2014-15, largely driven by industries in 'Wholesale and retail trade' and 'Computer and related activities', which contracted by 27.6 per cent and 3.7 per cent, respectively, in 2014-15 (Statement 1).

2.4 For non-FDI companies, both exports and imports contracted in 2014-15. The exports contracted by 4.1 per cent in 2014-15 as against 11.8 per cent growth in 2013-14. Also, imports remained in contraction mode in both 2013-14 and 2014-15. The contraction in imports and exports for non-FDI companies was mainly on account of manufacturing sector. The exports intensity of non-FDI companies declined to 13.5 per cent in 2014-15 from 15.0 per cent in 2013-14 (Statement 1 and Statement 2).

2.5 The share of earnings in foreign currencies in the total income for both FDI and non-FDI companies declined in 2014-15. As regards the merchandise exports of goods, the share in total income for FDI and non-FDI companies declined in the 2014-15 as compared to the previous year (Table 2).

Table 2: Share of expenditure and earnings in foreign currencies in total expenditure and income of select FDI and non-FDI companies

(Per cent)

Item	FDI companies			Non-FDI companies		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Expenditure in foreign currencies	24.1	24.0	19.0	22.2	20.5	18.7
Of which, Value of imports (C.I.F basis)	18.8	18.5	14.7	19.2	17.1	15.1
Total Expenditure	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Total earnings in foreign currencies	16.5	15.5	14.2	19.3	20.2	19.1
Of which, Export of goods (FOB basis)	10.4	9.3	8.1	14.3	14.5	13.0
Total Income	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

2.6 The share of expenditure in foreign currencies in the total expenditure of both FDI and non-FDI declined in the study period, *i.e.* 2012-13 to 2014-15, mainly on account of decline in the share of imports (Table 2).

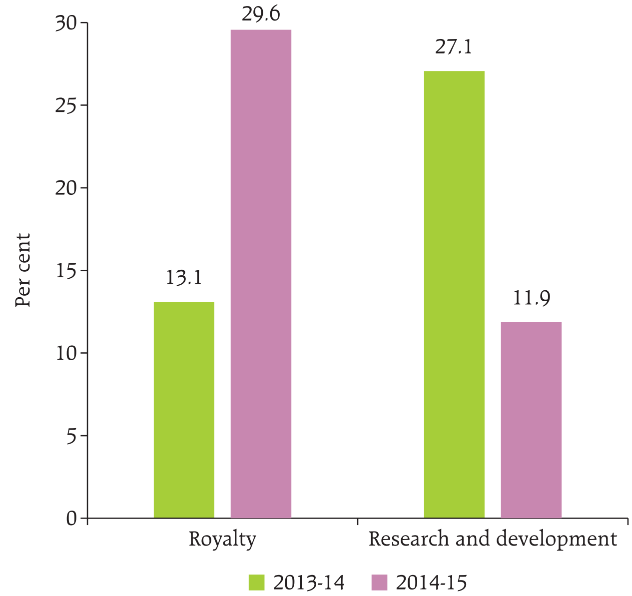
3. Growth in Research and Development expenditure moderated

3.1 The growth in Research and Development (R&D) expenditure declined to 11.9 per cent in 2014-15 from 27.1 per cent in 2013-14. However, royalty payment grew at higher rate of 29.6 per cent in 2014-15 as compared with 13.1 per cent in 2013-14 (Chart 2).

3.2 R&D expenditure to sales ratio remained unchanged at 0.033 per cent in 2014-15, whereas royalty payments to sales ratio increased in 2014-15 as compared to the previous year (Chart 3).

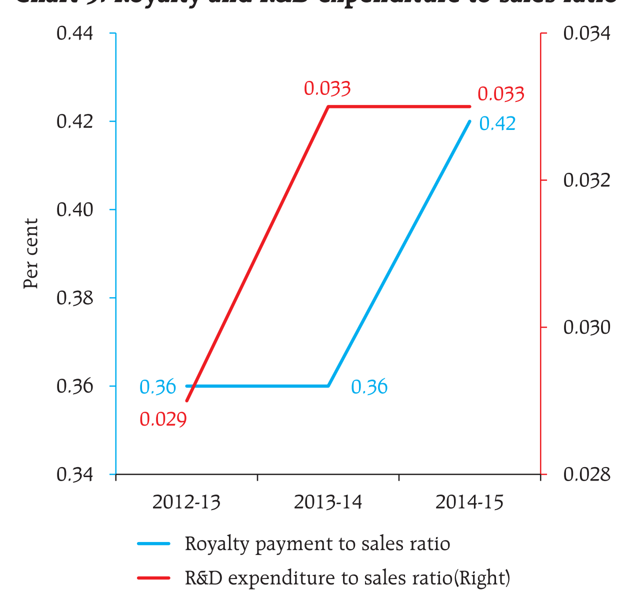
3.3 Among the FDI share classes, the R&D expenditure decelerated significantly to 12.3 per cent in 2014-15 from 35.9 per cent in the 2013-14 for companies in FDI share class of '50 per cent and above'. Deceleration in the R&D expenditure during 2014-15 was also witnessed for both manufacturing and services sector industries (Statement 1).

Chart 2: Royalty and R&D expendture growth



3.4 Significant growth in royalty payment was witnessed for manufacturing and services sectors in 2014-15. The growth in royalty payment for manufacturing sector increased to 30.7 per cent in 2014-15 from 19.4 per cent in the previous year. Also, royalty payment for services sector accelerated to 30.9 per cent in 2014-15 after witnessing a contraction of 9.1 cent in 2013-14 (Statement 1).

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



3.5 For non-FDI companies, growth in R&D expenditure moderated to 6.0 per cent in 2014-15 from 8.9 per cent in 2013-14, whereas growth in royalty payment accelerated to 28.3 per cent in 2014-15 from 11.0 per cent in 2013-14 (Statement 1).

4. Growth in total net assets moderated

4.1 The growth in total net assets of FDI companies moderated to 12.6 per cent in 2014-15 from 14.0 per cent in the previous year. However, companies categorised in the FDI share class of '25 per cent to 50 per cent' witnessed an increase in growth in total net assets (Statement 1).

4.2 Manufacturing sector witnessed a moderation in total net asset growth, whereas for services sector, it increased. Except 'Food products and beverages' and 'Chemicals and chemical products' in the manufacturing sector, all other industry groups registered a moderation in total net assets' growth during 2014-15. In the services sector, growth in total net assets marginally improved to 16.2 per cent in 2014-15 from 15.1 per cent in 2013-14, which was mainly contributed by 'Wholesale and retail trade' and 'Transport, storage and communication' industries (Statement 1).

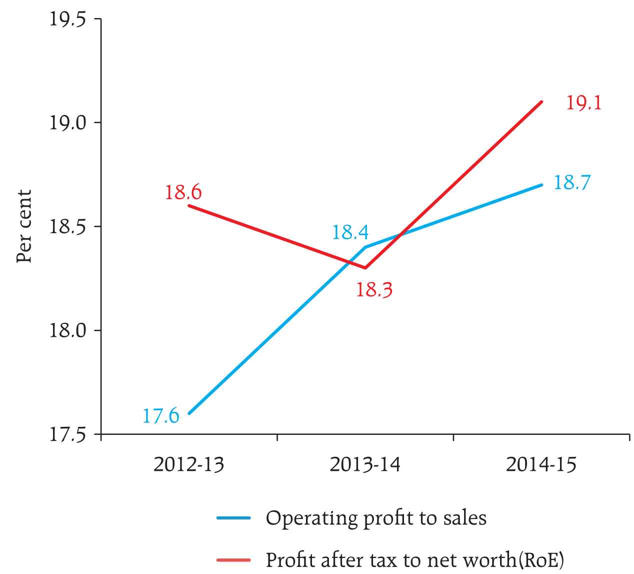
4.3 Similar to FDI companies, the non-FDI companies also witnessed a moderation in total net asset growth in 2014-15. The moderation in growth of total net assets was observed for the manufacturing sector, whereas for services sector, the total net assets accelerated in 2014-15, mainly due to 'Computer and related activities' industry (Statement 1).

5. Profitability ratios increased marginally

5.1 Profitability ratios of FDI companies as measured by operating profit margin as well as RoE (Return on Equity – measured as ratio of Profit after tax to Net-worth) increased marginally in 2014-15 as compared to the previous year (Chart 4).

5.2 The increase in operating profit margin as well as RoE during 2014-15 was observed for '50 per cent and above' FDI-share class and manufacturing sector. On the other hand, operating profit margin as well as RoE declined steadily for services sector over the three years period (Statement 2).

Chart 4: Profit margins of FDI companies



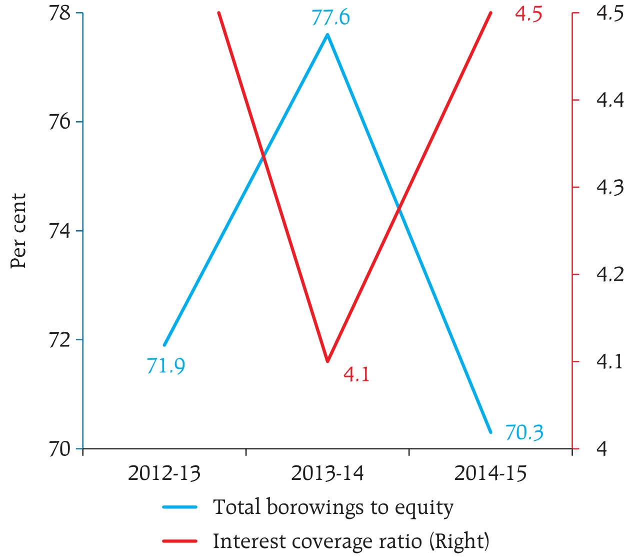
5.3 For non-FDI companies, both operating profit margin and RoE improved marginally in 2014-15 over 2013-14. Both manufacturing and services sectors witnessed improvement in operating profit margin and RoE during the study period (Statement 2).

6. Leverage ratio declined and Interest coverage ratio improved

6.1 The leverage ratio (measured as a ratio of total borrowings to equity) of FDI companies declined to 70.3 per cent in 2014-15 as compared to 77.6 per cent in the previous year. Further, the interest coverage ratio (measured as a ratio of earnings before interest and tax to interest expenses) improved to 4.5 per cent in 2014-15 from 4.1 per cent in 2013-14 (Chart 5).

6.2 Decrease in leverage ratio was observed among all FDI share classes except for the companies categorised in '25 per cent to 50 per cent' class. The leverage ratio declined for manufacturing and services sectors during 2014-15. In manufacturing sector, decrease in leverage ratio was observed among all

Chart 5: Leverage and debt serviceability of FDI companies



industry groups except for 'Rubber and plastic products' industry (Statement 2).

6.3 In contrast to the FDI companies, the leverage ratio for non-FDI companies increased to 72.1 per cent in 2014-15 from 71.3 per cent in the 2013-14, aided by services sector. However, the leverage ratio for manufacturing sector declined to 52.7 percent in 2014-15 from 54.8 percent in the previous year (Statement 2).

7. Liabilities Structure: Share of Shareholders' fund in total liabilities increased marginally

7.1 The share of shareholders' fund in total liabilities of FDI companies improved marginally to 41.0 per cent in 2014-15 from 40.4 per cent in 2013-14, mainly on account of 'share capital' and 'reserves and surplus'. The share of short-term and long-term borrowings in total liabilities declined to 7.8 per cent and 21.2 per cent, respectively, in 2014-15 from 10.2 per cent and 21.3 per cent observed in 2013-14, aided by lower share of borrowings from banks (Statement 3).

7.2 For non-FDI companies, share of shareholders' fund as well as share of long-term borrowings in total liabilities increased marginally in 2014-15, whereas the share of short-term borrowings in total liabilities decreased in 2014-15 (Statement 3).

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

8.1 The share of gross fixed assets in total assets, which was a major component of the total assets of FDI companies, decreased to 51.7 per cent in 2014-15 from 52.8 per cent in 2013-14, mainly due to tangible assets. However, the share of non-current investments in total assets increased to 7.6 per cent in 2014-15 as compared to 6.4 per cent in the 2013-14. The shares of current investments and 'cash and cash equivalents' in total assets increased in 2014-15 as compared to the previous year (Statement 3).

8.2 In contrast to FDI companies, share of gross fixed assets in total assets for non-FDI companies increased to 38.9 per cent in 2014-15 from 37.6 per cent in 2013-14. However, the share of non-current investments in total assets declined marginally in 2014-15 (Statement 3).

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

9.1 The select FDI companies relied mainly on external sources of funds for expanding their business and their share had increased to 62.4 per cent in 2014-15 from 60.4 per cent in the 2013-14, mainly on account of 'share capital and premium' and 'trade payable'. The share of trade payable in total sources of funds increased significantly to 15.9 per cent in 2014-15 from 8.1 per cent in 2013-14 (Statement 4).

9.2 The share of internal sources of funds in total sources of funds declined to 37.6 per cent in 2014-15 from 39.6 per cent in 2013-14, mainly due to decline in the share of provisions (Statement 4).

9.3 In contrast to FDI companies, the share of external sources of funds in total sources of funds for non-FDI companies declined to 67.8 per cent in 2014-15 from 70.9 per cent in 2013-14, largely due to significant decline in the funds raised through short-term borrowings. The share of internal sources of funds in total sources of funds increased from 29.1 per cent in 2013-14 to 32.2 per cent in 2014-15 (Statement 4).

10. Uses of Funds: Share of gross fixed assets formation declined significantly

10.1 The share of gross fixed assets formation in total uses of funds for FDI companies declined significantly to 37.8 per cent in 2014-15 from 54.0 per cent observed in 2013-14. Further, the share of long-term loans and advances in total uses of funds had gone down in 2014-15. However, the share of non-current investments in total uses of funds increased significantly to 14.8 per cent in 2014-15 from 2.2 per cent in 2013-14 (Statement 4).

10.2 The share of current assets in the total uses of funds increased significantly to 47.7 per cent in 2014-15 as compared to 22.2 per cent in the 2013-14, mainly due to significant increase in 'cash and cash equivalents', whose share increased to 13.0 per cent in 2014-15 as compared to the contraction of 1.2 percent observed in the previous year (Statement 4).

10.3 In contrast to FDI companies, the share of gross fixed assets formation in total uses of funds for non-FDI companies increased in 2014-15 as compared to the previous year. However, the share of non-current investments in total uses of funds decreased to 13.7 per cent in 2014-15 from 20.0 per cent in 2013-14 (Statement 4).

11. Conclusion

11.1 Select FDI companies performed better than non-FDI companies during the study period. The growth in GVA for FDI companies accelerated in 2014-15, whereas for non-FDI companies, it had decelerated. The sales growth of FDI companies accelerated in 2014-15 as compared to the previous year. The performance of both manufacturing and services sectors for FDI companies improved in terms of sales growth in 2014-15 *vis-à-vis* the previous year. However, the growth in operating profits decelerated, mainly due to acceleration in growth of operating expenses. However, operating profit margin as well as RoE (Return on Equity – measured as ratio of Profit after tax to Net-worth) FDI companies increased marginally in 2014-15. Merchandise exports as well as imports growth remained in contraction mode as in the previous year.

11.2 The growth in total net assets of FDI companies moderated during the year. The leverage ratio declined and debt serviceability of FDI companies improved in 2014-15 as compared to the previous year. The FDI companies relied mainly on external sources of funds for expanding their business and these funds were predominantly for gross fixed asset formation as well as in non-current investment. Further, the share of cash and cash equivalents in total uses of funds increased significantly in 2014-15 as compared to the previous year.

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

(Per cent)

	Growth in Sales		Growth in Operating Expenses		Growth in Operating profit		Growth in PAT	
Year	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**
FDI Companies								
Number of sample cos	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*
Aggregate (All Companies)	**11.0**	**13.0**	**8.9**	**13.6**	**16.2**	**14.6**	**11.8**	**19.7**
FDI-share-wise								
10 per cent-25 per cent	18.4	5.0	14.2	7.8	28.5	2.4	34.8	28.8
25 per cent-50 per cent	8.0	13.8	8.0	14.4	5.8	17.9	7.3	9.9
50 percent and above	8.7	16.0	7.3	15.5	12.9	20.9	7.8	19.3
Countries of Origin								
France	17.3	5.8	14.2	9.0	28.4	-9.4	38.3	-11.8
Germany	-5.0	*15.4*	-4.6	13.7	-3.7	26.6	4.9	51.8
Japan	14.0	*12.1*	11.5	11.5	28.0	21.3	8.3	40.4
Mauritius	11.9	*10.4*	8.8	10.3	22.8	12.8	46.2	18.4
Netherlands	11.9	*18.2*	7.1	14.7	20.2	30.3	-4.3	22.6
Singapore	13.9	*26.7*	16.5	30.0	-9.0	-23.5	-89.8	#
Switzerland	4.0	*9.2*	3.9	8.5	-2.2	13.3	14.3	12.6
UAE	28.3	*25.6*	29.2	13.0	77.3	58.4	#	#
UK	18.9	*10.0*	16.0	14.5	26.7	1.4	28.9	4.7
USA	13.1	*13.5*	9.9	13.5	14.1	18.0	10.1	16.4
Other	7.8	*7.4*	4.2	10.1	3.1	5.8	-0.4	19.6
Industry-wise								
Manufacturing	**8.9**	**12.1**	**6.7**	**11.8**	**15.4**	**21.0**	**4.8**	**30.5**
Food products and beverages	9.0	13.3	7.4	10.0	90.1	90.8	144.0	#
Chemicals and chemical products	16.1	8.5	6.0	13.0	23.7	6.2	3.5	0.1
Rubber and plastic products	16.2	14.4	17.6	12.5	-6.1	33.8	-30.9	62.2
Motor vehicles and other transport equipment's	0.8	13.5	-1.2	13.1	10.4	20.9	3.6	14.6
Machinery and machine tools	5.0	15.4	5.9	12.6	-0.7	36.8	-7.5	32.2
Electrical machinery and apparatus	9.4	18.2	9.3	15.2	-2.1	55.7	-102.2	#
Services	**13.8**	**19.9**	**14.4**	**23.2**	**6.7**	**6.8**	**7.4**	**-2.9**
Wholesale and retail trade	27.5	47.9	21.5	67.9	-1.4	-55.7	-27.7	-195.8
Computer and related activities	17.7	15.9	16.8	17.6	19.2	12.7	24.6	13.3
Transport, storage and communication	-0.2	21.4	0.9	24.3	-3.1	13.9	4.5	-4.7
Non-FDI companies								
Number of sample cos	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*
Aggregate (All Companies)	**10.0**	**6.4**	**10.2**	**5.5**	**10.6**	**9.9**	**6.0**	**13.6**
Industry-wise								
Manufacturing	**9.0**	**4.7**	**8.9**	**4.0**	**9.5**	**8.5**	**4.5**	**14.1**
Food products and beverages	12.0	5.5	15.2	2.3	7.2	8.7	-1.5	13.0
Chemicals and chemical products	12.9	12.6	13.8	12.2	9.1	16.4	-8.8	35.4
Rubber and plastic products	8.3	9.0	7.1	6.5	24.0	17.2	28.9	19.7
Motor vehicles and other transport equipment's	-5.0	12.4	-5.0	10.0	-11.5	60.7	-49.8	106.9
Machinery and machine tools	5.8	8.4	5.8	8.6	9.5	7.6	1.7	20.3
Electrical machinery and apparatus	8.9	11.0	8.6	9.4	9.6	20.2	0.3	39.3
Services	**9.6**	**8.7**	**9.3**	**7.8**	**13.2**	**11.0**	**13.9**	**18.4**
Wholesale and retail trade	9.5	9.7	11.2	8.7	8.9	21.1	-9.7	27.7
Computer and related activities	9.7	16.1	7.9	17.7	19.1	9.3	26.7	1.2
Transport, storage and communication	3.4	8.0	1.4	8.8	9.7	7.5	6.1	10.3

Denominator is negative, nil or negligible

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

(Per cent)

FDI Companies								
	Growth in GVA		Growth in total borrowings		Growth in total net assets		Growth in exports	
Year	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**
Number of sample cos	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*
Aggregate (All Companies)	**15.6**	**15.8**	**23.1**	**3.7**	**14.0**	**12.6**	**-1.0**	**-0.8**
FDI-share-wise								
10 per cent-25 per cent	23.6	4.3	22.7	-4.5	14.6	10.3	18.8	-1.0
25 per cent-50 per cent	7.3	19.6	5.5	27.1	11.0	16.9	-18.0	13.3
50 percent and above	14.3	19.8	35.6	3.8	14.5	12.8	-3.3	-3.5
Countries of Origin								
France	24.8	1.8	17.9	16.2	19.1	8.6	11.1	-13.0
Germany	1.7	*26.1*	-14.0	-9.6	3.6	9.6	4.9	40.2
Japan	25.5	*20.4*	44.8	-4.0	18.7	9.6	2.8	5.8
Mauritius	19.5	*15.3*	11.6	-1.5	9.8	13.0	-23.1	2.1
Netherlands	14.8	*22.1*	72.2	-7.1	18.5	16.2	-35.5	64.2
Singapore	10.2	*10.4*	51.3	32.1	33.6	24.7	0.9	-37.5
Switzerland	1.4	*14.4*	74.6	-9.9	9.1	6.4	32.5	12.4
UAE	58.6	*48.2*	17.4	-8.1	51.7	21.0	9.2	-57.8
UK	25.9	*3.7*	-5.0	23.5	19.3	9.7	-11.8	-15.7
USA	14.2	*16.6*	17.6	-7.0	9.9	15.7	13.1	-2.3
Other	5.4	*7.8*	4.5	7.9	4.9	8.4	1.2	-2.5
Industry-wise								
Manufacturing	**15.3**	**19.8**	**37.8**	**-6.5**	**14.0**	**12.3**	**-5.8**	**-6.2**
Food products and beverages	51.4	61.9	52.8	-30.1	7.0	8.4	-15.3	-57.1
Chemicals and chemical products	21.1	7.7	-1.1	6.5	2.8	15.6	-4.1	-1.7
Rubber and plastic products	3.9	25.5	64.4	35.5	16.1	7.2	27.2	8.8
Motor vehicles and other transport equipment's	12.2	20.3	4.1	-39.1	11.9	7.2	-6.9	2.1
Machinery and machine tools	5.3	29.0	4.7	10.8	10.6	7.1	-27.5	-2.9
Electrical machinery and apparatus	9.5	28.2	43.9	5.5	14.3	12.0	-0.1	13.4
Services	**10.2**	**13.3**	**22.7**	**14.2**	**15.1**	**16.2**	**19.7**	**21.0**
Wholesale and retail trade	5.9	-22.9	7.0	7.0	9.5	22.4	57.5	7.0
Computer and related activities	17.4	14.8	110.2	5.9	31.2	24.4	-15.8	78.5
Transport, storage and communication	-3.4	19.9	2.7	-1.5	6.3	8.6	-80.1	-100.0
Non-FDI companies								
Number of sample cos	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*
Aggregate (All Companies)	**12.2**	**11.7**	**19.8**	**11.4**	**12.0**	**9.8**	**11.8**	**-4.1**
Industry-wise								
Manufacturing	**10.8**	**11.2**	**16.3**	**7.0**	**11.0**	**9.3**	**11.3**	**-7.4**
Food products and beverages	8.1	9.5	9.8	4.7	9.8	3.9	5.9	-7.2
Chemicals and chemical products	10.3	19.6	9.9	11.7	10.5	17.8	21.9	13.2
Rubber and plastic products	21.3	17.4	4.2	1.4	10.9	8.4	9.8	15.3
Motor vehicles and other transport equipment's	1.5	35.2	4.2	-2.5	3.3	10.8	21.9	-4.3
Machinery and machine tools	8.2	7.9	12.9	-1.2	8.1	6.1	32.1	3.6
Electrical machinery and apparatus	10.7	17.5	12.6	5.5	10.3	7.6	-52.2	-2.7
Services	**15.2**	**12.1**	**16.4**	**14.6**	**9.9**	**10.1**	**-2.8**	**14.6**
Wholesale and retail trade	9.6	19.3	21.6	2.3	6.4	5.8	18.2	13.8
Computer and related activities	17.6	12.8	62.8	22.6	12.8	20.7	-0.7	77.4
Transport, storage and communication	9.9	9.6	18.4	15.5	12.8	11.7	-23.8	171.5

Denominator is negative, nil or negligible

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

(Per cent)

	Growth in imports		Growth in R and D expenditure		Growth in royalty payment	
FDI Companies						
Year	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**
Number of sample cos	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*
Aggregate (All Companies)	**8.2**	**-9.2**	**27.1**	**11.9**	**13.1**	**29.6**
FDI-share-wise						
10 per cent-25 per cent	33.7	5.7	9.0	11.0	-0.3	29.8
25 per cent-50 per cent	16.0	-17.2	-29.0	5.3	-31.7	22.7
50 percent and above	-1.2	-14.9	35.9	12.3	18.4	30.0
Countries of Origin						
France	24.1	-25.6	#	91.2	43.0	85.9
Germany	-7.4	*10.2*	57.6	26.5	#	12.1
Japan	22.2	*-1.4*	122.0	-28.6	29.8	47.9
Mauritius	17.4	*0.2*	67.3	40.8	-0.4	20.9
Netherlands	16.3	*2.2*	-100.0	#	-68.6	45.4
Singapore	9.3	*-42.8*	128.4	12.4	1.8	34.3
Switzerland	11.5	*6.3*	#	-25.7	110.7	7.1
UAE	38.2	*66.1*	82.5	13.7	-55.4	-100.0
UK	-24.4	*16.6*	-84.9	#	33.1	18.7
USA	-6.4	*20.7*	-51.7	-	1.9	77.3
Other	-5.4	*-21.5*	-1.3	9.9	2.7	7.6
Industry-wise						
Manufacturing	**4.0**	**-11.1**	**22.1**	**4.3**	**19.4**	**30.7**
Food products and beverages	18.9	-58.6	28.2	23.4	44.0	66.9
Chemicals and chemical products	-9.5	24.4	81.1	14.6	21.6	7.3
Rubber and plastic products	-2.6	12.7	24.4	49.7	11.7	-1.9
Motor vehicles and other transport equipment's	-10.3	-4.7	-25.5	71.5	11.3	15.3
Machinery and machine tools	-19.1	9.7	-30.6	14.5	-25.6	20.5
Electrical machinery and apparatus	71.3	-26.3	69.5	-37.5	113.9	18.6
Services	**22.4**	**8.1**	**41.2**	**29.6**	**-9.1**	**30.9**
Wholesale and retail trade	14.0	-27.6	-98.9	#	38.4	29.5
Computer and related activities	139.8	-3.7	#	12.5	#	4.2
Transport, storage and communication	87.2	140.2	#	#	#	#
Non-FDI companies						
Number of sample cos	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*
Aggregate (All Companies)	**-2.0**	**-5.5**	**8.9**	**6.0**	**11.0**	**28.3**
Industry-wise						
Manufacturing	**2.8**	**-7.5**	**0.2**	**7.5**	**10.2**	**28.6**
Food products and beverages	2.0	5.6	-5.5	-30.5	-15.9	7.3
Chemicals and chemical products	12.0	4.0	1.0	10.5	17.9	22.5
Rubber and plastic products	3.6	1.9	159.0	7.4	124.4	167.3
Motor vehicles and other transport equipment's	-25.3	13.2	-41.8	-3.7	-11.4	21.4
Machinery and machine tools	5.9	-10.8	27.4	9.8	31.5	9.2
Electrical machinery and apparatus	8.5	-18.5	3.6	-5.5	49.7	31.5
Services	**-32.8**	**7.2**	**31.7**	**6.9**	**19.8**	**15.4**
Wholesale and retail trade	1.7	11.3	64.9	-0.3	13.4	12.6
Computer and related activities	-5.2	-25.2	16.3	6.0	29.3	22.2
Transport, storage and communication	-36.9	22.4	61.9	-40.9	-86.9	#

Denominator is negative, nil or negligible
- nil or negligible

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

(Per cent)

Year	Operating profit to Sales			Return on equity		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
FDI Companies						
Number of sample cos	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*
Aggregate (All Companies)	**17.6**	**18.4**	**18.7**	**18.6**	**18.3**	**19.1**
FDI-share-wise						
10 per cent-25 per cent	21.1	22.9	22.4	10.8	12.8	14.1
25 per cent-50 per cent	25.0	24.5	25.4	17.3	16.7	15.6
50 percent and above	15.0	15.6	16.2	22.5	21.1	22.4
Countries of Origin						
France	19.4	21.2	18.2	13.2	15.1	12.5
Germany	16.2	16.4	*18.0*	23.7	22.7	30.7
Japan	14.4	16.2	*17.5*	19.6	18.4	23.5
Mauritius	23.1	25.3	*25.9*	7.2	9.4	9.6
Netherlands	18.4	19.7	*21.8*	35.9	32.3	31.2
Singapore	7.1	5.7	*3.4*	5.0	0.4	-6.8
Switzerland	27.3	25.6	*26.6*	33.5	35.5	36.9
UAE	11.9	16.5	*20.8*	35.7	-49.5	-12.7
UK	28.1	30.0	*27.6*	48.9	46.6	45.3
USA	26.3	26.5	*27.6*	41.2	40.9	41.9
Other	14.2	13.6	*13.4*	16.8	16.1	16.2
Industry-wise						
Manufacturing	**16.3**	**17.3**	**18.7**	**24.3**	**23.0**	**25.8**
Food products and beverages	2.7	4.7	7.9	4.6	12.1	30.2
Chemicals and chemical products	21.9	23.4	22.9	43.3	41.5	33.8
Rubber and plastic products	6.6	5.3	6.2	11.4	7.1	10.2
Motor vehicles and other transport equipment's	17.2	18.9	20.1	32.6	29.7	30.9
Machinery and machine tools	14.6	13.8	16.4	27.2	21.3	24.8
Electrical machinery and apparatus	8.9	7.9	10.5	5.7	-0.1	8.5
Services	**21.9**	**20.5**	**18.3**	**17.8**	**16.2**	**13.8**
Wholesale and retail trade	19.2	14.8	4.4	15.1	9.6	-7.3
Computer and related activities	31.0	31.4	30.5	33.6	36.3	31.3
Transport, storage and communication	28.7	27.9	26.2	20.4	18.5	14.8
Non-FDI companies						
Number of sample cos	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*
Aggregate (All Companies)	**15.7**	**15.8**	**16.3**	**16.1**	**15.5**	**16.0**
Industry-wise						
Manufacturing	**15.5**	**15.6**	**16.1**	**22.8**	**21.6**	**22.1**
Food products and beverages	14.0	13.4	13.8	43.0	39.9	43.8
Chemicals and chemical products	19.1	18.4	19.0	26.3	22.2	24.3
Rubber and plastic products	12.5	14.3	15.3	27.0	29.7	29.6
Motor vehicles and other transport equipment's	6.5	6.1	8.7	23.4	10.7	20.0
Machinery and machine tools	13.2	13.7	13.6	20.1	18.8	20.3
Electrical machinery and apparatus	13.9	13.9	15.1	13.4	12.4	15.7
Services	**16.4**	**16.9**	**17.3**	**13.3**	**13.9**	**15.0**
Wholesale and retail trade	4.1	4.0	4.5	3.9	3.4	4.1
Computer and related activities	18.7	20.3	19.1	29.2	33.6	26.5
Transport, storage and communication	16.4	17.4	17.3	23.1	20.0	19.3

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

(Per cent)

FDI Companies						
	Total borrowings to equity			Exports intensity of sales		
Year	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Number of sample cos	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*	*3,320*
Aggregate (All Companies)	**71.9**	**77.6**	**70.3**	**10.7**	**9.5**	**8.4**
FDI-share-wise						
10 per cent-25 per cent	138.4	148.9	121.1	9.0	9.0	8.5
25 per cent-50 per cent	91.0	86.2	93.4	14.3	10.8	10.8
50 percent and above	36.8	43.5	40.2	10.7	9.5	7.9
Countries of Origin						
France	35.4	34.3	37.6	20.1	19.0	15.6
Germany	9.7	7.6	*6.2*	8.4	9.2	11.2
Japan	66.0	82.8	*72.4*	11.6	10.4	9.9
Mauritius	100.0	99.7	*84.8*	7.3	5.0	4.6
Netherlands	49.7	80.4	*58.8*	11.6	6.7	9.3
Singapore	95.6	112.9	*125.7*	17.4	15.5	7.6
Switzerland	11.4	18.4	*15.3*	5.9	7.5	7.7
UAE	-254.6	#	*234.9*	11.1	9.4	3.2
UK	49.2	34.6	*39.7*	7.7	5.7	4.4
USA	18.9	20.1	*16.4*	11.7	11.7	10.1
Other	100.7	101.3	*91.7*	11.0	10.3	9.3
Industry-wise						
Manufacturing	**53.7**	**66.8**	**53.8**	**12.1**	**10.4**	**8.7**
Food products and beverages	100.6	167.1	94.4	15.5	12.0	4.6
Chemicals and chemical products	47.8	43.8	38.0	11.2	9.3	8.4
Rubber and plastic products	21.8	32.1	38.7	3.4	3.7	3.5
Motor vehicles and other transport equipment's	18.3	16.8	9.3	10.5	9.7	8.8
Machinery and machine tools	43.8	38.9	37.9	20.2	14.0	11.7
Electrical machinery and apparatus	105.9	135.3	124.1	17.3	15.8	15.1
Services	**64.1**	**66.9**	**66.8**	**7.5**	**7.9**	**8.0**
Wholesale and retail trade	199.3	187.0	159.7	10.0	12.3	8.9
Computer and related activities	29.3	53.4	43.0	9.1	6.5	10.1
Transport, storage and communication	69.8	62.3	51.4	0.1	-	-
Non-FDI companies						
Number of sample cos	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*	*250,983*
Aggregate (All Companies)	**65.4**	**71.3**	**72.1**	**14.8**	**15.0**	**13.5**
Industry-wise						
Manufacturing	**52.1**	**54.8**	**52.7**	**20.6**	**21.1**	**18.6**
Food products and beverages	79.2	81.9	83.4	5.0	4.7	4.2
Chemicals and chemical products	44.5	45.3	41.0	19.5	21.1	21.2
Rubber and plastic products	86.4	76.8	64.9	10.7	10.8	11.5
Motor vehicles and other transport equipment's	64.3	61.2	53.6	4.7	6.0	5.1
Machinery and machine tools	47.9	49.7	44.2	8.8	11.0	10.5
Electrical machinery and apparatus	78.1	81.5	78.1	7.9	3.5	3.0
Services	**60.5**	**64.5**	**67.3**	**6.3**	**5.6**	**5.9**
Wholesale and retail trade	32.9	39.3	37.9	4.5	4.9	5.1
Computer and related activities	82.4	121.8	116.1	7.4	6.7	10.2
Transport, storage and communication	123.9	120.2	121.6	0.7	0.5	1.3

Denominator is negative, nil or negligible
- nil or negligible

Statement 3: Composition of Liabilities and Assets of FDI and non-FDI companies

(Per cent)

	Composition of liabilities of select FDI companies			Composition of liabilities of select non-FDI companies		
Year	**2012-13**	**2013-14**	**2014-15**	**2012-13**	**2013-14**	**2014-15**
Capital and Liabilities						
A. Shareholders' Funds	**40.3**	**40.4**	**41.0**	**44.2**	**43.6**	**43.9**
Of which, (i) Share Capital	11.4	11.5	11.6	6.2	6.2	6.2
(ii) Reserves and Surplus	28.9	28.9	29.4	37.9	37.4	37.6
Of which, Capital reserve	16.7	17.8	18.3	21.0	21.5	21.6
B. Non-current liabilities	**23.9**	**23.3**	**23.3**	**23.4**	**23.8**	**24.3**
Of which, (i) Long-term borrowings (debt)	20.6	21.3	21.2	19.6	20.6	21.2
Of which, Term loans	12.5	12.9	11.9	11.5	12.4	12.5
Of which, Term loans from banks	12.5	12.9	11.9	11.5	12.4	12.5
C. Current liabilities	**35.5**	**36.1**	**35.4**	**31.9**	**32.4**	**31.7**
Of which, (i) Short-term borrowings	8.6	10.2	7.8	9.6	10.7	10.5
Of which, Loans repayable on demand	4.1	2.5	2.2	4.2	3.1	2.9
Of which, from banks	4.1	2.5	2.2	4.2	3.1	2.9
(ii) Trade payables	13.3	12.8	13.4	9.9	9.8	9.5
Assets						
D. Non-Current Assets	**58.0**	**59.9**	**58.3**	**57.7**	**59.0**	**59.1**
Of which, (i) Gross Fixed Assets	51.0	52.8	51.7	37.0	37.6	38.9
Of which, Tangible assets	42.8	43.6	41.0	31.4	31.8	32.7
(ii) Non-current investments	6.9	6.4	7.6	16.3	16.9	16.7
Of which, Equity instruments/shares	4.8	3.8	4.9	11.7	11.4	11.5
(iii) Long term loans and advances	7.7	8.2	7.8	7.7	7.9	7.4
E. Current Assets	**42.0**	**40.1**	**41.7**	**42.3**	**41.0**	**40.9**
Of which, (i) Current investments	2.4	2.8	3.4	4.4	4.2	4.5
(ii) Inventories	9.4	9.7	9.8	11.8	11.7	11.6
(iii) Trade receivables	11.0	10.5	10.2	9.9	9.6	9.4
(iv) Short Term Loans and Advances	7.6	7.3	7.3	7.9	7.4	7.7
(v) Cash and cash equivalents	8.2	7.0	7.8	5.8	5.3	5.0

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

(per cent)

	Composition of sources of funds of select FDI companies		Composition of sources of funds of select non-FDI companies	
Year	**2013-14**	**2014-15**	**2013-14**	**2014-15**
Sources of Funds				
Internal Sources	**39.6**	**37.6**	**29.1**	**32.2**
Of which, (i) Reserves and Surplus	10.7	13.6	12.3	17.9
(ii) Provisions	18.4	15.6	11.4	8.6
External Sources	**60.4**	**62.4**	**70.9**	**67.8**
Of which, (i) Share Capital and premium	12.9	18.5	17.7	19.8
(ii) Long-term borrowings	21.6	18.4	25.8	25.8
(iii) Short-term borrowings	18.0	-10.3	18.1	8.3
(iv) Trade payables	8.1	15.9	8.5	5.9
Uses of Funds				
Non-Current assets	**77.8**	**52.3**	**72.5**	**62.5**
Of which, (i) Gross Fixed Assets	54.0	37.8	39.0	49.2
(ii) Non-current investments	2.2	14.8	20.0	13.7
(iii) Long-term loans and advances	9.6	4.3	8.8	2.0
Current assets	**22.2**	**47.7**	**27.5**	**37.5**
Of which, (i) Current investments	4.1	7.3	1.9	7.5
(ii) Inventories	9.8	9.4	10.5	9.6
(iii) Trade receivables	5.4	6.7	6.6	6.8
(iv) Short-term loans and advances	4.3	6.2	3.0	9.6
(v) Cash and cash equivalents	-1.2	13.0	0.8	2.1

*Finances of Non-Government Non-Financial Private Limited Companies, 2014-15**

An analysis of the results of the select 237,398 Non-government Non-financial (NGNF) private limited companies showed that sales growth and operating expenses accelerated for the year 2014-15 as compared to the previous year. The growth in operating profit and net profit moderated in 2014-15. Despite the moderation in these parameters, the profitability ratios such as operating profit margin and return on equity improved in 2014-15. The growth in total net assets increased whereas that of total borrowings declined in 2014-15 vis-à-vis the previous year. The select NGNF private companies relied mainly on external sources of funds for their business expansion; however, its share in total sources of funds had declined in 2014-15. Funds were predominantly used for gross fixed assets formation.

This article presents an analysis of the financial performance of NGNF private limited companies based on their audited annual accounts of select 237,398 companies, which closed their account on March 31, 2015. As per the provisional estimates of Ministry of Corporate Affairs (MCA) the select 237,398 private limited companies accounted for 23.3 per cent of population paid up capital (PUC) of all NGNF private limited companies as on March 31, 2015. Data received from MCA systems are used in this article. The industry classification for these select companies is based on the National Industrial Classification (NIC) 2004 code. The performance of these companies for three year period, *i.e.*, from 2012-13 to 2014-15 has been assessed in this article. Reference may also be made to the detailed data for 2014-15 along with explanatory notes already released vide press release on the website of the Reserve Bank in March, 2016.

* Prepared in the Company Finances Division of the Department of Statistics and Information Management, Reserve Bank of India, Mumbai. Reference may be made to the previous article published in November, 2015 issue of the RBI Bulletin.

Table1: Growth Rate of Gross Value Added

(Per cent)

Year	2013-14	2014-15
Aggregate (All Companies)	20.1	16.9
Small companies(sales less than ₹ 250 million)	33.3	8.0
Medium companies(sales ₹250million to ₹1 billion)	26.0	22.6
Large Companies(sales ₹1 billion and above)	12.1	18.8
Manufacturing sector	17.3	16.2
Service sector	18.6	17.4

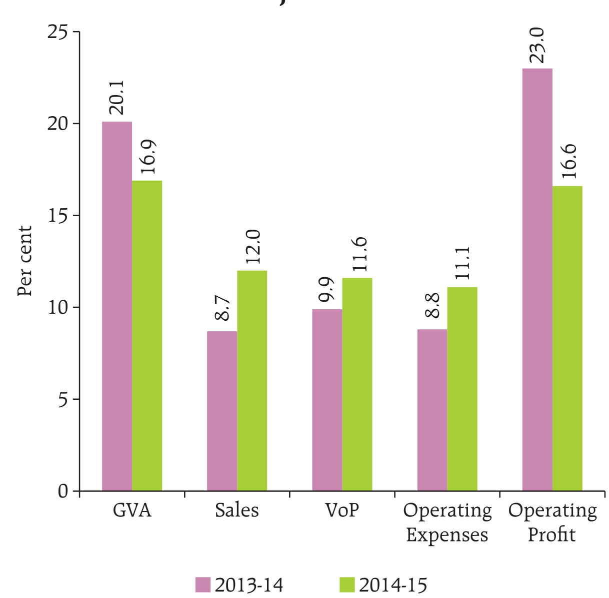
1. Growth Rate: Gross Value Added declined

1.1 Gross value added (GVA) of select NGNF private companies grew at a slower pace of 16.9 per cent in 2014-15 as against 20.1 per cent in 2013-14, mainly on account of small companies where GVA growth declined to 8.0 per cent in 2014-15 as against 33.3 per cent in 2013-14 (Table1).

1.2 Sales growth of these companies accelerated to 12.0 per cent in 2014-15 as compared to 8.7 per cent recorded in 2013-14. As a result, the growth in value of production also accelerated in 2014-15. Operating expenses also recorded a higher growth of 11.1 per cent in 2014-15 from 8.8 percent in 2013-14 (Chart 1).

1.3 Operating profit and Net profit decelerated to 16.6 per cent and 12.3 per cent in 2014-15 respectively from

Chart 1: Major Growth Rates



23.0 per cent and 23.6 per cent in previous year. Growth in total borrowings of these companies declined to 11.6 per cent in 2014-15 from 19.3 per cent in 2013-14 (Statement 1).

1.4 Increase in sales growth during 2014-15 was witnessed among all the sales classes namely, large, medium and small companies. While growth in operating profit of large companies increased significantly to 18.0 per cent from 4.2 per cent, for small and medium companies the growth declined to 6.3 per cent and 24.9 per cent in 2014-15, respectively as compared to 43.8 per cent and 30.1 per cent in previous year. The net worth of large companies recorded a higher growth rate but for small and medium companies' growth rate in net worth was lower (Statement1).

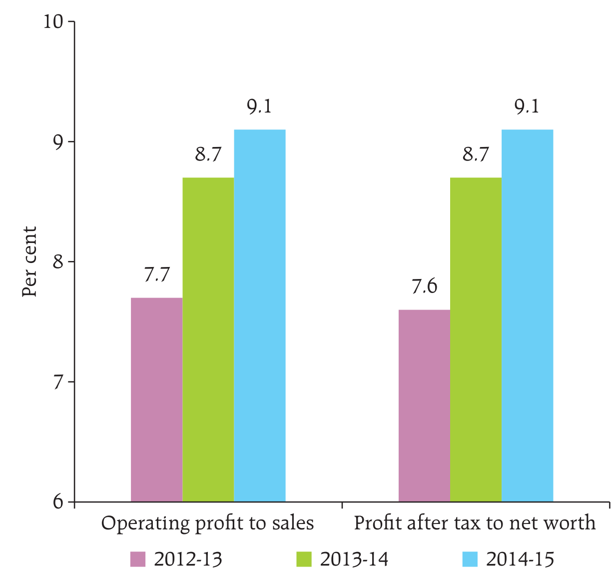
1.5 Among the industry groups, except 'Food products and beverages', 'Textiles' and 'Chemicals and chemical products', all other industries witnessed increase in sales growth. Real estate sector recorded highest sales growth of 23.6 per cent in 2014-15. The operating profit growth of Service Sector decelerated to 15.3 per cent in 2014-15 from 21.0 per cent in 2013-14 which was mainly contributed by 'Wholesale and retail trade' and 'Real estate' industries whereas Manufacturing Sector witnessed marginal increase in operating profit (Statement 1).

2. Profitability ratios: increased gradually

2.1 Though the operating profit moderated in 2014-15, the profitability ratios such as profit margin and return on equity showed improvement in 2014-15. Profit margin (measured as a ratio of operating profit to sales) increased steadily from 8.7 per cent in 2013-14 to 9.1 per cent in 2014-15. Return on equity (measured as a ratio of profit after tax to net worth) also witnessed increasing trend over the three year period. Following the trend at aggregate level, the profit margin for small, medium and large sales size companies increased in 2014-15 as compared to 2013-14 (Statement 2).

2.2 Profit margin increased for Manufacturing Sector and decreased marginally for Services Sector in 2014-15. All industries in Manufacturing Sector witnessed increase in profit margin in 2014-15. While in Services Sector profit margin improved for all the industry group in 2014-15, except for 'Wholesale and retail trade' and 'Computer and related activities' (Statement 2).

Chart 2: Profitability Ratios



3. Leverages increased and Interest Coverage ratio remained at same level

3.1 Total borrowings of the NGNF private limited companies grew at a lower rate of 11.6 per cent in

Chart 3: Leverages and Debt Serviceability

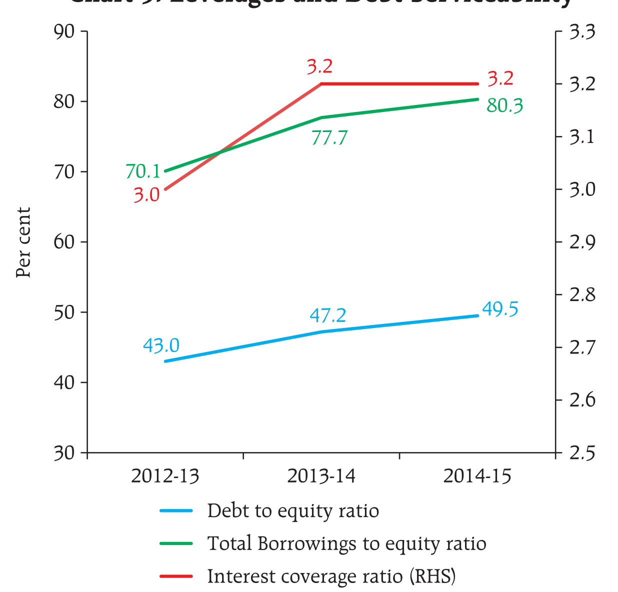


Table2: Leverage Ratio and their Share in Borrowings

(Per cent)

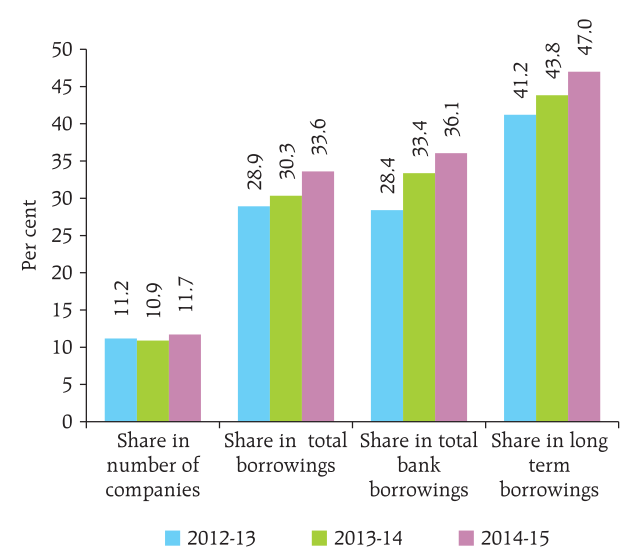
Leverage Class (Per cent)*	Share in number of companies			Share in bank borrowings			Share in total borrowings		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
0- 100	75.5	74.7	74.6	38.0	31.9	32.7	40.7	40.8	38.6
100 – 200	5.0	4.9	4.7	13.3	13.2	10.6	11.9	10.8	10.2
200 – 300	2.5	2.5	2.4	7.4	7.6	9.7	6.9	6.4	7.7
300 – 400	1.5	1.5	1.4	5.3	5.9	4.5	4.0	4.2	4.9
Above 400	8.9	8.8	8.3	21.8	26.3	26.6	21.5	22.8	22.8
Net worth <0	6.7	7.7	8.6	14.2	15.2	15.9	15.0	15.1	15.9
Total	100	100	100	100 (2259)	100 (2308)	100 (2613)	100 (4684)	100 (5591)	100 (6242)

*Based on long term borrowings to net worth ratio. Amounts in parenthesis are in ₹ billions.

2014-15 as compared to 19.3 per cent in 2013-14. The leverage ratio (measured as a ratio of total borrowings to equity) increased to 80.3 per cent in 2014-15 from 77.7 per cent in 2013-14. Similarly, debt to equity ratio also witnessed increasing trend over the three year study period. Both, debt to equity and total borrowings to equity ratios increased for small sales size companies, whereas for large sales size companies these ratios have declined in 2014-15. Among sectors, Construction Sector was the most leveraged as compared to remaining sectors (Statement 1 & 2).

3.2 The interest coverage ratio (ICR), calculated as ratio of earnings before interest and tax (EBIT) to interest expenses, at the aggregate level remained almost at the same level of 3.2 in 2014-15 as was in the previous year. Among the sales size classes, ICR improved marginally to 2.9 in 2014-15 from 2.8 in previous year for large sales size companies. In Manufacturing Sector, debt serviceability (ICR) in 2014-15 improved among all the industry groups, barring 'Textiles' companies. Debt serviceability for Services Sector had declined marginally in 2014-15 as compared to the previous year, mainly due to 'Real estate' companies (Statement 2).

Chart 4: Share of NGNF Private Limited Companies having Leverage Ratio >=200 and ICR <1



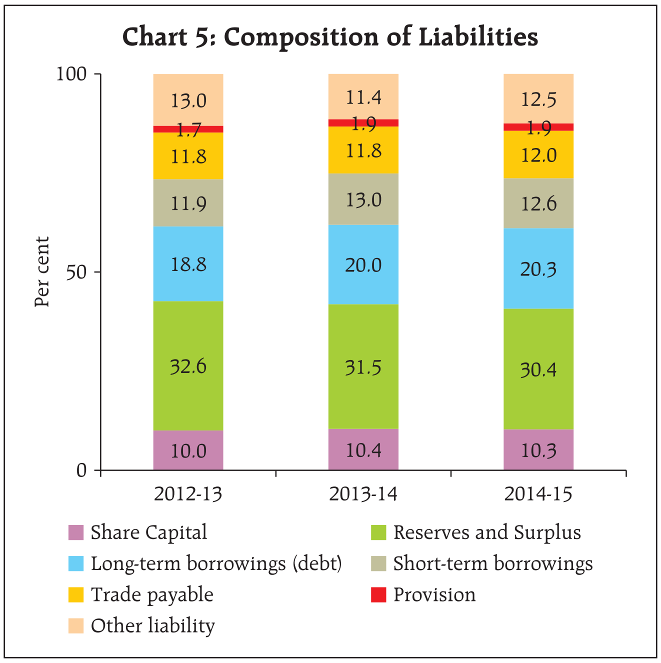
3.3 Highly leveraged companies *i.e.*, companies having debt to equity more than 400 per cent or negative net worth accounted for 16.9 per cent companies and they had 42.5 per cent share in bank borrowings in 2014-15. These companies also accounted for 38.7 per cent share in total borrowings in 2014-15 (Table 2).

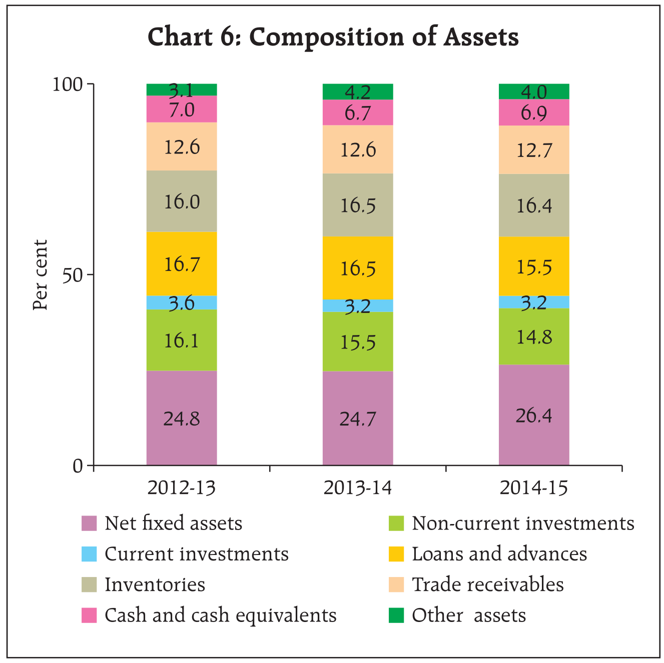
3.4 Among the select NGNF private limited companies, more than one tenth of the total number of companies had their debt to equity ratio >=200 and ICR<1[1].These companies constituted 36.1 per cent share in total bank borrowings by NGNF private limited companies in 2014-15 and witnessed increasing trend over the three years period (Chart 4).

4. Capital Structure: Share of Net worth declined

4.1 The proportion of shareholders' funds constituted 40.7 per cent in total liabilities, though it had declined

[1] The debt to equity ratio >=200 includes companies with negative net worth and EBIT to interest expense, *i.e.*, ICR<1 also includes companies having borrowings but EBIT <=0.





marginally in 2014-15 from 41.9 per cent in the previous year. Share of long term borrowings in total liabilities increased marginally, whereas share of short term borrowings declined in 2014-15 as compared to the previous year (*Statement 3A and Chart 5*).

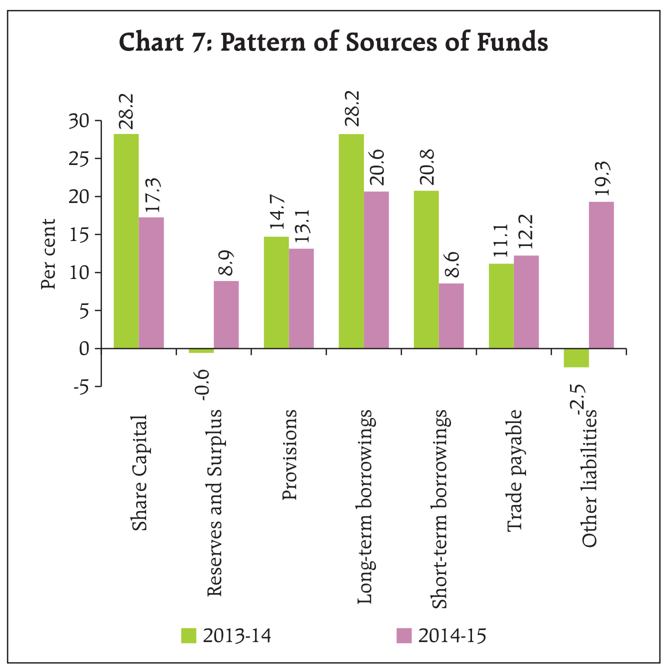
5. *Asset pattern: Net assets expanded in 2014-15*

5.1 Total net assets of select NGNF private limited companies expanded by 11.6 percent in 2014-15 as against 10.6 per cent in the previous year, mainly contributed by large companies. Total net assets of large companies expanded significantly to 19.9 per cent in 2014-15 as compared against 11.7 per cent in previous year. The growth of total net assets of Services Sector had improved to 11.6 per cent in 2014-15 from 9.1 per cent in 2013-14 and was mainly driven by the companies in 'Wholesale and retail trade' and 'Computer and related activities'. For Manufacturing Sector the growth in total net assets moderated in 2014-15 as compared to the previous year (*Statement 1*).

5.2 The share of net fixed assets in total assets increased to 26.4 per cent in 2014-15 as against 24.7 per cent in 2013-14. Share of Non-current investments in total assets declined marginally to 14.8 per cent in 2014-15 as compared to 15.5 per cent in 2013-14. Share of Loans and advances in total assets exhibited declining trend over the three year study period (Statement 3B).

6. *Sources of funds: share of external sources declined*

6.1 The external sources (*i.e.*, other than companies' own funds) continued to play a major role in expanding the business of NGNF private limited companies. However, their share declined to 70.5 per cent in 2014-



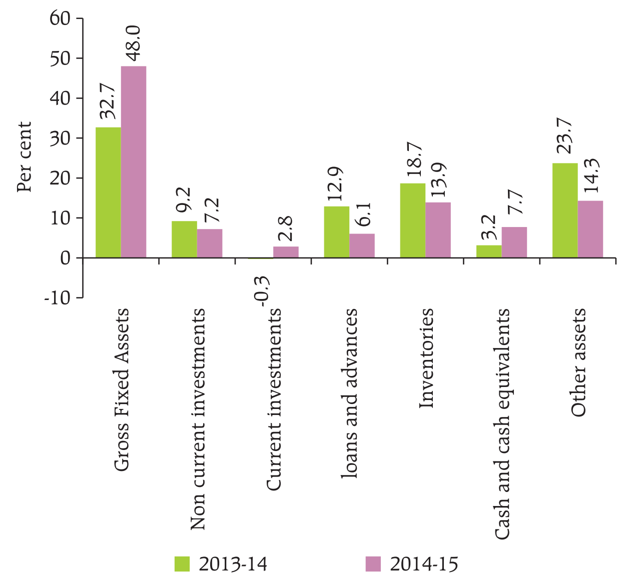
15 as against 73.0 per cent in 2013-14 mainly due to decline in the share of short term and long term borrowings as well as the share capital & premium in total sources of funds (*Statement 4A*).

6.2 The share of funds raised through long term borrowings and short term borrowings in total sources of funds declined to 20.6 per cent and 8.6 per cent respectively in 2014-15 from 28.2 per cent and 20.8 per cent in 2013-14.The share of funds mobilised through long term borrowings from banks in total sources of funds declined to 8.5 per cent in 2014-15 from 11.1 per cent in the previous year. However, the share of short term borrowings from banks in total sources of funds increased in 2014-15. Further, increase in the share of funds raised through other liabilities was mainly contributed by few companies in Construction and Services Sector, as their other liabilities in 2014-15 witnessed a sharp increase (Statement 4A).

7. Uses of funds: Share of gross fixed asset formation increased

7.1 The fund mobilised by select NGNF private limited companies were predominantly used for gross fixed asset (GFA) formation. The share of GFA in total uses of funds increased to 48.0 per cent in 2014-15 from 32.7 per cent in 2013-14.The share of Inventories formation in total uses of funds declined to 13.9 per cent in 2014-15 from 18.7 per cent in 2013-14. Further, proportion of cash and cash equivalents in total uses of funds increased to 7.7 per cent in 2014-15 as against 3.2 per cent in previous year (Statement 4B).

Chart 8: Pattern of Uses of Funds



8. *Conclusion:*

Sales growth of NGNF private limited companies accelerated during the year 2014-15 as compared to the previous year. However, growth in operating profit and net profit moderated in 2014-15. Despite the moderation in growth rate of operating profits, the profitability ratios such as operating profit margin and return of equity improved in 2014-15.The NGNF private limited companies relied mainly on external sources of funds for their business expansion, however, its share in total sources of funds had declined in 2014-15.The mobilised funds were predominantly used for gross fixed assets formation. The share of bank borrowings of highly leveraged companies had increased in 2014-15.

Statement 1: Growth Rates of Select Parameters of Private Limited Companies *(Contd.)*

(Per cent)

	Growth Rates							
	Sales		Operating Expenses		Operating Profit		Net Profit	
	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
Number of sample cos	237,398	237,398	237,398	237,398	237,398	237,398	237,398	237,398
Aggregate (All Companies)	**8.7**	**12.0**	**8.8**	**11.1**	**23.0**	**16.6**	**23.6**	**12.3**
Sales-wise								
Less than ₹ 250 million	-0.1	4.6	0.1	3.7	43.8	6.3	48.2	-3.7
₹ 250 million – ₹1 billion	14.8	15.4	15.1	13.8	30.1	24.9	31.9	30.8
₹ 1 billion and above	10.7	14.3	10.7	13.8	4.2	18.0	-13.6	15.1
Industry-wise								
Mining and quarrying	**0.1**	**12.2**	**1.1**	**10.0**	**15.4**	**17.9**	**34.0**	**18.3**
Manufacturing	**8.0**	**9.5**	**8.1**	**8.9**	**17.4**	**17.5**	**11.8**	**23.1**
Food products and beverages	8.3	6.4	9.5	5.6	8.2	15.6	-21.4	32.5
Textiles	12.7	5.7	13.7	4.8	29.0	7.7	48.3	2.6
Chemicals and chemical products	13.2	8.0	12.8	7.3	18.7	18.2	11.1	25.3
Iron and steel	1.1	9.3	0.6	9.6	23.9	14.7	107.5	-1.0
Machinery and equipments'	5.9	10.0	6.9	8.8	11.7	16.6	-0.3	20.1
Electrical machinery and apparatus	10.0	10.8	10.1	9.0	7.4	31.5	-26.3	88.8
Motor vehicles and other transport equipment's	-3.2	11.7	-2.6	8.4	-18.3	80.1	-77.4	#
Construction	**4.8**	**10.4**	**6.7**	**3.9**	**#**	**21.5**	**#**	**#**
Services	**9.8**	**15.5**	**9.9**	**15.2**	**21.0**	**15.3**	**20.6**	**9.0**
Wholesale and retail trade	8.9	18.3	8.6	18.9	#	-37.8	#	-57.4
Transport, storage and communication	9.4	13.3	10.1	13.3	5.9	14.5	-4.1	21.3
Real Estate	7.7	23.6	7.0	15.4	#	#	#	#
Computer and related activities	14.6	19.7	16.1	22.4	11.5	12.8	13.2	9.6

Denominator negative, nil or negligible

Statement 1: Growth Rates of Select Parameters of Private Limited Companies *(Concld.)*

(Per cent)

	Growth Rates					
	Net worth		Total borrowings		Total net asset	
	2013-14	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**
Number of sample cos	237,398	237,398	237,398	237,398	237,398	237,398
Aggregate (All Companies)	**7.7**	**8.1**	**19.3**	**11.6**	**10.6**	**11.6**
Sales-wise						
Less than ₹ 250 million	4.8	3.8	19.2	15.1	9.4	8.9
₹ 250 million – ₹1 billion	10.3	10.0	16.5	10.1	13.3	9.1
₹ 1 billion and above	15.5	20.0	22.0	3.9	11.7	19.9
Industry-wise						
Mining and quarrying	**7.7**	**5.7**	**10.2**	**1.2**	**7.2**	**3.5**
Manufacturing	**9.9**	**10.5**	**16.7**	**6.2**	**10.1**	**8.1**
Food products and beverages	5.9	4.9	19.3	1.1	9.2	4.3
Textiles	12.5	10.4	13.6	6.6	12.6	8.1
Chemicals and chemical products	11.2	13.4	16.0	15.4	10.2	11.1
Iron and steel	4.8	6.9	20.6	5.8	8.0	7.1
Machinery and equipments'	13.8	13.1	14.4	7.8	10.5	7.7
Electrical machinery and apparatus	8.2	13.3	28.6	6.0	11.7	7.4
Motor vehicles and other transport equipment's	11.5	11.4	4.4	-2.0	2.6	11.0
Construction	**4.5**	**3.9**	**21.3**	**13.3**	**13.2**	**19.0**
Services	**6.9**	**8.1**	**16.5**	**13.5**	**9.1**	**11.6**
Wholesale and retail trade	2.6	5.7	27.4	5.4	5.9	9.9
Transport, storage and communication	10.5	12.2	16.8	2.9	9.9	7.5
Real Estate	6.6	5.5	18.7	17.0	14.8	12.4
Computer and related activities	15.3	27.6	19.5	48.0	15.3	26.2

Statement 2: Ratios of Select Parameters of Private Limited Companies *(Contd.)*

(Per cent)

	Ratios								
	Operating profit to Sales			PAT to net worth			Total borrowings to equity		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Number of sample cos	237,398	237,398	237,398	237,398	237,398	237,398	237,398	237,398	237,398
Aggregate (All Companies)	**7.7**	**8.7**	**9.1**	**7.6**	**8.7**	**9.1**	**70.1**	**77.7**	**80.3**
Sales-wise									
Less than ₹ 250 million	7.1	10.2	10.4	4.2	5.9	5.5	62.4	71.1	78.8
₹ 250 million – ₹1 billion	9.0	10.2	11.1	16.8	20.1	23.8	89.3	94.3	94.3
₹ 1 billion and above	7.3	6.8	7.0	12.4	9.3	8.9	81.8	86.4	74.9
Industry-wise									
Mining and quarrying	**5.4**	**6.2**	**6.5**	**2.6**	**3.3**	**3.7**	**85.0**	**87.0**	**83.3**
Manufacturing	**6.3**	**6.8**	**7.3**	**12.0**	**12.2**	**13.6**	**86.3**	**91.7**	**88.1**
Food products and beverages	4.8	4.8	5.2	8.3	6.2	7.8	82.2	92.6	89.3
Textiles	6.2	7.1	7.2	14.0	18.4	17.1	110.6	111.6	107.7
Chemicals and chemical products	7.5	7.9	8.6	13.7	13.7	15.1	76.5	79.8	81.2
Iron and steel	2.5	3.1	3.3	2.5	4.9	4.5	95.0	109.4	108.2
Machinery and equipments'	10.6	11.2	11.9	18.8	16.4	17.5	65.7	66.0	62.9
Electrical machinery and apparatus	7.4	7.2	8.6	11.9	8.1	13.5	88.5	105.2	98.5
Motor vehicles and other transport equipment's	6.1	5.2	8.3	16.6	3.4	20.1	94.8	88.7	78.0
Construction	**2.8**	**8.7**	**9.6**	**-4.1**	**-0.4**	**-1.6**	**152.1**	**176.6**	**192.6**
Services	**9.9**	**10.9**	**10.8**	**8.3**	**9.4**	**9.4**	**47.5**	**51.8**	**54.4**
Wholesale and retail trade	0.2	1.5	0.8	0.1	1.1	0.4	27.2	33.7	33.6
Transport storage and communication	11.2	10.8	11.0	26.5	23.0	24.9	107.0	113.1	103.7
Real Estate	-16.3	-4.7	0.2	-7.5	-4.0	-4.5	105.4	117.3	130.1
Computer and related activities	25.5	24.8	23.4	36.8	36.1	31.0	26.1	27.1	31.4

Statement 2: Ratios of Select Parameters of Private Limited Companies *(Concld.)*

(Per cent)

	Ratios					
	Debt to equity			Interest coverage ratio*		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Number of sample cos	237,398	237,398	237,398	237,398	237,398	237,398
Aggregate (All Companies)	43.0	47.2	49.5	3.0	3.2	3.2
Sales-wise						
Less than ₹ 250 million	40.8	47.1	52.3	2.7	3.2	2.9
₹ 250 million – ₹1 billion	53.4	55.9	55.4	3.3	3.6	3.9
₹ 1 billion and above	42.3	40.9	38.2	3.1	2.8	2.9
Industry-wise						
Mining and quarrying	56.5	49.2	47.9	1.9	1.9	2.1
Manufacturing	43.3	43.1	43.5	2.8	2.9	3.1
Food products and beverages	38.0	39.9	41.8	2.5	2.2	2.2
Textiles	57.1	55.8	54.6	2.4	2.9	2.8
Chemicals and chemical products	39.2	36.7	43.0	3.2	3.6	4.4
Iron and steel	40.8	47.3	48.2	1.3	1.5	1.5
Machinery and equipments'	32.8	34.3	30.9	4.8	4.5	4.9
Electrical machinery and apparatus	51.5	55.4	51.4	2.7	2.3	2.8
Motor vehicles and other transport equipment's	46.1	36.5	40.7	3.2	1.8	4.5
Construction	115.1	133.0	144.7	0.6	1.1	1.0
Services	28.7	31.2	32.4	4.4	4.7	4.5
Wholesale and retail trade	14.0	16.7	17.5	1.3	1.8	1.4
Transport storage and communication	69.8	72.0	67.0	4.7	4.4	4.6
Real Estate	65.9	74.5	81.2	-0.5	0.3	0.4
Computer and related activities	16.9	17.6	15.9	24.9	23.9	23.5

* Actual ratio

Statement 3: Composition of Liabilities and Assets of Private Limited Companies

(Per cent)

A. Composition of liabilities

Year	2012-13	2013-14	2014-15
1. Shareholders' Funds	42.7	41.9	40.7
(i) Share Capital	10.0	10.4	10.3
(ii) Reserves and Surplus	32.6	31.5	30.4
(a) Capital reserve	19.3	19.7	18.8
2. Long-term borrowings (debt)	18.8	20.0	20.3
(a) Bonds/ Debentures-removed	1.9	1.9	2.2
Term loans from banks- removed	9.7	9.9	9.8
3. Short-term borrowings	11.9	13.0	12.6
of which, from banks- removed	5.2	3.7	3.9
4. trade payable	11.8	11.8	12.0
5. provision	1.7	1.9	1.9
6. other liability	13.0	11.4	12.5
(i) non-current	2.3	1.5	2.0
(ii) current	10.7	9.9	10.4
TOTAL	**100.0**	**100.0**	**100.0**

B. Composition of assets

Year	2012-13	2013-14	2014-15
1. Gross Fixed Assets	32.6	33.0	35.2
(a) Tangible assets	26.5	25.6	25.9
(b) Capital work in progress	3.3	3.4	3.7
(c) Intangible asset	2.1	2.4	4.4
2. Depreciation (i) Tangible	7.2	7.6	8.0
(ii) Intangible	0.6	0.7	0.8
3. Net fixed assets	24.8	24.7	26.4
4. Non-current investments	16.1	15.5	14.8
5. Current investments	3.6	3.2	3.2
6. Loans and advances	16.7	16.5	15.5
7. Inventories	16.0	16.5	16.4
8. Trade receivables	12.6	12.6	12.7
9. Cash and cash equivalents	7.0	6.7	6.9
10. Other assets	3.1	4.2	4.0
(i) non-current	0.9	1.6	1.2
(ii) current	2.2	2.5	2.8
TOTAL	**100.0**	**100.0**	**100.0**

Statement 4: Composition of Sources and Uses of Funds of Private Limited Companies

(Per cent)

A. Composition of sources of funds during the year

	2013-14	2014-15
Internal sources	**27.0**	**29.5**
1. Paid-up Capital	12.9	7.5
2. Reserves and Surplus	-0.6	8.9
3. Provisions	14.7	13.1
of which, Depreciation	11.8	11.3
External sources	**73.0**	**70.5**
4. Share Capital and Premium	15.4	9.8
5. Long-term borrowings	28.2	20.6
of which, (a) Bonds / Debentures	1.5	4.4
(b) From banks	11.1	8.5
6. Short-term borrowings	20.8	8.6
of which, From banks	-8.5	5.2
7. Trade payables	11.1	12.2
8. Other liabilities	-2.5	19.3
(i) non-current	-5.0	5.8
(ii) current	2.5	13.5
TOTAL	**100.0**	**100.0**

B. Composition of uses of funds during the year

	2013-14	2014-15
1. Gross Fixed Assets	32.7	48.0
(i) Tangible assets	14.9	24.7
of which, Plant and machinery	28.8	10.9
(ii) Capital Work-in-progress	4.0	5.3
(iii) Intangible assets	13.8	18.0
2. Non-current investments	9.2	7.2
3. Current investments	-0.3	2.8
4. Loans and advances	12.9	6.1
5. Inventories	18.7	13.9
6. Trade Receivables	11.0	11.8
7. Cash and cash equivalents	3.2	7.7
8. Other assets	12.7	2.4
(i) non-current	8.0	-2.3
(ii) current	4.7	4.7
TOTAL	**100.0**	**100.0**

CURRENT STATISTICS

Contents

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

No. 1: Select Economic Indicators

Item	2015-16	2014-15		2015-16	
		Q3	Q4	Q3	Q4
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	7.2	6.7	6.2	6.9	7.4
1.1.1 Agriculture	1.2	-2.4	-1.7	-1.0	2.3
1.1.2 Industry	8.8	3.4	6.9	10.3	9.2
1.1.3 Services	8.2	11.7	8.3	8.5	8.1
1.1a Final Consumption Expenditure	6.6	5.3	1.6	7.4	7.6
1.1b Gross Fixed Capital Formation	3.9	3.7	10.0	1.2	-1.9

	2015-16	2015		2016	
		Mar.	Apr.	Mar.	Apr.
	1	2	3	4	5
1.2 Index of Industrial Production	0.1	2.5	3.0	0.1	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	9.9	11.4	11.8	9.3	9.3
2.1.2 Credit	11.3	9.5	9.8	10.9	9.2
2.1.2.1 Non-food Credit	11.3	9.8	10.1	10.9	9.3
2.1.3 Investment in Govt. Securities	6.0	13.2	14.0	5.4	5.1
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	13.1	11.3	11.3	13.1	14.4
2.2.2 Broad Money (M3)	10.5	10.9	10.8	10.5	11.0
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	21.50	21.50	21.50	21.50	21.50
3.3 Cash-Deposit Ratio	4.7	5.0	4.9	4.8	4.8
3.4 Credit-Deposit Ratio	77.6	76.5	75.4	77.7	75.8
3.5 Incremental Credit-Deposit Ratio	87.7	64.8	29.2	89.8	4.4
3.6 Investment-Deposit Ratio	28.1	29.2	29.5	28.1	28.2
3.7 Incremental Investment-Deposit Ratio	17.6	33.2	40.3	16.9	32.0
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.75	7.50	7.50	6.75	6.50
4.2 Reverse Repo Rate	5.75	6.50	6.50	5.75	6.00
4.3 Marginal Standing Facility (MSF) Rate	7.75	8.50	8.50	7.75	7.00
4.4 Bank Rate	7.75	8.50	8.50	7.75	7.00
4.5 Base Rate	9.30/9.70	10.00/10.25	9.75/10.25	9.30/9.70	9.30/9.70
4.6 MCLR	-	-	-	-	8.90/9.15
4.7 Term Deposit Rate >1 Year	7.00/7.50	8.0/8.8	8.0/8.5	7.0/7.5	7.0/8.0
4.8 Savings Deposit Rate	4.00	4.00	4.00	4.00	4.00
4.9 Call Money Rate (Weighted Average)	7.35	7.36	7.51	7.35	6.49
4.10 91-Day Treasury Bill (Primary) Yield	7.27	8.27	7.94	7.27	6.81
4.11 182-Day Treasury Bill (Primary) Yield	7.17	8.14	7.90	7.17	6.91
4.12 364-Day Treasury Bill (Primary) Yield	7.11	7.98	7.91	7.11	6.91
4.13 10-Year Government Securities Yield	7.42	7.80	7.89	7.42	7.44
5 RBI Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (₹ Per Foreign Currency)	66.33	62.59	63.40	66.33	66.52
5.2 INR-Euro Spot Rate (₹ Per Foreign Currency)	75.10	67.51	68.49	75.10	75.73
5.3 Forward Premia of US$ 1-month (%)	6.78	9.78	7.67	6.78	7.22
3-month (%)	6.63	8.50	7.51	6.63	6.80
6-month (%)	6.57	8.11	7.44	6.57	6.57
6 Inflation (%)					
6.1 All India Consumer Price Index	4.9	5.3	4.9	4.8	5.4
6.2 Consumer Price Index for Industrial Workers	5.6	6.3	5.8	5.5	5.9
6.3 Wholesale Price Index	-2.5	-2.3	-2.4	-0.9	0.3
6.3.1 Primary Articles	0.2	0.1	0.5	2.1	2.3
6.3.2 Fuel and Power	-11.6	-12.6	-13.0	-8.3	-4.8
6.3.3 Manufactured Products	-1.1	-0.2	-0.5	-0.1	0.7
7 Foreign Trade (% Change)					
7.1 Imports	-15.3	-13.5	-6.4	-23.8	-24.2
7.2 Exports	-15.9	-21.3	-14.4	-5.2	-6.6

Reserve Bank of India

No. 2: RBI - Liabilities and Assets

(₹ Billion)

Item	As on the Last Friday/ Friday						
	2015-16	2015	2016				
		May	Apr. 29	May 6	May 13	May 20	May 27
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	16,512.44	14,918.94	16,979.79	17,156.99	17,276.08	17,229.35	17,110.79
1.1.2 Notes held in Banking Department	0.16	0.13	0.13	0.15	0.16	0.16	0.14
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**16,512.60**	**14,919.07**	**16,979.92**	**17,157.14**	**17,276.24**	**17,229.50**	**17,110.94**
1.2 Assets							
1.2.1 Gold Coin and Bullion	694.86	644.17	699.20	698.63	698.63	698.63	698.63
1.2.2 Foreign Securities	15,804.14	14,262.20	16,267.43	16,445.84	16,565.55	16,519.33	16,399.40
1.2.3 Rupee Coin	3.14	2.23	2.83	2.20	1.59	1.08	2.44
1.2.4 Government of India Rupee Securities	10.46	10.46	10.46	10.46	10.46	10.46	10.46
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	6,481.57	5,276.19	4,897.15	4,551.51	5,001.09	4,929.47	4,996.03
2.1.1.1 Central Government	1.01	1.01	1.01	1.00	1.01	1.01	1.00
2.1.1.2 Market Stabilisation Scheme	–	–	–	–	–	–	–
2.1.1.3 State Governments	1.99	0.42	0.42	0.42	0.42	16.11	0.42
2.1.1.4 Scheduled Commercial Banks	3,906.19	3,708.87	3,982.72	3,938.01	3,925.78	4,030.17	3,839.48
2.1.1.5 Scheduled State Co-operative Banks	37.97	32.72	35.87	34.61	35.07	34.64	33.73
2.1.1.6 Non-Scheduled State Co-operative Banks	14.07	11.92	13.37	13.12	14.01	13.68	14.37
2.1.1.7 Other Banks	211.08	187.60	212.88	211.80	210.69	212.23	209.61
2.1.1.8 Others	2,309.26	1,333.64	650.87	352.55	814.12	621.62	897.40
2.1.2 Other Liabilities	9,627.82	8,555.48	9,869.16	9,804.54	9,822.16	10,046.81	9,957.08
2.1/2.2 Total Liabilities or Assets	**16,109.39**	**13,831.66**	**14,766.32**	**14,356.05**	**14,823.25**	**14,976.28**	**14,953.10**
2.2 Assets							
2.2.1 Notes and Coins	0.16	0.13	0.13	0.15	0.16	0.16	0.14
2.2.2 Balances held Abroad	6,553.25	6,860.09	6,488.08	6,261.97	6,134.73	6,377.58	6,340.45
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	–	–	–	–	–
2.2.3.2 State Governments	11.92	3.50	18.39	15.01	26.51	26.22	5.56
2.2.3.3 Scheduled Commercial Banks	2,465.69	967.66	886.50	686.09	1,167.37	1,080.16	957.40
2.2.3.4 Scheduled State Co-op.Banks	–	–	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	–	–	–	–	–	–	–
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	145.93	51.70	59.69	61.54	58.31	53.91	52.81
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	6,122.94	5,212.63	6,483.76	6,501.49	6,604.30	6,605.00	6,761.01
2.2.6 Other Assets	809.50	735.95	829.75	829.80	831.88	833.25	835.72
2.2.6.1 Gold	631.16	585.15	635.10	634.58	634.58	634.58	634.58

No. 3: Liquidity Operations by RBI

(₹ Billion)

Date	Liquidity Adjustment Facility				MSF	Standing Liquidity Facilities	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+6+8-2-4-7)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo			Sale	Purchase	
	1	2	3	4	5	6	7	8	9
Apr. 1, 2016	–	–	–	–	–	–	–	–	–
Apr. 2, 2016	–	1,207.96	–	–	12.00	–	–	–	–1,195.96
Apr. 4, 2016	165.74	106.50	81.70	–	1.50	–2.90	–	–	139.54
Apr. 5, 2016	47.31	345.27	549.50	–	1.75	–0.90	–	–	252.39
Apr. 6, 2016	28.82	111.62	–	–	5.55	–	–	–	–77.25
Apr. 7, 2016	53.85	114.45	155.01	–	0.40	3.20	–	–	98.01
Apr. 8, 2016	–	188.73	–	–	20.25	–	–	–	–168.48
Apr. 11, 2016	163.10	92.95	100.02	–	13.00	–1.10	–	150.00	332.07
Apr. 12, 2016	132.45	117.13	245.05	–	6.61	–3.40	–	–	263.58
Apr. 13, 2016	75.33	238.91	300.01	–	16.10	3.40	–	–	155.93
Apr. 15, 2016	–	130.33	–	–	28.41	–	–	–	–101.92
Apr. 16, 2016	27.09	15.46	–	–	18.75	–	–	–	30.38
Apr. 18, 2016	109.88	35.61	150.00	–	0.20	0.40	–	–	224.87
Apr. 19, 2016	–	40.56	–	–	–	–	–	–	–40.56
Apr. 20, 2016	200.01	36.15	–	–	13.00	–	–	–	176.86
Apr. 21, 2016	175.86	39.55	133.60	–	5.50	0.10	–	–	275.51
Apr. 22, 2016	121.10	53.75	155.01	–	–	–	–	–	222.36
Apr. 25, 2016	159.15	57.39	120.50	–	5.00	–	–	–	227.26
Apr. 26, 2016	102.70	56.80	129.50	–	–	–	–	–	175.40
Apr. 27, 2016	78.44	44.74	–	–	–	0.10	–	–	33.80
Apr. 28, 2016	93.44	29.14	68.00	–	13.95	0.10	–	–	146.35
Apr. 29, 2016	103.00	151.75	190.02	–	12.48	1.60	–	150.00	305.35
Apr. 30, 2016	20.65	13.10	–	–	–	–	–	–	7.55

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

i) Operations in OTC segment

Item	2015-16	2015	2016	
		Apr.	Mar.	Apr.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	10,209.00	5,431.00	4,686.00	1,339.00
1.1 Purchase (+)	63,299.00	9,756.00	8,034.00	2,639.00
1.2 Sale (–)	53,090.00	4,325.00	3,348.00	1,300.00
2 ₹ equivalent at contract rate (₹ Billion)	630.89	346.36	309.51	88.36
3 Cumulative (over end-March) (US $ Million)	10,209.00	5,431.00	10,209.00	1,339.00
(₹ Billion)	630.89	346.36	630.89	88.36
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	–4,253.00	5,172.00	–4,253.00	–4,053.00

ii) Operations in currency futures segment

Item	2015-16	2015	2016	2016
		Apr.	Mar.	Apr.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	0.00	0.00	970.00	0.00
1.1 Purchase (+)	9,462.00	0.00	970.00	260.00
1.2 Sale (–)	9,462.00	0.00	0.00	260.00
2 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million)	0.00	0.00	0.00	0.00

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

Item	As on April 30, 2016		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	2,350	550	1,800
2. More than 1 month and upto 3 months	3,840	190	3,650
3. More than 3 months and upto 1 year	17,477	25,018	-7,541
4. More than 1 year	455	2,417	-1,962
Total (1+2+3+4)	**24,122**	**28,175**	**-4,053**

No. 5: RBI's Standing Facilities

(₹ Billion)

Item	As on the Last Reporting Friday							
	2014-15	2015		2016				
		Apr. 17	Dec. 25	Jan. 22	Feb. 19	Mar. 18	Apr. 29	May 27
	1	2	3	4	5	6	7	8
1 MSF	41.9	2.2	0.8	26.2	21.5	0.1	12.5	–
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	128.2	127.1	–	–	–	–	–	–
2.2 Outstanding	51.8	45.5	–	–	–	–	–	–
3 Liquidity Facility for PDs								
3.1 Limit	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
3.2 Outstanding	17.0	20.6	22.1	22.3	22.9	27.7	27.6	23.4
4 Others								
4.1 Limit	–	–	–	–	–	–	–	–
4.2 Outstanding	–	–	–	–	–	–	–	–
5 Total Outstanding (1+2.2+3.2+4.2)	110.7	68.3	22.9	48.5	44.4	27.8	40.1	23.4

Money and Banking

No. 6: Money Stock Measures

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Apr. 17	Mar. 18	Apr. 15	Apr. 29
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	15,981.0	14,321.6	15,944.7	16,541.5	16,500.4
1.1 Notes in Circulation	16,415.6	14,746.0	16,379.4	16,955.0	16,979.8
1.2 Circulation of Rupee Coin	211.6	188.1	211.6	211.6	211.6
1.3 Circulation of Small Coins	7.4	7.4	7.4	7.4	7.4
1.4 Cash on Hand with Banks	653.7	619.9	653.7	632.6	698.4
2 Deposit Money of the Public	10,124.7	9,038.0	10,105.4	10,290.0	10,256.1
2.1 Demand Deposits with Banks	9,970.2	8,945.8	9,970.2	10,151.0	10,123.0
2.2 'Other' Deposits with Reserve Bank	154.5	92.2	135.2	138.9	133.1
3 M_1 (1 + 2)	**26,105.7**	**23,359.7**	**26,050.1**	**26,831.5**	**26,756.6**
4 Post Office Saving Bank Deposits	607.8	481.8	606.6	607.8	607.8
5 M_2 (3 + 4)	**26,713.4**	**23,841.5**	**26,656.8**	**27,439.2**	**27,364.3**
6 Time Deposits with Banks	90,437.7	83,958.6	90,437.7	91,981.4	92,315.3
7 M_3 (3 + 6)	**116,543.4**	**107,318.3**	**116,487.9**	**118,812.9**	**119,071.9**
8 Total Post Office Deposits	2,076.2	1,750.3	2,039.0	2,076.2	2,076.2
9 M_4 (7 + 8)	**118,619.5**	**109,068.6**	**118,526.9**	**120,889.0**	**121,148.0**

No. 7: Sources of Money Stock (M_3)

(₹ Billion)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Apr. 17	Mar. 18	Apr. 15	Apr. 29
	1	2	3	4	5
1 Net Bank Credit to Government	**32,410.3**	**31,720.8**	**32,459.4**	**35,438.4**	**34,975.3**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	4,250.0	4,549.2	4,299.0	6,273.4	6,168.5
1.1.1 Claims on Government	6,167.0	5,237.9	6,120.2	6,346.3	6,492.3
1.1.1.1 Central Government	6,162.2	5,233.2	6,111.1	6,316.1	6,473.9
1.1.1.2 State Governments	4.8	4.7	9.1	30.2	18.4
1.1.2 Government deposits with RBI	1,917.0	688.7	1,821.1	72.9	323.8
1.1.2.1 Central Government	1,916.6	688.3	1,820.7	68.0	323.3
1.1.2.2 State Governments	0.4	0.4	0.4	5.0	0.4
1.2 Other Banks' Credit to Government	28,160.3	27,171.6	28,160.3	29,164.9	28,806.8
2 Bank Credit to Commercial Sector	**78,219.1**	**70,726.8**	**78,105.2**	**77,941.5**	**77,947.1**
2.1 RBI's credit to commercial sector	200.8	63.8	86.9	83.4	82.7
2.2 Other banks' credit to commercial sector	78,018.3	70,663.1	78,018.3	77,858.1	77,864.4
2.2.1 Bank credit by commercial banks	72,776.5	65,752.0	72,776.5	72,596.9	72,606.2
2.2.2 Bank credit by co-operative banks	5,203.2	4,855.8	5,203.2	5,224.3	5,218.0
2.2.3 Investments by commercial and co-operative banks in other securities	38.5	55.3	38.5	36.9	40.1
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**24,907.1**	**22,530.5**	**24,699.0**	**24,942.7**	**25,160.1**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	23,834.8	21,296.8	23,626.7	23,870.4	24,087.8
3.1.1 Gross foreign assets	23,836.8	21,297.0	23,628.8	23,872.4	24,089.8
3.1.2 Foreign liabilities	2.0	0.2	2.1	2.0	2.0
3.2 Other banks' net foreign exchange assets	1,072.3	1,233.7	1,072.3	1,072.3	1,072.3
4 Government's Currency Liabilities to the Public	**219.1**	**195.5**	**219.1**	**219.1**	**219.1**
5 Banking Sector's Net Non-monetary Liabilities	**19,212.1**	**17,855.3**	**18,994.8**	**19,728.8**	**19,229.6**
5.1 Net non-monetary liabilities of RBI	9,541.7	7,999.1	9,528.2	9,542.1	9,716.0
5.2 Net non-monetary liabilities of other banks (residual)	9,670.4	9,856.2	9,466.6	10,186.7	9,513.6
M_3 (1+2+3+4–5)	**116,543.4**	**107,318.3**	**116,487.9**	**118,812.9**	**119,071.9**

No. 8: Monetary Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Apr. 17	Mar. 18	Apr. 15	Apr. 29
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	26,105.7	23,359.7	26,050.1	26,831.5	26,756.6
NM_2 (NM_1+ 1.2.2.1)	65,448.3	59,938.4	65,392.8	66,861.1	66,931.4
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	116,523.6	106,850.2	116,468.1	118,769.2	118,997.3
1 Components					
1.1 Currency with the Public	15,981.0	14,321.6	15,944.7	16,541.5	16,500.4
1.2 Aggregate Deposits of Residents	97,398.4	90,231.9	97,398.4	99,105.7	99,400.5
1.2.1 Demand Deposits	9,970.2	8,945.8	9,970.2	10,151.0	10,123.0
1.2.2 Time Deposits of Residents	87,428.2	81,286.1	87,428.2	88,954.7	89,277.5
1.2.2.1 Short-term Time Deposits	39,342.7	36,578.7	39,342.7	40,029.6	40,174.9
1.2.2.1.1 Certificates of Deposit (CDs)	2,068.2	2,967.7	2,068.2	2,393.4	2,506.0
1.2.2.2 Long-term Time Deposits	48,085.5	44,707.3	48,085.5	48,925.1	49,102.6
1.3 'Other' Deposits with RBI	154.5	92.2	135.2	138.9	133.1
1.4 Call/Term Funding from Financial Institutions	2,989.8	2,204.5	2,989.8	2,983.1	2,963.3
2 Sources					
2.1 Domestic Credit	116,136.6	107,256.9	116,071.8	119,217.2	118,599.7
2.1.1 Net Bank Credit to the Government	32,410.3	31,720.8	32,459.4	35,438.4	34,975.3
2.1.1.1 Net RBI credit to the Government	4,250.0	4,549.2	4,299.0	6,273.4	6,168.5
2.1.1.2 Credit to the Government by the Banking System	28,160.3	27,171.6	28,160.3	29,164.9	28,806.8
2.1.2 Bank Credit to the Commercial Sector	83,726.3	75,536.1	83,612.4	83,778.8	83,624.4
2.1.2.1 RBI Credit to the Commercial Sector	200.8	63.8	86.9	83.4	82.7
2.1.2.2 Credit to the Commercial Sector by the Banking System	83,525.5	75,472.4	83,525.5	83,695.5	83,541.7
2.1.2.2.1 Other Investments (Non-SLR Securities)	5,412.0	4,756.8	5,412.0	5,748.2	5,605.6
2.2 Government's Currency Liabilities to the Public	219.1	195.5	219.1	219.1	219.1
2.3 Net Foreign Exchange Assets of the Banking Sector	21,586.9	19,474.2	21,378.9	21,930.7	22,159.9
2.3.1 Net Foreign Exchange Assets of the RBI	23,834.8	21,296.8	23,626.7	23,870.4	24,087.8
2.3.2 Net Foreign Currency Assets of the Banking System	–2,247.8	–1,822.6	–2,247.8	–1,939.8	–1,927.8
2.4 Capital Account	18,310.9	16,861.8	18,381.1	18,690.3	18,946.3
2.5 Other items (net)	3,108.1	3,214.6	2,820.6	3,907.4	3,035.0

No. 9: Liquidity Aggregates

(₹ Billion)

Aggregates	2015-16	2015	2016		
		Apr.	Feb.	Mar.	Apr.
	1	2	3	4	5
1 NM_3	**116,523.6**	**106,850.2**	**115,903.4**	**116,523.6**	**118,997.3**
2 Postal Deposits	2,076.2	1,750.3	2,039.0	2,076.2	2,076.2
3 L_1 (1 + 2)	**118,599.8**	**108,600.6**	**117,942.4**	**118,599.8**	**121,073.5**
4 Liabilities of Financial Institutions	29.3	29.3	29.3	29.3	29.3
4.1 Term Money Borrowings	26.6	26.6	26.6	26.6	26.6
4.2 Certificates of Deposit	0.3	0.3	0.3	0.3	0.3
4.3 Term Deposits	2.5	2.5	2.5	2.5	2.5
5 L_2 (3 + 4)	**118,629.1**	**108,629.9**	**117,971.7**	**118,629.1**	**121,102.8**
6 Public Deposits with Non-Banking Financial Companies	351.6	..	..	351.6	..
7 L_3 (5 + 6)	**118,980.6**	..	..	**118,980.6**	..

No. 10: Reserve Bank of India Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2015-16	2015	2016		
		Apr. 17	Mar. 18	Apr. 15	Apr. 29
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	16,634.6	14,941.5	16,598.4	17,174.1	17,198.8
1.2 Bankers' Deposits with the RBI	5,018.3	3,831.4	4,128.6	4,161.9	4,244.8
1.2.1 Scheduled Commercial Banks	4,738.7	3,598.6	3,874.4	3,895.2	3,982.7
1.3 'Other' Deposits with the RBI	154.5	92.2	135.2	138.9	133.1
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	21,807.4	18,865.2	20,862.2	21,474.9	21,576.8
2 Sources					
2.1 RBI's Domestic Credit	7,295.3	5,372.0	6,544.6	6,927.5	6,985.9
2.1.1 Net RBI credit to the Government	4,250.0	4,549.2	4,299.0	6,273.4	6,168.5
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 – 2.1.1.1.5)	4,245.6	4,544.9	4,290.4	6,248.1	6,150.5
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	6,159.5	5,231.9	6,109.5	6,314.2	6,471.0
2.1.1.1.3.1 Central Government Securities	6,149.0	5,221.5	6,099.0	6,303.7	6,460.6
2.1.1.1.4 Rupee Coins	2.8	1.3	1.6	1.9	2.8
2.1.1.1.5 Deposits of the Central Government	1,916.6	688.3	1,820.7	68.0	323.3
2.1.1.2 Net RBI credit to State Governments	4.3	4.3	8.7	25.3	18.0
2.1.2 RBI's Claims on Banks	2,844.5	759.0	2,158.7	570.7	734.8
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	2,844.5	758.6	2,158.7	570.7	734.8
2.1.3 RBI's Credit to Commercial Sector	200.8	63.8	86.9	83.4	82.7
2.1.3.1 Loans and Advances to Primary Dealers	27.0	20.6	27.7	25.3	25.8
2.1.3.2 Loans and Advances to NABARD	–	–	–	–	–
2.2 Government's Currency Liabilities to the Public	219.1	195.5	219.1	219.1	219.1
2.3 Net Foreign Exchange Assets of the RBI	23,834.8	21,296.8	23,626.7	23,870.4	24,087.8
2.3.1 Gold	1,334.3	1,191.6	1,326.0	1,334.3	1,334.3
2.3.2 Foreign Currency Assets	22,500.6	20,105.4	22,300.9	22,536.3	22,753.7
2.4 Capital Account	8,728.0	8,136.1	8,798.3	8,715.8	8,878.9
2.5 Other Items (net)	813.7	-136.9	729.9	826.2	837.1

No. 11: Reserve Money - Components and Sources

(₹ Billion)

Item	Outstanding as on March 31/ last Fridays of the month/ Fridays						
	2015-16	2015	2016				
		May 1	Mar. 25	Apr. 8	Apr. 15	Apr. 22	Apr. 29
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	21,807.4	19,285.3	21,029.2	21,208.9	21,474.9	21,693.9	21,576.8
1 Components							
1.1 Currency in Circulation	16,634.6	14,938.2	16,731.5	16,940.1	17,174.1	17,243.0	17,198.8
1.2 Bankers' Deposits with RBI	5,018.3	4,226.7	4,169.3	4,121.0	4,161.9	4,315.1	4,244.8
1.3 'Other' Deposits with RBI	154.5	120.3	128.4	147.8	138.9	135.7	133.1
2 Sources							
2.1 Net Reserve Bank Credit to Government	4,250.0	4,298.3	4,319.9	5,572.8	6,273.4	6,123.3	6,168.5
2.2 Reserve Bank Credit to Banks	2,844.5	1,080.7	2,131.1	964.2	570.7	910.4	734.8
2.3 Reserve Bank Credit to Commercial Sector	200.8	60.6	168.9	116.2	83.4	84.5	82.7
2.4 Net Foreign Exchange Assets of RBI	23,834.8	22,254.0	23,681.3	23,860.7	23,870.4	23,980.1	24,087.8
2.5 Government's Currency Liabilities to the Public	219.1	195.5	219.1	219.1	219.1	219.1	219.1
2.6 Net Non- Monetary Liabilities of RBI	9,541.7	8,603.8	9,491.1	9,524.0	9,542.1	9,623.4	9,716.0

No. 12: Commercial Bank Survey

(₹ Billion)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2015-16	2015	2016		
		Apr. 17	Mar. 18	Apr. 15	Apr. 29
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	90,777.0	84,017.6	90,777.0	92,435.7	92,734.7
1.1.1 Demand Deposits	8,984.4	7,946.6	8,984.4	9,157.4	9,131.2
1.1.2 Time Deposits of Residents	81,792.6	76,071.0	81,792.6	83,278.3	83,603.5
1.1.2.1 Short-term Time Deposits	36,806.7	34,231.9	36,806.7	37,475.2	37,621.6
1.1.2.1.1 Certificates of Deposits (CDs)	2,068.2	2,967.7	2,068.2	2,393.4	2,506.0
1.1.2.2 Long-term Time Deposits	44,986.0	41,839.0	44,986.0	45,803.1	45,982.0
1.2 Call/Term Funding from Financial Institutions	2,989.8	2,204.5	2,989.8	2,983.1	2,963.3
2 Sources					
2.1 Domestic Credit	104,595.6	96,122.1	104,595.6	105,758.7	105,250.0
2.1.1 Credit to the Government	26,384.0	25,630.1	26,384.0	27,397.3	27,038.7
2.1.2 Credit to the Commercial Sector	78,211.6	70,492.0	78,211.6	78,361.4	78,211.3
2.1.2.1 Bank Credit	72,776.5	65,752.0	72,776.5	72,596.9	72,606.2
2.1.2.1.1 Non-food Credit	71,724.0	64,880.7	71,724.0	71,690.5	71,565.5
2.1.2.2 Net Credit to Primary Dealers	97.8	55.1	97.8	91.7	74.4
2.1.2.3 Investments in Other Approved Securities	14.9	17.8	14.9	14.1	14.8
2.1.2.4 Other Investments (in non-SLR Securities)	5,322.4	4,667.1	5,322.4	5,658.6	5,516.0
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	–2,247.8	–1,822.6	–2,247.8	–1,939.8	–1,927.8
2.2.1 Foreign Currency Assets	1,847.4	1,634.9	1,847.4	2,176.2	2,137.3
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	3,009.6	2,672.6	3,009.6	3,026.7	3,037.8
2.2.3 Overseas Foreign Currency Borrowings	1,085.6	784.9	1,085.6	1,089.2	1,027.3
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	2,294.6	3,381.7	2,294.6	3,882.5	3,871.0
2.3.1 Balances with the RBI	3,874.4	3,598.6	3,874.4	3,895.2	3,982.7
2.3.2 Cash in Hand	578.9	541.6	578.9	558.0	623.0
2.3.3 Loans and Advances from the RBI	2,158.7	758.6	2,158.7	570.7	734.8
2.4 Capital Account	9,341.1	8,484.0	9,341.1	9,732.7	9,825.8
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	1,534.5	2,975.0	1,534.5	2,549.8	1,669.4
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	3,960.4	3,448.1	3,960.4	3,916.0	3,762.6
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	–431.8	–492.3	–431.8	–455.3	–406.0

No. 13: Scheduled Commercial Banks' Investments

(₹ Billion)

Item	As on March 18, 2016	2015	2016		
		May. 01	Mar. 18	Apr. 15	Apr. 29
	1	2	3	4	5
1 SLR Securities	26,255.1	25,737.3	26,255.1	27,411.4	27,053.6
2 Commercial Paper	817.9	500.7	817.9	794.4	771.1
3 Shares issued by					
3.1 PSUs	77.1	82.9	77.1	76.7	76.4
3.2 Private Corporate Sector	435.5	379.7	435.5	436.4	438.2
3.3 Others	55.9	30.2	55.9	73.9	64.4
4 Bonds/Debentures issued by					
4.1 PSUs	930.7	813.8	930.7	1,133.7	1,159.7
4.2 Private Corporate Sector	1,324.4	1,162.7	1,324.4	1,314.4	1,290.4
4.3 Others	511.2	581.3	511.2	658.8	652.7
5 Instruments issued by					
5.1 Mutual funds	641.7	528.5	641.7	564.6	450.9
5.2 Financial institutions	629.0	620.3	629.0	605.7	612.2

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

(₹ Billion)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2015-16	2015	2016		2015-16	2015	2016	
		Apr.	Mar.	Apr.		Apr.	Mar.	Apr.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	214	212	214	214	147	145	147	147
1 Liabilities to the Banking System	**2,312.4**	**1,625.1**	**2,312.4**	**2,330.3**	**2,250.3**	**1,569.7**	**2,250.3**	**2,260.9**
1.1 Demand and Time Deposits from Banks	1,583.2	1,202.9	1,583.2	1,602.1	1,522.1	1,149.8	1,522.1	1,535.5
1.2 Borrowings from Banks	645.0	367.2	645.0	645.8	644.0	365.0	644.0	643.1
1.3 Other Demand and Time Liabilities	84.2	55.0	84.2	82.3	84.2	54.9	84.2	82.3
2 Liabilities to Others	**103,899.7**	**96,143.1**	**103,899.7**	**106,204.6**	**101,303.1**	**93,695.0**	**101,303.1**	**103,525.7**
2.1 Aggregate Deposits	95,756.3	89,379.1	95,756.3	98,346.5	93,272.9	87,030.0	93,272.9	95,772.5
2.1.1 Demand	9,095.8	8,384.5	9,095.8	9,348.2	8,890.0	8,196.8	8,890.0	9,131.2
2.1.2 Time	86,660.5	80,994.7	86,660.5	88,998.3	84,382.9	78,833.2	84,382.9	86,641.4
2.2 Borrowings	3,011.5	2,503.9	3,011.5	2,988.1	2,989.8	2,478.8	2,989.8	2,963.3
2.3 Other Demand and Time Liabilities	5,131.9	4,260.1	5,131.9	4,870.0	5,040.4	4,186.3	5,040.4	4,789.9
3 Borrowings from Reserve Bank	**2,324.7**	**1,131.3**	**2,324.7**	**886.5**	**2,324.7**	**1,130.9**	**2,324.7**	**886.5**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	2,324.7	1,131.3	2,324.7	886.5	2,324.7	1,130.9	2,324.7	886.5
4 Cash in Hand and Balances with Reserve Bank	4,571.0	4,392.8	4,571.0	4,729.2	4,448.8	4,276.1	4,448.8	4,605.7
4.1 Cash in Hand	586.7	558.9	586.7	635.8	574.38	543.8	574.4	623.0
4.2 Balances with Reserve Bank	3,984.4	3,834.0	3,984.4	4,093.5	3,874.4	3,732.2	3,874.4	3,982.7
5 Assets with the Banking System	**2,980.4**	**2,517.0**	**2,980.4**	**3,120.5**	**2,604.0**	**2,132.9**	**2,604.0**	**2,741.3**
5.1 Balances with Other Banks	1,759.6	1,588.0	1,759.6	1,909.2	1,616.8	1,413.8	1,616.8	1,756.4
5.1.1 In Current Account	124.9	114.9	124.9	155.7	108.8	98.5	108.8	139.5
5.1.2 In Other Accounts	1,634.7	1,473.1	1,634.7	1,753.5	1,508.0	1,315.4	1,508.0	1,617.0
5.2 Money at Call and Short Notice	513.6	248.6	513.6	486.3	348.9	94.2	348.9	337.3
5.3 Advances to Banks	273.3	197.9	273.3	273.4	260.5	193.4	260.5	260.9
5.4 Other Assets	433.8	482.5	433.8	451.5	377.8	431.4	377.8	386.8
6 Investment	**27,000.9**	**26,368.9**	**27,000.9**	**27,810.7**	**26,255.1**	**25,678.5**	**26,255.1**	**27,053.5**
6.1 Government Securities	26,981.7	26,348.2	26,981.7	27,789.3	26,239.3	25,660.3	26,239.3	27,038.7
6.2 Other Approved Securities	19.2	20.8	19.2	21.4	15.8	18.2	15.8	14.8
7 Bank Credit	**74,689.6**	**67,760.0**	**74,689.6**	**74,821.0**	**72,496.1**	**65,732.6**	**72,496.1**	**72,606.2**
7a Food Credit	1,215.2	1,032.5	1,215.2	1,203.4	1,052.5	898.7	1,052.5	1,040.7
7.1 Loans, Cash-credits and Overdrafts	72,492.8	65,502.5	72,492.8	72,623.0	70,337.2	63,504.7	70,337.2	70,449.8
7.2 Inland Bills-Purchased	264.3	350.9	264.3	276.3	257.1	345.7	257.1	267.4
7.3 Inland Bills-Discounted	1,313.5	1,246.9	1,313.5	1,302.5	1,288.7	1,228.9	1,288.7	1,275.9
7.4 Foreign Bills-Purchased	205.5	217.2	205.5	227.4	204.4	216.1	204.4	226.3
7.5 Foreign Bills-Discounted	413.6	442.6	413.6	391.8	408.8	437.3	408.8	386.9

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

(₹ Billion)

Item	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		Apr. 17	Mar. 18	Apr. 29	2016-17	2016
	1	2	3	4	5	6
1 Gross Bank Credit	**66,500**	**61,282**	**66,500**	**66,450**	**-0.1**	**8.4**
1.1 Food Credit	**1,031**	**868**	**1,031**	**935**	**–9.3**	**7.7**
1.2 Non-food Credit	**65,469**	**60,414**	**65,469**	**65,515**	**0.1**	**8.4**
1.2.1 Agriculture & Allied Activities	**8,829**	**7,835**	**8,829**	**9,033**	**2.3**	**15.3**
1.2.2 Industry	**27,307**	**26,582**	**27,307**	**26,615**	**–2.5**	**0.1**
1.2.2.1 Micro & Small	3,715	3,887	3,715	3,628	–2.3	–6.7
1.2.2.2 Medium	1,148	1,266	1,148	1,089	–5.1	–14.0
1.2.2.3 Large	22,444	21,429	22,444	21,899	–2.4	2.2
1.2.3 Services	**15,411**	**14,221**	**15,411**	**15,766**	**2.3**	**10.9**
1.2.3.1 Transport Operators	997	924	997	1,042	4.5	12.9
1.2.3.2 Computer Software	191	176	191	191	–0.1	8.6
1.2.3.3 Tourism, Hotels & Restaurants	371	376	371	373	0.7	–0.8
1.2.3.4 Shipping	104	101	104	100	–3.8	–0.7
1.2.3.5 Professional Services	1,046	843	1,046	1,211	15.8	43.6
1.2.3.6 Trade	3,811	3,624	3,811	3,841	0.8	6.0
1.2.3.6.1 Wholesale Trade	1,686	1,751	1,686	1,683	–0.2	–3.9
1.2.3.6.2 Retail Trade	2,125	1,872	2,125	2,158	1.6	15.3
1.2.3.7 Commercial Real Estate	1,776	1,664	1,776	1,841	3.6	10.6
1.2.3.8 Non-Banking Financial Companies (NBFCs)	3,527	3,222	3,527	3,654	3.6	13.4
1.2.3.9 Other Services	3,587	3,292	3,587	3,512	–2.1	6.7
1.2.4 Personal Loans	**13,922**	**11,775**	**13,922**	**14,101**	**1.3**	**19.7**
1.2.4.1 Consumer Durables	178	156	178	187	5.5	20.1
1.2.4.2 Housing	7,468	6,419	7,468	7,582	1.5	18.1
1.2.4.3 Advances against Fixed Deposits	667	627	667	642	–3.7	2.4
1.2.4.4 Advances to Individuals against share & bonds	64	53	64	50	–21.7	–5.9
1.2.4.5 Credit Card Outstanding	377	313	377	410	8.8	31.2
1.2.4.6 Education	682	638	682	680	–0.4	6.5
1.2.4.7 Vehicle Loans	1,529	1,265	1,529	1,515	–0.9	19.7
1.2.4.8 Other Personal Loans	2,958	2,304	2,958	3,035	2.6	31.7
1.2A Priority Sector	**22,259**	**20,192**	**22,259**	**22,462**	**0.9**	**11.2**
1.2A.1 Agriculture & Allied Activities	8,826	7,835	8,826	9,022	2.2	15.1
1.2A.2 Micro & Small Enterprises	8,476	8,126	8,476	8,449	–0.3	4.0
1.2A.2.1 Manufacturing	3,715	3,887	3,715	3,628	–2.3	–6.7
1.2A.2.2 Services	4,761	4,240	4,761	4,822	1.3	13.7
1.2A.3 Housing	3,423	3,203	3,423	3,448	0.7	7.6
1.2A.4 Micro-Credit	188	176	188	189	0.5	7.7
1.2A.5 Education Loans	601	592	601	596	–0.9	0.7
1.2A.6 State-Sponsored Orgs. for SC/ST	5	4	5	6	7.8	58.3
1.2A.7 Weaker Sections	4,774	4,015	4,774	4,854	1.7	20.9
1.2A.8 Export Credit	424	440	424	452	6.8	2.7

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

(₹ Billion)

Industry	Outstanding as on				Growth (%)	
	Mar. 18, 2016	2015	2016		Financial year so far	Y-o-Y
		Apr. 17	Mar. 18	Apr. 29	2016-17	2016
	1	2	3	4	5	6
1 Industry	**27,307**	**26,582**	**27,307**	**26,615**	**–2.5**	**0.1**
1.1 Mining & Quarrying (incl. Coal)	**390**	**360**	**390**	**368**	**–5.7**	**2.2**
1.2 Food Processing	**1,501**	**1,687**	**1,501**	**1,467**	**–2.2**	**–13.0**
1.2.1 Sugar	400	426	400	389	–2.6	–8.7
1.2.2 Edible Oils & Vanaspati	199	209	199	194	–2.6	–7.4
1.2.3 Tea	36	32	36	32	–12.3	–0.2
1.2.4 Others	866	1,019	866	853	–1.6	–16.3
1.3 Beverage & Tobacco	**181**	**190**	**181**	**171**	**–6.0**	**–10.4**
1.4 Textiles	**2,058**	**2,032**	**2,058**	**2,039**	**–0.9**	**0.4**
1.4.1 Cotton Textiles	1,035	1,000	1,035	1,015	–1.9	1.5
1.4.2 Jute Textiles	22	22	22	20	–7.2	–6.8
1.4.3 Man-Made Textiles	208	212	208	201	–3.3	–5.1
1.4.4 Other Textiles	793	798	793	803	1.3	0.6
1.5 Leather & Leather Products	**105**	**103**	**105**	**104**	**–0.7**	**1.3**
1.6 Wood & Wood Products	**95**	**98**	**95**	**101**	**6.1**	**2.5**
1.7 Paper & Paper Products	**355**	**339**	**355**	**342**	**–3.8**	**0.7**
1.8 Petroleum, Coal Products & Nuclear Fuels	**512**	**558**	**512**	**519**	**1.3**	**–7.0**
1.9 Chemicals & Chemical Products	**1,645**	**1,516**	**1,645**	**1,574**	**–4.4**	**3.8**
1.9.1 Fertiliser	285	213	285	256	–10.0	20.4
1.9.2 Drugs & Pharmaceuticals	535	509	535	517	–3.2	1.6
1.9.3 Petro Chemicals	365	333	365	350	–4.1	5.2
1.9.4 Others	461	461	461	450	–2.4	–2.5
1.10 Rubber, Plastic & their Products	**374**	**373**	**374**	**362**	**–3.2**	**–3.1**
1.11 Glass & Glassware	**89**	**90**	**89**	**85**	**–4.2**	**–5.1**
1.12 Cement & Cement Products	**543**	**568**	**543**	**543**	**–0.0**	**–4.4**
1.13 Basic Metal & Metal Product	**4,160**	**3,834**	**4,160**	**4,187**	**0.7**	**9.2**
1.13.1 Iron & Steel	3,115	2,838	3,115	3,147	1.0	10.9
1.13.2 Other Metal & Metal Product	1,046	996	1,046	1,040	–0.5	4.5
1.14 All Engineering	**1,542**	**1,545**	**1,542**	**1,526**	**–1.0**	**–1.3**
1.14.1 Electronics	382	372	382	376	–1.7	1.0
1.14.2 Others	1,159	1,173	1,159	1,150	–0.8	–2.0
1.15 Vehicles, Vehicle Parts & Transport Equipment	**690**	**692**	**690**	**682**	**–1.2**	**–1.6**
1.16 Gems & Jewellery	**727**	**715**	**727**	**704**	**–3.2**	**–1.5**
1.17 Construction	**745**	**741**	**745**	**787**	**5.6**	**6.3**
1.18 Infrastructure	**9,648**	**9,326**	**9,648**	**9,190**	**–4.7**	**–1.5**
1.18.1 Power	5,799	5,652	5,799	5,382	–7.2	–4.8
1.18.2 Telecommunications	913	978	913	941	3.1	–3.7
1.18.3 Roads	1,775	1,669	1,775	1,756	–1.1	5.2
1.18.4 Other Infrastructure	1,161	1,027	1,161	1,112	–4.3	8.3
1.19 Other Industries	**1,945**	**1,815**	**1,945**	**1,865**	**–4.1**	**2.8**

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

(₹ Billion)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday					
	2014-15	2015		2016		
		Jan. 30	Dec. 25	Jan. 8	Jan. 22	Jan. 29
	1	2	3	4	5	6
Number of Reporting Banks	31	31	31	31	31	31
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**422.3**	**406.3**	**457.5**	**467.4**	**473.1**	**472.7**
2 Demand and Time Liabilities						
2.1 Demand Liabilities	**148.1**	**135.4**	**144.8**	**151.3**	**156.2**	**151.6**
2.1.1 Deposits						
2.1.1.1 Inter-Bank	33.7	28.2	28.9	28.7	28.8	29.3
2.1.1.2 Others	77.7	74.5	72.6	79.0	80.0	80.2
2.1.2 Borrowings from Banks	9.3	5.5	8.7	8.5	9.5	7.6
2.1.3 Other Demand Liabilities	27.4	27.1	34.6	35.0	38.0	34.4
2.2 Time Liabilities	**854.6**	**851.3**	**880.5**	**888.6**	**887.7**	**886.3**
2.2.1 Deposits						
2.2.1.1 Inter-Bank	499.2	511.2	485.9	491.0	484.9	484.0
2.2.1.2 Others	344.6	331.8	384.9	388.4	393.1	392.5
2.2.2 Borrowings from Banks	0.1	0.4	0.6	0.2	–	0.5
2.2.3 Other Time Liabilities	10.8	7.9	9.2	9.0	9.7	9.3
3 Borrowing from Reserve Bank	–	–	0.4	0.4	0.4	0.4
4 Borrowings from a notified bank / State Government	450.9	431.5	425.5	437.7	440.3	443.1
4.1 Demand	174.9	171.7	153.0	149.4	148.9	149.3
4.2 Time	276.0	259.7	272.5	288.3	291.3	293.8
5 Cash in Hand and Balances with Reserve Bank	**40.5**	**40.8**	**41.3**	**37.6**	**40.5**	**41.2**
5.1 Cash in Hand	2.4	2.2	2.1	2.2	2.1	2.2
5.2 Balance with Reserve Bank	38.1	38.6	39.1	35.4	38.4	39.0
6 Balances with Other Banks in Current Account	10.0	5.8	6.1	5.9	5.9	5.7
7 Investments in Government Securities	282.4	276.9	282.5	282.0	284.7	286.1
8 Money at Call and Short Notice	198.8	191.5	187.1	182.3	178.0	166.0
9 Bank Credit (10.1+11)	**426.4**	**409.9**	**435.5**	**461.4**	**466.0**	**467.6**
10 Advances						
10.1 Loans, Cash-Credits and Overdrafts	**426.4**	**409.9**	**435.4**	**461.4**	**466.0**	**467.5**
10.2 Due from Banks	709.2	697.3	692.5	693.3	697.5	702.3
11 Bills Purchased and Discounted	0.1	0.1	–	–	–	–

Prices and Production

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

Group/Sub group	2015-16			Rural			Urban			Combined		
	Rural	Urban	Combined	Apr. 15	Mar. 16	Apr. 16	Apr. 15	Mar. 16	Apr. 16	Apr. 15	Mar. 16	Apr. 16
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**129.2**	**129.8**	**129.4**	**123.6**	**130.4**	**131.7**	**124.6**	**128.9**	**131.8**	**124.0**	**129.8**	**131.7**
1.1 Cereals and products	125.3	123.9	124.9	123.3	127.3	127.3	123.8	124.8	124.9	123.5	126.5	126.5
1.2 Meat and fish	130.9	132.1	131.3	125.5	134.4	135.2	128.2	136.3	139.3	126.4	135.1	136.6
1.3 Egg	122.1	120.5	121.5	117.2	125.1	123.3	110.0	123.7	119.9	114.4	124.6	122.0
1.4 Milk and products	129.2	128.2	128.8	126.8	130.5	131.2	126.3	129.7	130.2	126.6	130.2	130.8
1.5 Oils and fats	115.7	107.6	112.7	111.9	118.3	118.2	104.5	107.9	108.8	109.2	114.5	114.7
1.6 Fruits	132.7	125.6	129.4	134.2	131.7	137.9	130.6	119.9	131.1	132.5	126.2	134.7
1.7 Vegetables	142.1	148.5	144.2	127.5	130.7	133.8	130.8	128.1	136.7	128.6	129.8	134.8
1.8 Pulses and products	146.4	166.1	153.0	121.5	161.2	162.6	131.3	170.3	176.8	124.8	164.3	167.4
1.9 Sugar and confectionery	96.0	91.7	94.5	97.8	100.4	105.0	91.6	101.8	109.1	95.7	100.9	106.4
1.10 Spices	125.9	134.7	128.8	119.8	130.8	131.4	127.7	140.1	140.4	122.4	133.9	134.4
1.11 Non-alcoholic beverages	122.3	119.2	121.0	119.4	124.9	125.4	117.2	120.7	121.1	118.5	123.1	123.6
1.12 Prepared meals, snacks, sweets	133.2	132.6	132.9	128.7	137.0	137.4	129.5	135.4	135.9	129.1	136.3	136.7
2 Pan, tobacco and intoxicants	**130.9**	**135.6**	**132.2**	**125.7**	**135.0**	**135.4**	**130.1**	**140.6**	**141.5**	**126.9**	**136.5**	**137.0**
3 Clothing and footwear	**130.2**	**123.5**	**127.5**	**126.0**	**133.8**	**134.4**	**121.3**	**125.5**	**125.8**	**124.1**	**130.5**	**131.0**
3.1 Clothing	130.7	124.3	128.2	126.4	134.4	135.0	122.1	126.4	126.8	124.7	131.3	131.8
3.2 Footwear	127.0	118.7	123.6	123.3	130.2	130.7	117.2	120.3	120.5	120.8	126.1	126.5
4 Housing	**--**	**121.7**	**121.7**	**--**	**--**	**--**	**119.2**	**124.9**	**125.6**	**119.2**	**124.9**	**125.6**
5 Fuel and light	**124.4**	**115.3**	**121.0**	**121.2**	**127.0**	**127.1**	**114.7**	**114.8**	**114.5**	**118.7**	**122.4**	**122.3**
6 Miscellaneous	**118.9**	**116.3**	**117.6**	**116.0**	**121.1**	**121.8**	**114.2**	**117.3**	**118.2**	**115.1**	**119.3**	**120.1**
6.1 Household goods and services	124.5	120.4	122.6	120.9	127.7	127.9	118.4	122.3	122.8	119.7	125.1	125.5
6.2 Health	121.9	117.3	120.1	118.6	124.8	125.3	114.6	119.7	120.0	117.1	122.9	123.3
6.3 Transport and communication	113.7	109.7	111.5	111.9	113.6	114.3	108.4	108.5	110.0	110.1	110.9	112.0
6.4 Recreation and amusement	119.6	117.4	118.4	116.2	122.5	123.2	115.6	119.1	119.5	115.9	120.6	121.1
6.5 Education	124.2	125.4	124.9	119.9	127.5	128.2	121.7	126.4	127.6	121.0	126.9	127.8
6.6 Personal care and effects	114.0	113.4	113.7	111.6	117.4	118.3	111.8	117.1	117.6	111.7	117.3	118.0
General Index (All Groups)	**126.1**	**123.0**	**124.7**	**121.5**	**128.0**	**128.9**	**119.7**	**123.8**	**125.3**	**120.7**	**126.0**	**127.2**

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2015-16	2015	2016	
				Apr.	Mar.	Apr.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2001	4.63	265	256	268	271
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	835	805	843	848
3 Consumer Price Index for Rural Labourers	1986-87	–	839	809	848	854

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

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

Item	2015-16	2015	2016	
		Apr.	Mar.	Apr.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	26,534	26,683	28,794	28,818
2 Silver (₹ per kilogram)	36,318	37,491	37,500	38,656

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

No. 21: Wholesale Price Index

(Base: 2004-05 = 100)

Commodities	Weight	2015-16	2015	2016		
			Apr.	Feb.	Mar. (P)	Apr. (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**176.6**	**176.4**	**174.1**	**174.6**	**177.0**
1.1 PRIMARY ARTICLES	**20.118**	**249.4**	**243.6**	**245.8**	**244.1**	**249.3**
1.1.1 Food articles	**14.337**	**262.0**	**253.1**	**260.5**	**258.6**	**263.8**
1.1.1.1 Food Grains	4.090	252.7	237.1	261.2	256.1	258.9
1.1.1.1.1 Cereals	3.373	234.9	231.3	241.2	236.8	237.4
1.1.1.1.2 Pulses	0.717	336.7	264.3	355.2	346.6	360.4
1.1.1.2 Fruits & Vegetables	3.843	254.0	243.1	229.7	226.5	241.8
1.1.1.2.1 Vegetables	1.736	268.5	217.1	221.1	211.9	221.9
1.1.1.2.2 Fruits	2.107	242.1	264.6	236.8	238.6	258.3
1.1.1.3 Milk	3.238	250.6	247.6	251.7	253.9	254.6
1.1.1.4 Eggs, Meat & Fish	2.414	288.0	290.8	298.2	300.8	300.5
1.1.1.5 Condiments & Spices	0.569	342.6	310.2	357.2	347.4	347.7
1.1.1.6 Other Food Articles	0.183	245.3	244.9	246.8	239.1	251.5
1.1.2 Non-Food Articles	**4.258**	**219.4**	**210.6**	**220.4**	**219.0**	**225.6**
1.1.2.1 Fibres	0.877	206.9	202.9	211.3	206.3	213.6
1.1.2.2 Oil Seeds	1.781	214.8	207.6	209.6	210.9	219.4
1.1.2.3 Other Non-Food Articles	1.386	233.8	228.2	235.7	239.2	242.8
1.1.2.4 Flowers	0.213	215.7	152.7	249.2	206.9	214.4
1.1.3 Minerals	**1.524**	**215.0**	**246.7**	**179.2**	**178.5**	**179.5**
1.1.3.1 Metallic Minerals	0.489	285.2	339.0	238.4	240.7	239.3
1.1.3.2 Other Minerals	0.135	204.0	210.8	197.4	197.6	197.5
1.1.3.3 Crude Petroleum	0.900	178.6	202.0	144.4	141.9	144.4
1.2 FUEL & POWER	**14.910**	**179.8**	**184.3**	**168.4**	**172.4**	**175.4**
1.2.1 Coal	2.094	189.9	189.9	189.9	189.9	189.9
1.2.2 Mineral Oils	9.364	179.5	188.1	162.1	168.5	173.3
1.2.3 Electricity	3.452	174.3	170.5	172.3	172.3	172.3
1.3 MANUFACTURED PRODUCTS	**64.972**	**153.4**	**153.9**	**153.2**	**153.7**	**155.0**
1.3.1 Food Products	**9.974**	**174.0**	**169.8**	**178.0**	**177.7**	**183.4**
1.3.1.1 Dairy Products	0.568	206.7	206.8	204.8	204.6	203.9
1.3.1.2 Canning, Preserving & Processing of Food	0.358	165.2	167.8	165.9	167.5	166.2
1.3.1.3 Grain Mill Products	1.340	178.8	172.3	184.4	184.3	183.5
1.3.1.4 Bakery Products	0.444	150.5	152.8	149.5	149.8	150.0
1.3.1.5 Sugar, Khandsari & Gur	2.089	166.8	169.1	180.1	178.6	192.7
1.3.1.6 Edible Oils	3.043	148.6	144.3	149.1	150.0	152.4
1.3.1.7 Oil Cakes	0.494	250.6	225.5	258.1	258.8	263.3
1.3.1.8 Tea & Coffee Proccessing	0.711	191.1	179.6	179.9	176.4	199.1
1.3.1.9 Manufacture of Salt	0.048	201.5	209.7	199.8	199.8	199.8
1.3.1.10 Other Food Products	0.879	208.0	200.4	217.3	216.9	220.4
1.3.2 Beverages, Tobacco & Tobacco Products	**1.762**	**206.4**	**203.2**	**208.6**	**210.2**	**216.2**
1.3.2.1 Wine Industries	0.385	137.5	136.6	137.1	145.1	145.1
1.3.2.2 Malt Liquor	0.153	181.1	179.4	184.2	184.1	185.0
1.3.2.3 Soft Drinks & Carbonated Water	0.241	167.5	168.6	169.3	168.5	170.9
1.3.2.4 Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	246.8	241.5	250.1	250.0	260.1
1.3.3 Textiles	**7.326**	**140.2**	**140.4**	**139.9**	**139.8**	**139.9**
1.3.3.1 Cotton Textiles	2.605	156.5	157.6	155.9	155.3	156.1
1.3.3.1.1 Cotton Yarn	1.377	166.1	167.8	164.3	163.5	165.2
1.3.3.1.2 Cotton Fabric	1.228	145.8	146.1	146.5	145.9	145.8
1.3.3.2 Man-Made Textiles	2.206	131.3	132.4	129.3	129.1	128.6
1.3.3.2.1 Man-Made Fibre	1.672	130.2	132.3	127.6	127.3	126.6
1.3.3.2.2 Man-Made Fabric	0.533	134.9	132.7	134.6	134.6	134.9
1.3.3.3 Woollen Textiles	0.294	153.3	160.2	151.1	151.6	151.6
1.3.3.4 Jute, Hemp & Mesta Textiles	0.261	219.2	200.3	235.9	238.0	239.0
1.3.3.5 Other Misc. Textiles	1.960	115.8	115.6	116.2	116.3	116.4
1.3.4 Wood & Wood Products	**0.587**	**195.7**	**192.2**	**196.7**	**196.9**	**198.0**
1.3.4.1 Timber/Wooden Planks	0.181	164.5	159.6	165.9	165.8	165.6
1.3.4.2 Processed Wood	0.128	193.9	192.5	193.7	195.3	195.3
1.3.4.3 Plywood & Fibre Board	0.241	227.3	222.7	228.7	227.9	231.0
1.3.4.4 Others	0.038	150.0	152.5	150.7	154.4	152.0

No. 21: Wholesale Price Index (Concld.)

(Base: 2004-05 = 100)

Commodities	Weight	2015-16	2015	2016		
			Apr.	Feb.	Mar. (P)	Apr. (P)
	1	2	3	4	5	6
1.3.5 Paper & Paper Products	**2.034**	**154.6**	**153.5**	**155.4**	**156.1**	**155.3**
1.3.5.1 Paper & Pulp	1.019	151.3	152.7	151.0	151.2	151.0
1.3.5.2 Manufacture of boards	0.550	135.6	133.9	135.1	136.5	133.9
1.3.5.3 Printing & Publishing	0.465	184.4	178.4	189.2	189.8	189.9
1.3.6 Leather & Leather Products	**0.835**	**144.9**	**142.8**	**146.2**	**146.0**	**145.7**
1.3.6.1 Leathers	0.223	116.0	117.7	115.5	115.5	114.7
1.3.6.2 Leather Footwear	0.409	160.6	157.4	162.3	162.2	161.7
1.3.6.3 Other Leather Products	0.203	144.8	140.9	147.7	146.9	147.4
1.3.7 Rubber & Plastic Products	**2.987**	**147.2**	**148.5**	**145.1**	**145.6**	**145.7**
1.3.7.1 Tyres & Tubes	0.541	176.8	175.8	176.1	176.5	176.5
1.3.7.1.1 Tyres	0.488	177.5	176.5	176.4	176.4	176.5
1.3.7.1.2 Tubes	0.053	170.9	170.1	173.3	177.6	176.8
1.3.7.2 Plastic Products	1.861	136.3	138.3	133.5	134.0	133.8
1.3.7.3 Rubber Products	0.584	154.6	155.6	153.3	153.9	155.2
1.3.8 Chemicals & Chemical Products	**12.018**	**150.5**	**151.1**	**149.5**	**149.5**	**149.9**
1.3.8.1 Basic Inorganic Chemicals	1.187	155.3	156.0	154.4	154.5	154.9
1.3.8.2 Basic Organic Chemicals	1.952	140.1	144.3	136.8	137.4	138.8
1.3.8.3 Fertilisers & Pesticides	3.145	155.0	153.0	155.8	155.7	155.9
1.3.8.3.1 Fertilisers	2.661	158.2	156.1	158.7	158.7	159.0
1.3.8.3.2 Pesticides	0.483	137.7	135.9	140.2	139.1	139.0
1.3.8.4 Paints, Varnishes & Lacquers	0.529	152.2	153.3	152.1	151.8	151.5
1.3.8.5 Dyestuffs & Indigo	0.563	142.0	141.2	142.6	142.8	142.6
1.3.8.6 Drugs & Medicines	0.456	129.6	130.2	128.5	128.5	128.6
1.3.8.7 Perfumes, Cosmetics, Toiletries etc.	1.130	163.2	163.1	163.2	163.2	163.9
1.3.8.8 Turpentine, Plastic Chemicals	0.586	154.1	154.2	153.3	153.5	153.6
1.3.8.9 Polymers including Synthetic Rubber	0.970	146.0	146.8	145.6	144.3	144.8
1.3.8.10 Petrochemical Intermediates	0.869	150.1	154.0	143.2	144.0	144.7
1.3.8.11 Matches, Explosives & other Chemicals	0.629	153.9	154.3	153.0	152.6	153.0
1.3.9 Non-Metallic Mineral Products	**2.556**	**177.3**	**178.3**	**177.3**	**178.3**	**179.3**
1.3.9.1 Structural Clay Products	0.658	198.5	197.8	200.8	200.0	198.9
1.3.9.2 Glass, Earthenware, Chinaware & their Products	0.256	141.4	140.0	142.9	142.5	142.6
1.3.9.3 Cement & Lime	1.386	173.6	175.2	172.4	174.8	176.9
1.3.9.4 Cement, Slate & Graphite Products	0.256	179.2	183.1	177.7	177.5	178.5
1.3.10 Basic Metals, Alloys & Metal Products	**10.748**	**154.6**	**161.4**	**150.7**	**153.1**	**153.9**
1.3.10.1 Ferrous Metals	8.064	141.7	150.1	135.9	138.9	140.0
1.3.10.1.1 Iron & Semis	1.563	139.3	150.0	131.9	135.3	137.0
1.3.10.1.2 Steel: Long	1.630	148.8	158.7	142.6	146.8	147.6
1.3.10.1.3 Steel: Flat	2.611	132.5	142.8	125.1	130.1	131.6
1.3.10.1.4 Steel: Pipes & Tubes	0.314	127.7	133.6	123.2	122.6	124.1
1.3.10.1.5 Stainless Steel & alloys	0.938	160.5	164.5	157.7	157.5	158.1
1.3.10.1.6 Castings & Forgings	0.871	144.1	145.8	142.0	141.1	140.8
1.3.10.1.7 Ferro alloys	0.137	149.8	153.5	148.4	148.2	149.5
1.3.10.2 Non-Ferrous Metals	1.004	164.2	166.9	162.8	162.9	163.0
1.3.10.2.1 Aluminium	0.489	137.3	143.2	134.6	135.0	135.0
1.3.10.2.2 Other Non-Ferrous Metals	0.515	189.7	189.4	189.7	189.6	189.6
1.3.10.3 Metal Products	1.680	210.3	212.1	214.5	215.6	215.5
1.3.11 Machinery & Machine Tools	**8.931**	**135.0**	**134.8**	**135.0**	**134.9**	**135.0**
1.3.11.1 Agricultural Machinery & Implements	0.139	149.1	149.4	149.0	149.0	149.0
1.3.11.2 Industrial Machinery	1.838	153.5	153.2	153.5	153.3	153.4
1.3.11.3 Construction Machinery	0.045	141.5	141.5	141.5	141.5	141.5
1.3.11.4 Machine Tools	0.367	167.6	165.5	175.8	175.8	175.8
1.3.11.5 Air Conditioner & Refrigerators	0.429	120.8	120.1	121.2	121.2	121.2
1.3.11.6 Non-Electrical Machinery	1.026	127.6	127.6	127.6	127.6	127.6
1.3.11.7 Electrical Machinery, Equipment & Batteries	2.343	138.2	137.9	138.0	138.0	138.1
1.3.11.8 Electrical Accessories, Wires, Cables etc.	1.063	155.6	157.1	153.1	153.1	153.2
1.3.11.9 Electrical Apparatus & Appliances	0.337	121.8	121.6	122.0	122.0	121.8
1.3.11.10 Electronics Items	0.961	89.2	88.9	89.4	89.1	89.4
1.3.11.11 IT Hardware	0.267	91.7	91.7	91.7	91.7	91.7
1.3.11.12 Communication Equipments	0.118	99.0	98.5	99.6	99.6	98.5
1.3.12 Transport, Equipment & Parts	**5.213**	**138.1**	**137.5**	**139.0**	**139.0**	**139.1**
1.3.12.1 Automotives	4.231	137.1	136.4	138.3	138.3	138.4
1.3.12.2 Auto Parts	0.804	140.3	140.2	140.2	140.2	140.2
1.3.12.3 Other Transport Equipments	0.178	151.0	150.2	150.6	150.4	150.4

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

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

Industry	Weight	2014-15	2015-16	April-March		March	
				2014-15	2015-16	2015	2016
	1	2	3	4	5	6	7
General Index	**100.00**	**176.9**	**181.1**	**176.9**	**181.1**	**198.1**	**198.2**
1 Sectoral Classification							
1.1 Mining and Quarrying	14.16	126.5	129.3	126.5	129.3	149.0	148.8
1.2 Manufacturing	75.53	186.1	189.8	186.1	189.8	210.3	207.7
1.3 Electricity	10.32	178.6	188.6	178.6	188.6	176.4	196.3
2 Use-Based Classification							
2.1 Basic Goods	45.68	167.8	173.7	167.8	173.7	180.8	188.1
2.2 Capital Goods	8.83	258.0	250.6	258.0	250.6	331.5	280.5
2.3 Intermediate Goods	15.69	153.8	157.6	153.8	157.6	164.8	170.9
2.4 Consumer Goods	29.81	178.9	184.3	178.9	184.3	202.7	203.6
2.4.1 Consumer Durables	8.46	231.0	256.8	231.0	256.8	261.9	284.7
2.4.2 Consumer Non-Durables	21.35	158.3	155.6	158.3	155.6	179.3	171.5

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(Amount in ₹ Billion)

Item	2016-17			2015-16		
		April 2016				
	Budget Estimates	Actuals	Per cent to Budget Estimates	Provisional Accounts	Revised Estimates	Provisional Accounts as per cent to Revised Estimates
	1	2	3	4	5	6
1 Revenue Receipts	13,770.2	220.8	1.6	11,953.3	12,060.8	99.1
1.1 Tax Revenue (Net)	10,541.0	127.7	1.2	9,445.6	9,475.1	99.7
1.2 Non-Tax Revenue	3,229.2	93.1	2.9	2,507.7	2,585.8	97.0
2. Capital Receipts	6,010.4	1,399.1	23.3	5,779.4	5,793.1	99.8
2.1 Recovery of Loans	106.3	2.5	2.3	208.5	189.1	110.3
2.2 Other Receipts	565.0	23.4	4.1	247.4	253.1	97.7
2.3 Borrowings and Other Liabilities	5,339.0	1,373.3	25.7	5,323.5	5,350.9	99.5
3 Total Receipts (1+2)	19,780.6	1,619.9	8.2	17,732.7	17,853.9	99.3
4 Non-Plan Expenditure	14,280.5	1,164.4	8.2	13,021.9	13,081.9	99.5
4.1 On Revenue Account	13,274.1	1,035.5	7.8	12,108.4	12,126.7	99.8
4.1.1 Interest Payments	4,926.7	158.6	3.2	4,417.3	4,426.2	99.8
4.2 On Capital Account	1,006.4	129.0	12.8	913.5	955.3	95.6
5 Plan Expenditure	5,500.1	455.4	8.3	4,710.8	4,772.0	98.7
5.1 On Revenue Account	4,036.3	376.0	9.3	3,271.8	3,350.0	97.7
5.2 On Capital Account	1,463.8	79.4	5.4	1,439.1	1,421.9	101.2
6 Total Expenditure (4+5)	19,780.6	1,619.9	8.2	17,732.7	17,853.9	99.3
7 Revenue Expenditure (4.1+5.1)	17,310.4	1,411.5	8.2	15,380.2	15,476.7	99.4
8 Capital Expenditure (4.2+5.2)	2,470.2	208.4	8.4	2,352.5	2,377.2	99.0
9 Revenue Deficit (7-1)	3,540.2	1,190.8	33.6	3,426.8	3,415.9	100.3
10 Fiscal Deficit {6-(1+2.1+2.2)}	5,339.0	1,373.3	25.7	5,323.5	5,350.9	99.5
11 Gross Primary Deficit [10-4.1.1]	412.3	1,214.7	294.6	906.2	924.7	98.0

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

No. 24: Treasury Bills – Ownership Pattern

(₹ Billion)

Item	2015-16	2015	2016					
		May 1	Mar. 25	Apr. 1	Apr. 8	Apr. 15	Apr. 22	Apr. 29
	1	2	3	4	5	6	7	8
1 14-day								
1.1 Banks	–	–	–	–	–	–	–	–
1.2 Primary Dealers	–	–	–	–	–	–	–	–
1.3 State Governments	1,224.9	694.8	1,224.9	1,576.5	1,236.0	985.5	1,136.5	1,071.4
1.4 Others	10.1	9.2	10.1	5.5	8.0	17.1	14.8	7.8
2 91-day								
2.1 Banks	436.1	459.5	436.1	422.9	474.8	494.3	477.1	471.1
2.2 Primary Dealers	219.0	349.2	219.0	271.4	317.4	290.2	315.4	345.9
2.3 State Governments	453.0	424.3	453.0	308.0	337.1	412.1	392.1	452.1
2.4 Others	362.4	246.9	362.4	324.7	235.3	234.9	227.4	297.6
3 182-day								
3.1 Banks	186.5	268.4	186.5	135.9	255.1	249.3	244.2	243.6
3.2 Primary Dealers	412.7	384.3	412.7	450.1	308.3	332.2	338.1	347.4
3.3 State Governments	50.0	7.1	50.0	55.7	55.7	55.7	55.7	55.7
3.4 Others	62.9	109.8	62.9	135.9	156.9	138.6	136.9	128.1
4 364-day								
4.1 Banks	442.8	374.3	442.8	341.9	414.9	414.1	429.7	426.4
4.2 Primary Dealers	662.6	686.5	662.6	703.2	673.7	648.8	647.8	650.6
4.3 State Governments	19.6	12.0	19.6	19.6	19.6	19.6	19.6	19.6
4.4 Others	354.9	418.9	354.9	474.7	371.4	397.2	382.5	383.1
5 Total	4,897.3	4,445.5	4,897.3	5,226.0	4,864.2	4,689.6	4,818.0	4,900.6

No. 25: Auctions of Treasury Bills

(Amount in ₹ Billion)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2015-16										
Mar. 30	80	77	187.64	16.17	55	80.00	16.17	96.17	98.22	7.2689
2016-17										
Apr. 6	90	84	343.95	51.09	61	90.00	51.09	141.09	98.32	6.8536
Apr. 12	90	71	433.75	75.00	32	90.00	75.00	165.00	98.33	6.8121
Apr. 20	90	69	365.89	15.00	41	90.00	15.00	105.00	98.33	6.8121
Apr. 27	90	80	369.07	65.00	49	90.00	65.00	155.00	98.33	6.8121
182-day Treasury Bills										
2015-16										
Mar. 23	60	57	269.27	5.69	22	60.00	5.69	65.69	96.55	7.1662
2016-17										
Apr. 6	60	56	103.66	0.05	43	60.00	0.05	60.05	96.66	6.9298
Apr. 20	60	61	188.67	–	35	60.00	–	60.00	96.67	6.9083
364-day Treasury Bills										
2015-16										
Mar. 16	60	79	372.21	0.02	25	60.00	0.02	60.02	93.33	7.1663
Mar. 30	60	59	324.90	–	3	60.00	–	60.00	93.38	7.1088
2016-17										
Apr. 12	60	53	151.91	–	29	60.00	–	60.00	93.56	6.9022
Apr. 27	60	70	205.41	0.02	29	60.00	0.02	60.02	93.55	6.9137

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
April	2, 2016	4.75-8.50	5.81
April	4, 2016	5.00-7.00	6.79
April	5, 2016	5.60-6.80	6.46
April	6, 2016	5.00-6.70	6.39
April	7, 2016	5.00-6.55	6.36
April	11, 2016	5.40-6.90	6.53
April	12, 2016	5.40-6.70	6.46
April	13, 2016	4.50-6.60	6.37
April	16, 2016	4.80-6.90	6.40
April	18, 2016	5.40-6.75	6.52
April	20, 2016	5.40-6.85	6.55
April	21, 2016	5.50-6.75	6.50
April	22, 2016	5.00-6.70	6.43
April	25, 2016	5.00-6.75	6.53
April	26, 2016	5.00-6.75	6.46
April	27, 2016	5.00-6.70	6.40
April	28, 2016	5.40-6.70	6.48
April	29, 2016	5.00-6.75	6.54
April	30, 2016	4.70-6.20	5.58
May	2, 2016	5.00-6.75	6.47
May	3, 2016	5.50-6.85	6.40
May	4, 2016	5.00-6.70	6.40
May	5, 2016	5.40-6.70	6.34
May	6, 2016	4.50-6.75	6.37
May	7, 2016	4.50-6.75	6.41
May	9, 2016	5.50-6.85	6.55
May	10, 2016	5.50-6.75	6.53
May	11, 2016	5.40-6.80	6.56
May	12, 2016	4.50-6.80	6.47
May	13, 2016	4.75-6.75	6.47

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2015	2016			
	Apr. 17	Mar. 18	Apr. 1	Apr. 15	Apr. 29
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	2,981.9	2,105.9	2,446.7	2,383.2	2,541.3
1.1 Issued during the fortnight (₹ Billion)	151.1	678.6	567.0	142.3	206.6
2 Rate of Interest (per cent)	7.76-8.36	7.18-8.55	7.79-8.53	7.06-8.03	7.10-7.80

No. 28: Commercial Paper

Item	2015	2016			
	Apr. 30	Mar. 15	Mar. 31	Apr. 15	Apr. 30
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	2,682.7	3,455.9	2,602.4	3,406.2	3,356.8
1.1 Reported during the fortnight (₹ Billion)	678.9	826.6	673.6	918.1	564.6
2 Rate of Interest (per cent)	7.84-12.03	7.27-13.09	7.35-13.14	6.84-11.22	6.88-13.23

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Billion)

Item	2015-16	2015	2016				
		May 1	Apr. 1	Apr. 8	Apr. 15	Apr. 22	Apr. 29
	1	2	3	4	5	6	7
1 Call Money	219.2	155.6	338.9	472.7	300.5	373.7	317.3
2 Notice Money	49.2	69.7	71.1	4.6	165.0	7.3	110.4
3 Term Money	4.8	5.0	3.0	13.2	8.7	12.3	8.8
4 CBLO	1,274.6	1,040.5	1,313.6	1,442.2	1,345.8	1,225.0	1,386.8
5 Market Repo	1,217.5	1,253.7	1,029.5	1,270.5	2,081.1	1,261.5	1,702.8
6 Repo in Corporate Bond	1.1	–	1.6	0.6	1.3	7.9	0.8
7 Forex (US $ million)	55,332	71,834	83,653	83,836	70,719	74,575	68,409
8 Govt. of India Dated Securities	712.8	775.0	1,019.3	1,471.0	1,924.0	999.3	1,034.0
9 State Govt. Securities	27.5	14.5	66.2	51.1	58.0	44.1	25.5
10 Treasury Bills							
10.1 91-Day	40.8	18.6	75.7	57.3	42.5	23.1	38.0
10.2 182-Day	11.8	5.5	10.2	29.4	36.2	29.5	13.5
10.3 364-Day	19	18.7	13.6	70.5	47.2	15.2	30.3
10.4 Cash Management Bills		–	–	–	–	–	–
11 Total Govt. Securities (8+9+10)	811.9	832.3	1,184.8	1,679.3	2,107.8	1,111.1	1,141.5
11.1 RBI	4.50	0.04	9.96	0.78	50.75	10.11	30.30

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

(Amount in ₹ Billion)

Security & Type of Issue	2015-16		2015-16 (Apr.-Apr.)		2016-17 (Apr.-Apr.) *		Apr. 2015		Apr. 2016 *	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8	9	10
1 Equity Shares	**87**	**240.0**	**5**	**88.9**	**5**	**35.7**	**5**	**88.9**	**5**	**35.7**
1A Premium	78	225.7	5	87.7	4	33.2	5	87.7	4	33.2
1.1 Prospectus	73	142.5	3	13.9	5	35.7	3	13.9	5	35.7
1.1.1 Premium	65	134.2	3	13.1	4	33.2	3	13.1	4	33.2
1.2 Rights	14	97.5	2	75.0	–	–	2	75.0	–	–
1.2.1 Premium	13	91.4	2	74.6	–	–	2	74.6	–	–
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Prospectus	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Debentures	**9**	**27.1**	**1**	**4.1**	**2**	**6.9**	**1**	**4.1**	**2**	**6.9**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Prospectus	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	9	27.1	1	4.1	2	6.9	1	4.1	2	6.9
3.2.1 Prospectus	9	27.1	1	4.1	2	6.9	1	4.1	2	6.9
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Bonds	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 Prospectus	–	–	–	–	–	–	–	–	–	–
4.2 Rights	–	–	–	–	–	–	–	–	–	–
5 Total (1+2+3+4)	**96**	**267.2**	**6**	**93.0**	**7**	**42.7**	**6**	**93.0**	**7**	**42.7**
5.1 Prospectus	82	169.7	4	18.0	7	42.7	4	18.0	7	42.7
5.2 Rights	14	97.5	2	75.0	–	–	2	75.0	–	–

* : Data is Provisional

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

External Sector

No. 31: Foreign Trade

Item	Unit	2015-16	2015		2016			
			Apr.	Dec.	Jan.	Feb.	Mar.	Apr.
		1	2	3	4	5	6	7
1 Exports	₹ Billion	17,144.2	1,387.6	1,501.9	1,419.1	1,419.8	1,527.7	1,372.4
	US $ Million	262,003.7	22,112.2	22,552.4	21,101.2	20,806.6	22,793.4	20,647.8
1.1 Oil	₹ Billion	1,985.8	171.9	168.9	137.1	131.5	145.5	132.5
	US $ Million	30,423.5	2,739.6	2,536.4	2,038.8	1,926.7	2,171.1	1,992.9
1.2 Non-oil	₹ Billion	15,158.5	1,215.7	1,333.0	1,282.0	1,288.3	1,382.1	1,240.0
	US $ Million	231,580.2	19,372.6	20,016.0	19,062.4	18,879.9	20,622.3	18,654.9
2 Imports	₹ Billion	24,859.3	2,102.6	2,269.4	1,934.4	1,860.9	1,809.3	1,689.2
	US $ Million	380,356.3	33,505.9	34,078.0	28,763.8	27,271.4	26,995.5	25,413.7
2.1 Oil	₹ Billion	5,400.7	469.6	444.2	339.0	325.8	321.7	375.9
	US $ Million	82,879.9	7,483.2	6,670.6	5,040.0	4,774.8	4,799.9	5,655.9
2.2 Non-oil	₹ Billion	19,458.6	1,633.0	1,825.2	1,595.5	1,535.1	1,487.6	1,313.3
	US $ Million	297,476.4	26,022.6	27,407.5	23,723.8	22,496.6	22,195.6	19,757.8
3 Trade Balance	₹ Billion	–7,715.0	–715.0	–767.6	–515.3	–441.1	–281.6	–316.8
	US $ Million	–118,352.6	–11,393.7	–11,525.6	–7,662.6	–6,464.8	–4,202.1	–4,765.9
3.1 Oil	₹ Billion	–3,414.9	–297.7	–275.3	–201.8	–194.3	–176.2	–243.5
	US $ Million	–52,456.4	–4,743.6	–4,134.2	–3,001.2	–2,848.1	–2,628.8	–3,663.0
3.2 Non-oil	₹ Billion	–4,300.1	–417.3	–492.2	–313.5	–246.8	–105.4	–73.3
	US $ Million	–65,896.2	–6,650.1	–7,391.5	–4,661.3	–3,616.7	–1,573.3	–1,102.8

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

No. 32: Foreign Exchange Reserves

Item	Unit	2015	2016					
		May 22	Apr. 15	Apr. 22	Apr. 29	May 6	May 13	May 20
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Billion**	**22,317**	**23,823**	**23,932**	**24,041**	**23,991**	**23,982**	**24,178**
	US $ Million	**351,557**	**360,251**	**361,601**	**363,121**	**361,995**	**361,027**	**360,905**
1.1 Foreign Currency Assets	₹ Billion	20,746	22,226	22,335	22,442	22,394	22,386	22,580
	US $ Million	326,839	336,187	337,537	339,025	337,996	337,046	336,939
1.2 Gold	₹ Billion	1,229	1,334	1,334	1,334	1,333	1,333	1,333
	US $ Million	19,336	20,115	20,115	20,115	20,043	20,043	20,043
1.3 SDRs	SDRs Million	2,889	1,066	1,066	1,066	1,066	1,066	1,066
	₹ Billion	258	100	100	101	101	100	101
	US $ Million	4,065	1,498	1,498	1,511	1,511	1,504	1,498
1.4 Reserve Tranche Position in IMF	₹ Billion	84	163	163	164	163	163	164
	US $ Million	1,317	2,451	2,451	2,471	2,445	2,434	2,425

No. 33: NRI Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2015-16	2015	2016		2015-16	2016-17
		Apr.	Mar.	Apr.	Apr.	Apr.
	1	2	3	4	5	6
1 NRI Deposits	**126,929**	**116,434**	**126,929**	**127,004**	**2,406**	**302**
1.1 FCNR(B)	45,316	42,933	45,316	45,468	109	152
1.2 NR(E)RA	71,468	63,959	71,468	71,473	2,200	203
1.3 NRO	10,145	9,543	10,145	10,063	97	–54

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2015-16	2015-16	2016-17	2015	2016	
		Apr.	Apr.	Apr.	Mar.	Apr.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**35,958**	**3,810**	**2,092**	**3,810**	**1,404**	**2,092**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**44,785**	**4,265**	**3,528**	**4,265**	**2,529**	**3,528**
1.1.1.1 Gross Inflows/Gross Investments	**55,440**	**5,158**	**4,822**	**5,158**	**3,823**	**4,822**
1.1.1.1.1 Equity	41,043	3,680	3,437	3,680	2,556	3,437
1.1.1.1.1.1 Government (SIA/FIPB)	3,574	79	453	79	98	453
1.1.1.1.1.2 RBI	32,494	3,225	1,154	3,225	1,736	1,154
1.1.1.1.1.3 Acquisition of shares	3,933	301	1,755	301	633	1,755
1.1.1.1.1.4 Equity capital of unincorporated bodies	1,042	76	76	76	89	76
1.1.1.1.2 Reinvested earnings	10,049	772	772	772	912	772
1.1.1.1.3 Other capital	4,348	706	613	706	355	613
1.1.1.2 Repatriation/Disinvestment	**10,656**	**893**	**1,294**	**893**	**1,294**	**1,294**
1.1.1.2.1 Equity	10,528	872	1,280	872	1,280	1,280
1.1.1.2.2 Other capital	128	21	13	21	13	13
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**8,826**	**455**	**1,436**	**455**	**1,125**	**1,436**
1.1.2.1 Equity capital	6,426	289	1,326	289	1,120	1,326
1.1.2.2 Reinvested Earnings	3,337	278	278	278	278	278
1.1.2.3 Other Capital	3,381	329	383	329	277	383
1.1.2.4 Repatriation/Disinvestment	4,318	440	550	440	550	550
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**–3,637**	**4,300**	**315**	**4,300**	**3,509**	**315**
1.2.1 GDRs/ADRs	373	273	–	273	–	–
1.2.2 FIIs	–3,516	3,971	1,133	3,971	4,328	1,133
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	494	–56	819	–56	819	819
1 Foreign Investment Inflows	**32,322**	**8,109**	**2,406**	**8,109**	**4,913**	**2,406**

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

(US$ Million)

Item	2015-16	2015	2016		
		Apr.	Feb.	Mar.	Apr.
	1	2	3	4	5
1 Outward Remittances under the LRS	**4,642.6**	**141.9**	**449.3**	**635.2**	**632.2**
1.1 Deposit	109.9	8.6	7.3	17.7	18.6
1.2 Purchase of immovable property	90.8	9.8	8.7	13.2	11.7
1.3 Investment in equity/debt	317.9	27.6	19.9	72.3	29.2
1.4 Gift	533.0	53.1	38.7	60.2	70.5
1.5 Donations	3.9	0.2	0.1	0.5	0.5
1.6 Travel	651.4	0.7	131.5	117.4	182.0
1.7 Maintenance of close relatives	1,372.1	17.0	137.2	208.2	202.3
1.8 Medical Treatment	17.2	0.5	1.1	2.0	1.5
1.9 Studies Abroad	1,200.0	10.1	87.0	117.1	68.3
1.10 Others	346.4	14.2	17.8	26.7	47.6

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

Item	2014-15	2015-16	2015	2016	
			May	April	May
	1	2	3	4	5
36-Currency Export and Trade Based Weights (Base: 2004-05=100)					
1 Trade-Based Weights					
1.1 NEER	74.07	74.75	74.56	73.51	73.51
1.2 REER	108.96	112.06	109.85	110.23	110.23
2 Export-Based Weights					
2.1 NEER	75.22	76.45	76.44	75.17	75.07
2.2 REER	111.25	114.43	112.32	112.65	112.49
6-Currency Trade Based Weights					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	68.60	67.86	68.84	66.40	66.08
1.2 REER	119.92	123.57	123.16	122.79	122.20
2 Base: 2014-15 (April-March) =100					
2.1 NEER	100.00	98.93	100.36	96.79	96.33
2.2 REER	100.00	103.04	102.71	102.39	101.90

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

(Amount in US$ Million)

Item	2015-16	2015	2016	
		Apr.	Mar.	Apr.
	1	2	3	4
1 Automatic Route				
1.1 Number	671	47	77	45
1.2 Amount	13,412	669	1,320	303
2 Approval Route				
2.1 Number	46	2	4	1
2.2 Amount	10,961	58	201	2
3 Total (1+2)				
3.1 Number	717	49	81	46
3.2 Amount	24,373	727	1,521	305
4 Weighted Average Maturity (in years)	6.20	5.27	5.70	5.60
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.45	1.86	2.27	2.27
5.2 Interest rate range for Fixed Rate Loans	0.00-13.00	0.00-12.00	0.00-13.00	0.00-13.20

No. 38: India's Overall Balance of Payments

(US $ Million)

Item	Oct-Dec 2014 (PR)			Oct-Dec 2015 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**263,890**	**250,709**	**13,182**	**238,119**	**234,062**	**4,056**
1 CURRENT ACCOUNT (1.1+ 1.2)	**140,757**	**148,478**	**–7,721**	**122,556**	**129,637**	**–7,081**
1.1 MERCHANDISE	**80,102**	**118,736**	**–38,635**	**64,937**	**98,941**	**–34,004**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**60,655**	**29,742**	**30,913**	**57,619**	**30,696**	**26,923**
1.2.1 Services	39,648	19,666	19,982	37,885	19,802	18,083
1.2.1.1 Travel	5,461	3,676	1,786	5,761	3,352	2,409
1.2.1.2 Transportation	4,698	4,125	573	3,310	3,450	–140
1.2.1.3 Insurance	570	314	256	449	334	115
1.2.1.4 G.n.i.e.	158	224	–66	147	123	25
1.2.1.5 Miscellaneous	28,761	11,328	17,433	28,217	12,543	15,675
1.2.1.5.1 Software Services	18,692	848	17,844	19,057	639	18,418
1.2.1.5.2 Business Services	7,207	7,068	139	6,667	7,633	–967
1.2.1.5.3 Financial Services	1,334	736	598	958	887	72
1.2.1.5.4 Communication Services	537	222	315	483	223	260
1.2.2 Transfers	17,536	1,108	16,428	15,936	687	15,250
1.2.2.1 Official	130	222	–92	163	218	–55
1.2.2.2 Private	17,406	885	16,521	15,773	469	15,305
1.2.3 Income	3,471	8,968	–5,497	3,798	10,207	–6,409
1.2.3.1 Investment Income	2,545	8,351	–5,806	2,918	9,643	–6,725
1.2.3.2 Compensation of Employees	926	617	309	880	564	316
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**123,133**	**100,270**	**22,864**	**114,962**	**104,426**	**10,536**
2.1 Foreign Investment (2.1.1+2.1.2)	**67,209**	**54,015**	**13,194**	**62,919**	**52,343**	**10,576**
2.1.1 Foreign Direct Investment	11,625	4,712	6,913	17,050	6,265	10,785
2.1.1.1 In India	9,826	2,152	7,674	16,383	2,399	13,984
2.1.1.1.1 Equity	6,605	2,084	4,521	13,127	2,363	10,763
2.1.1.1.2 Reinvested Earnings	2,569	–	2,569	2,631	–	2,631
2.1.1.1.3 Other Capital	652	68	584	626	36	590
2.1.1.2 Abroad	1,799	2,560	–761	667	3,866	–3,199
2.1.1.2.1 Equity	1,799	1,025	775	667	1,921	–1,254
2.1.1.2.2 Reinvested Earnings	–	834	–834	–	834	–834
2.1.1.2.3 Other Capital	–	701	–701	–	1,111	–1,111
2.1.2 Portfolio Investment	55,583	49,303	6,280	45,869	46,078	–209
2.1.2.1 In India	55,354	49,204	6,150	45,758	45,957	–200
2.1.2.1.1 FIIs	55,354	49,204	6,150	45,758	45,957	–200
2.1.2.1.1.1 Equity	40,972	40,728	243	35,921	37,148	–1,228
2.1.2.1.1.2 Debt	14,382	8,475	5,906	9,837	8,809	1,028
2.1.2.1.2 ADR/GDRs	–	–	–	–	–	–
2.1.2.2 Abroad	230	99	130	111	121	–9
2.2 Loans (2.2.1+2.2.2+2.2.3)	**26,575**	**27,763**	**–1,188**	**28,999**	**31,356**	**–2,358**
2.2.1 External Assistance	1,387	1,099	288	1,513	1,175	338
2.2.1.1 By India	15	97	–82	15	129	–113
2.2.1.2 To India	1,372	1,002	370	1,498	1,047	451
2.2.2 Commercial Borrowings	7,618	7,741	–123	6,756	7,666	–910
2.2.2.1 By India	410	38	373	432	200	232
2.2.2.2 To India	7,208	7,704	–496	6,324	7,466	–1,142
2.2.3 Short Term to India	17,570	18,923	–1,353	20,729	22,515	–1,786
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	16,821	18,923	–2,102	20,062	22,515	–2,453
2.2.3.2 Suppliers' Credit up to 180 days	749	–	749	667	–	667
2.3 Banking Capital (2.3.1+2.3.2)	**23,650**	**13,149**	**10,501**	**17,348**	**16,033**	**1,315**
2.3.1 Commercial Banks	23,335	13,149	10,186	17,347	16,033	1,314
2.3.1.1 Assets	6,526	446	6,081	3,731	3,941	–211
2.3.1.2 Liabilities	16,809	12,703	4,105	13,616	12,092	1,524
2.3.1.2.1 Non-Resident Deposits	14,493	10,910	3,583	11,829	10,279	1,550
2.3.2 Others	315	–	315	2	–	2
2.4 Rupee Debt Service	–	–	–	–	–	–
2.5 Other Capital	5,700	5,343	357	5,696	4,694	1,002
3 Errors & Omissions	**–**	**1,961**	**–1,961**	**601**	**–**	**601**
4 Monetary Movements (4.1+ 4.2)	–	**13,182**	**–13,182**	–	**4,056**	**–4,056**
4.1 I.M.F.	–	–	–	–	–	–
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	–	13,182	–13,182	–	4,056	–4,056

No. 39: India's Overall Balance of Payments

(₹ Billion)

Item	Oct-Dec 2014 (PR)			Oct-Dec 2015 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**16,344**	**15,527**	**816**	**15,698**	**15,430**	**267**
1 CURRENT ACCOUNT (1.1+ 1.2)	**8,717**	**9,196**	**–478**	**8,079**	**8,546**	**–467**
1.1 MERCHANDISE	**4,961**	**7,354**	**–2,393**	**4,281**	**6,523**	**–2,242**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**3,757**	**1,842**	**1,915**	**3,798**	**2,024**	**1,775**
1.2.1 Services	2,456	1,218	1,238	2,497	1,305	1,192
1.2.1.1 Travel	338	228	111	380	221	159
1.2.1.2 Transportation	291	255	35	218	227	–9
1.2.1.3 Insurance	35	19	16	30	22	8
1.2.1.4 G.n.i.e.	10	14	–4	10	8	2
1.2.1.5 Miscellaneous	1,781	702	1,080	1,860	827	1,033
1.2.1.5.1 Software Services	1,158	53	1,105	1,256	42	1,214
1.2.1.5.2 Business Services	446	438	9	439	503	–64
1.2.1.5.3 Financial Services	83	46	37	63	58	5
1.2.1.5.4 Communication Services	33	14	20	32	15	17
1.2.2 Transfers	1,086	69	1,017	1,051	45	1,005
1.2.2.1 Official	8	14	–6	11	14	–4
1.2.2.2 Private	1,078	55	1,023	1,040	31	1,009
1.2.3 Income	215	555	–340	250	673	–423
1.2.3.1 Investment Income	158	517	–360	192	636	–443
1.2.3.2 Compensation of Employees	57	38	19	58	37	21
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**7,626**	**6,210**	**1,416**	**7,579**	**6,884**	**695**
2.1 Foreign Investment (2.1.1+2.1.2)	4,162	3,345	817	4,148	3,451	697
2.1.1 Foreign Direct Investment	720	292	428	1,124	413	711
2.1.1.1 In India	609	133	475	1,080	158	922
2.1.1.1.1 Equity	409	129	280	865	156	710
2.1.1.1.2 Reinvested Earnings	159	–	159	173	–	173
2.1.1.1.3 Other Capital	40	4	36	41	2	39
2.1.1.2 Abroad	111	159	–47	44	255	–211
2.1.1.2.1 Equity	111	63	48	44	127	–83
2.1.1.2.2 Reinvested Earnings	–	52	–52	–	55	–55
2.1.1.2.3 Other Capital	–	43	–43	–	73	–73
2.1.2 Portfolio Investment	3,442	3,053	389	3,024	3,038	–14
2.1.2.1 In India	3,428	3,047	381	3,017	3,030	–13
2.1.2.1.1 FIIs	3,428	3,047	381	3,017	3,030	–13
2.1.2.1.1.1 Equity	2,538	2,522	15	2,368	2,449	–81
2.1.2.1.1.2 Debt	891	525	366	648	581	68
2.1.2.1.2 ADR/GDRs	–	–	–	–	–	–
2.1.2.2 Abroad	14	6	8	7	8	–1
2.2 Loans (2.2.1+2.2.2+2.2.3)	**1,646**	**1,719**	**–74**	**1,912**	**2,067**	**–155**
2.2.1 External Assistance	86	68	18	100	77	22
2.2.1.1 By India	1	6	–5	1	8	–7
2.2.1.2 To India	85	62	23	99	69	30
2.2.2 Commercial Borrowings	472	479	–8	445	505	–60
2.2.2.1 By India	25	2	23	28	13	15
2.2.2.2 To India	446	477	–31	417	492	–75
2.2.3 Short Term to India	1,088	1,172	–84	1,367	1,484	–118
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	1,042	1,172	–130	1,323	1,484	–162
2.2.3.2 Suppliers' Credit up to 180 days	46	–	46	44	–	44
2.3 Banking Capital (2.3.1+2.3.2)	**1,465**	**814**	**650**	**1,144**	**1,057**	**87**
2.3.1 Commercial Banks	1,445	814	631	1,144	1,057	87
2.3.1.1 Assets	404	28	377	246	260	–14
2.3.1.2 Liabilities	1,041	787	254	898	797	100
2.3.1.2.1 Non-Resident Deposits	898	676	222	780	678	102
2.3.2 Others	20	–	20	–	–	–
2.4 Rupee Debt Service	–	–	–	–	–	–
2.5 Other Capital	353	331	22	375	309	66
3 Errors & Omissions	–	**121**	**–121**	**40**	–	**40**
4 Monetary Movements (4.1+ 4.2)	–	**816**	**–816**	–	**267**	**–267**
4.1 I.M.F.	–	–	–	–	–	–
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	–	816	–816	–	267	–267

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

(US $ Million)

Item	Oct-Dec 2014 (PR)			Oct-Dec 2015 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**140,748**	**148,457**	**–7,709**	**122,544**	**129,615**	**–7,071**
1.A Goods and Services (1.A.a+1.A.b)	**119,750**	**138,403**	**–18,653**	**102,822**	**118,743**	**–15,921**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**80,102**	**118,736**	**–38,635**	**64,937**	**98,941**	**–34,004**
1.A.a.1 General merchandise on a BOP basis	80,102	107,593	–27,491	64,162	89,915	–25,753
1.A.a.2 Net exports of goods under merchanting	–	–	–	776	–	776
1.A.a.3 Nonmonetary gold	–	11,143	–11,143	–	9,027	–9,027
1.A.b Services (1.A.b.1 to 1.A.b.13)	**39,648**	**19,666**	**19,982**	**37,885**	**19,802**	**18,083**
1.A.b.1 Manufacturing services on physical inputs owned by others	28	5	24	24	10	14
1.A.b.2 Maintenance and repair services n.i.e.	66	54	12	37	93	–56
1.A.b.3 Transport	4,698	4,125	573	3,310	3,450	–140
1.A.b.4 Travel	5,461	3,676	1,786	5,761	3,352	2,409
1.A.b.5 Construction	351	273	78	345	180	165
1.A.b.6 Insurance and pension services	570	314	256	449	334	115
1.A.b.7 Financial services	1,334	736	598	958	887	72
1.A.b.8 Charges for the use of intellectual property n.i.e.	181	1,300	–1,120	130	1,245	–1,114
1.A.b.9 Telecommunications, computer, and information services	19,279	1,155	18,124	19,590	949	18,641
1.A.b.10 Other business services	7,207	7,068	139	6,667	7,633	–967
1.A.b.11 Personal, cultural, and recreational services	289	403	–114	261	161	100
1.A.b.12 Government goods and services n.i.e.	158	224	–66	147	123	25
1.A.b.13 Others n.i.e.	26	334	–309	205	1,385	–1,180
1.B Primary Income (1.B.1 to 1.B.3)	**3,471**	**8,968**	**–5,497**	**3,798**	**10,207**	**–6,409**
1.B.1 Compensation of employees	926	617	309	880	564	316
1.B.2 Investment income	2,153	8,296	–6,143	2,318	9,538	–7,220
1.B.2.1 Direct investment	1,283	3,126	–1,843	1,352	4,062	–2,710
1.B.2.2 Portfolio investment	29	1,662	–1,633	42	2,336	–2,294
1.B.2.3 Other investment	97	3,507	–3,410	159	3,139	–2,981
1.B.2.4 Reserve assets	744	1	744	766	1	766
1.B.3 Other primary income	392	55	338	600	105	495
1.C Secondary Income (1.C.1+1.C.2)	**17,527**	**1,086**	**16,441**	**15,925**	**665**	**15,259**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	17,406	885	16,521	15,773	469	15,305
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	16,773	803	15,970	15,282	412	14,869
1.C.1.2 Other current transfers	633	82	551	492	57	435
1.C.2 General government	121	201	–80	151	197	–46
2 Capital Account (2.1+2.2)	**191**	**81**	**111**	**64**	**46**	**18**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	152	23	129	10	5	5
2.2 Capital transfers	39	58	–18	54	41	13
3 Financial Account (3.1 to 3.5)	**122,951**	**113,392**	**9,559**	**114,909**	**108,457**	**6,452**
3.1 Direct Investment (3.1A+3.1B)	**11,625**	**4,712**	**6,913**	**17,050**	**6,265**	**10,785**
3.1.A Direct Investment in India	9,826	2,152	7,674	16,383	2,399	13,984
3.1.A.1 Equity and investment fund shares	9,174	2,084	7,090	15,757	2,363	13,394
3.1.A.1.1 Equity other than reinvestment of earnings	6,605	2,084	4,521	13,127	2,363	10,763
3.1.A.1.2 Reinvestment of earnings	2,569	–	2,569	2,631	–	2,631
3.1.A.2 Debt instruments	652	68	584	626	36	590
3.1.A.2.1 Direct investor in direct investment enterprises	652	68	584	626	36	590
3.1.B Direct Investment by India	1,799	2,560	–761	667	3,866	–3,199
3.1.B.1 Equity and investment fund shares	1,799	1,859	–59	667	2,755	–2,088
3.1.B.1.1 Equity other than reinvestment of earnings	1,799	1,025	775	667	1,921	–1,254
3.1.B.1.2 Reinvestment of earnings	–	834	–834	–	834	–834
3.1.B.2 Debt instruments	–	701	–701	–	1,111	–1,111
3.1.B.2.1 Direct investor in direct investment enterprises	–	701	–701	–	1,111	–1,111
3.2 Portfolio Investment	**55,583**	**49,303**	**6,280**	**45,869**	**46,078**	**–209**
3.2.A Portfolio Investment in India	55,354	49,204	6,150	45,758	45,957	–200
3.2.1 Equity and investment fund shares	40,972	40,728	243	35,921	37,148	–1,228
3.2.2 Debt securities	14,382	8,475	5,906	9,837	8,809	1,028
3.2.B Portfolio Investment by India	230	99	130	111	121	–9
3.3 Financial derivatives (other than reserves) and employee stock options	**3,146**	**4,209**	**–1,063**	**3,362**	**2,788**	**574**
3.4 Other investment	**52,596**	**41,987**	**10,610**	**48,628**	**49,270**	**–642**
3.4.1 Other equity (ADRs/GDRs)	–	–	–	–	–	–
3.4.2 Currency and deposits	14,808	10,910	3,898	11,831	10,279	1,552
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	315	–	315	2	–	2
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	14,493	10,910	3,583	11,829	10,279	1,550
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	17,847	11,079	6,768	13,787	14,595	–808
3.4.3.A Loans to India	17,422	10,945	6,477	13,339	14,266	–927
3.4.3.B Loans by India	425	135	291	447	329	118
3.4.4 Insurance, pension, and standardized guarantee schemes	211	135	76	311	441	–130
3.4.5 Trade credit and advances	17,570	18,923	–1,353	20,729	22,515	–1,786
3.4.6 Other accounts receivable/payable - other	2,161	940	1,221	1,970	1,440	530
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**13,182**	**–13,182**	–	**4,056**	**–4,056**
3.5.1 Monetary gold	–	–	–	–	–	–
3.5.2 Special drawing rights n.a.	–	–	–	–	–	–
3.5.3 Reserve position in the IMF n.a.	–	–	–	–	–	–
3.5.4 Other reserve assets (Foreign Currency Assets)	–	13,182	–13,182	–	4,056	–4,056
4 Total assets/liabilities	**122,951**	**113,392**	**9,559**	**114,909**	**108,457**	**6,452**
4.1 Equity and investment fund shares	55,531	49,114	6,417	56,129	45,616	10,513
4.2 Debt instruments	65,259	50,156	15,103	56,810	57,345	–535
4.3 Other financial assets and liabilities	2,161	14,121	–11,961	1,970	5,497	–3,526
5 Net errors and omissions	–	**1,961**	**–1,961**	**601**	–	**601**

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

(₹ Billion)

Item	Oct-Dec 2014 (PR)			Oct-Dec 2015 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**8,717**	**9,194**	**-477**	**8,079**	**8,545**	**-466**
1.A Goods and Services (1.A.a+1.A.b)	**7,416**	**8,572**	**-1,155**	**6,778**	**7,828**	**-1,050**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**4,961**	**7,354**	**-2,393**	**4,281**	**6,523**	**-2,242**
1.A.a.1 General merchandise on a BOP basis	4,961	6,664	-1,703	4,230	5,927	-1,698
1.A.a.2 Net exports of goods under merchanting	–	–	–	51	–	51
1.A.a.3 Nonmonetary gold	–	690	-690	–	595	-595
1.A.b Services (1.A.b.1 to 1.A.b.13)	**2,456**	**1,218**	**1,238**	**2,497**	**1,305**	**1,192**
1.A.b.1 Manufacturing services on physical inputs owned by others	2	–	1	2	1	1
1.A.b.2 Maintenance and repair services n.i.e.	4	3	1	2	6	-4
1.A.b.3 Transport	291	255	35	218	227	-9
1.A.b.4 Travel	338	228	111	380	221	159
1.A.b.5 Construction	22	17	5	23	12	11
1.A.b.6 Insurance and pension services	35	19	16	30	22	8
1.A.b.7 Financial services	83	46	37	63	58	5
1.A.b.8 Charges for the use of intellectual property n.i.e.	11	81	-69	9	82	-73
1.A.b.9 Telecommunications, computer, and information services	1,194	72	1,122	1,291	63	1,229
1.A.b.10 Other business services	446	438	9	439	503	-64
1.A.b.11 Personal, cultural, and recreational services	18	25	-7	17	11	7
1.A.b.12 Government goods and services n.i.e.	10	14	-4	10	8	2
1.A.b.13 Others n.i.e.	2	21	-19	14	91	-78
1.B Primary Income (1.B.1 to 1.B.3)	**215**	**555**	**-340**	**250**	**673**	**-423**
1.B.1 Compensation of employees	57	38	19	58	37	21
1.B.2 Investment income	133	514	-380	153	629	-476
1.B.2.1 Direct investment	79	194	-114	89	268	-179
1.B.2.2 Portfolio investment	2	103	-101	3	154	-151
1.B.2.3 Other investment	6	217	-211	10	207	-197
1.B.2.4 Reserve assets	46	–	46	51	0	50
1.B.3 Other primary income	24	3	21	40	7	33
1.C Secondary Income (1.C.1+1.C.2)	**1,085**	**67**	**1,018**	**1,050**	**44**	**1,006**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	1,078	55	1,023	1,040	31	1,009
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	1,039	50	989	1,007	27	980
1.C.1.2 Other current transfers	39	5	34	32	4	29
1.C.2 General government	7	12	-5	10	13	-3
2 Capital Account (2.1+2.2)	**12**	**5**	**7**	**4**	**3**	**1**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	9	1	8	1	0	0
2.2 Capital transfers	2	4	-1	4	3	1
3 Financial Account (3.1 to 3.5)	**7,615**	**7,023**	**592**	**7,575**	**7,150**	**425**
3.1 Direct Investment (3.1A+3.1B)	**720**	**292**	**428**	**1,124**	**413**	**711**
3.1.A Direct Investment in India	609	133	475	1,080	158	922
3.1.A.1 Equity and investment fund shares	568	129	439	1,039	156	883
3.1.A.1.1 Equity other than reinvestment of earnings	409	129	280	865	156	710
3.1.A.1.2 Reinvestment of earnings	159	–	159	173	–	173
3.1.A.2 Debt instruments	40	4	36	41	2	39
3.1.A.2.1 Direct investor in direct investment enterprises	40	4	36	41	2	39
3.1.B Direct Investment by India	111	159	-47	44	255	-211
3.1.B.1 Equity and investment fund shares	111	115	-4	44	182	-138
3.1.B.1.1 Equity other than reinvestment of earnings	111	63	48	44	127	-83
3.1.B.1.2 Reinvestment of earnings	–	52	-52	–	55	-55
3.1.B.2 Debt instruments	–	43	-43	–	73	-73
3.1.B.2.1 Direct investor in direct investment enterprises	–	43	-43	–	73	-73
3.2 Portfolio Investment	**3,442**	**3,053**	**389**	**3,024**	**3,038**	**-14**
3.2.A Portfolio Investment in India	3,428	3,047	381	3,017	3,030	-13
3.2.1 Equity and investment fund shares	2,538	2,522	15	2,368	2,449	-81
3.2.2 Debt securities	891	525	366	648	581	68
3.2.B Portfolio Investment by India	14	6	8	7	8	-1
3.3 Financial derivatives (other than reserves) and employee stock options	**195**	**261**	**-66**	**222**	**184**	**38**
3.4 Other investment	**3,257**	**2,600**	**657**	**3,206**	**3,248**	**-42**
3.4.1 Other equity (ADRs/GDRs)	–	–	–	–	–	–
3.4.2 Currency and deposits	917	676	241	780	678	102
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	20	–	20	–	–	0
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	898	676	222	780	678	102
3.4.2.3 General government	–	–	–	–	–	–
3.4.2.4 Other sectors	–	–	–	–	–	–
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	1,105	686	419	909	962	-53
3.4.3.A Loans to India	1,079	678	401	879	940	-61
3.4.3.B Loans by India	26	8	18	29	22	8
3.4.4 Insurance, pension, and standardized guarantee schemes	13	8	5	20	29	-9
3.4.5 Trade credit and advances	1,088	1,172	-84	1,367	1,484	-118
3.4.6 Other accounts receivable/payable - other	134	58	76	130	95	35
3.4.7 Special drawing rights	–	–	–	–	–	–
3.5 Reserve assets	–	**816**	**-816**	–	**267**	**-267**
3.5.1 Monetary gold	–	–	–	–	–	–
3.5.2 Special drawing rights n.a.	–	–	–	–	–	–
3.5.3 Reserve position in the IMF n.a.	–	–	–	–	–	–
3.5.4 Other reserve assets (Foreign Currency Assets)	–	816	-816	–	267	-267
4 Total assets/liabilities	**7,615**	**7,023**	**592**	**7,575**	**7,150**	**425**
4.1 Equity and investment fund shares	3,439	3,042	397	3,700	3,007	693
4.2 Debt instruments	4,042	3,106	935	3,745	3,780	-35
4.3 Other financial assets and liabilities	134	875	-741	130	362	-232
5 Net errors and omissions	**–**	**121**	**-121**	**40**	**–**	**40**

No. 42: International Investment Position

(US$ Million)

Item	As on Financial Year /Quarter End							
	2014-15		2014		2015			
			Dec.		Sep.		Dec.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1 Direct Investment Abroad/in India	132,741	265,521	131,524	252,817	135,768	271,019	138,967	282,273
1.1 Equity Capital and Reinvested Earnings	91,457	254,055	91,145	241,931	92,975	258,420	95,063	269,456
1.2 Other Capital	41,283	11,466	40,379	10,887	42,794	12,599	43,904	12,817
2 Portfolio Investment	1,429	233,393	1,412	215,142	1,701	225,555	1,692	224,823
2.1 Equity	1,050	153,641	1,034	145,045	1,581	143,583	1,572	141,098
2.2 Debt	378	79,752	379	70,097	120	81,972	120	83,725
3 Other Investment	46,594	388,359	38,207	380,436	41,736	390,734	41,656	387,570
3.1 Trade Credit	5,495	83,690	6,840	81,062	4,712	81,314	4,548	79,541
3.2 Loan	5,664	177,158	4,169	176,215	4,273	172,700	3,683	171,804
3.3 Currency and Deposits	19,432	115,313	11,935	110,199	16,667	122,008	17,322	122,800
3.4 Other Assets/Liabilities	16,003	12,199	15,263	12,960	16,084	14,712	16,103	13,425
4 Reserves	341,639	–	320,649	–	350,288	–	350,381	–
5 Total Assets/ Liabilities	522,402	887,273	491,792	848,396	529,493	887,307	532,697	894,666
6 IIP (Assets - Liabilities)		–364,871		–356,603		–357,814		–361,969

Payment and Settlement Systems

No. 43: Payment System Indicators

System	Volume (Million)				Value (₹ Billion)			
	2015-16	2016			2015-16	2016		
		Feb.	Mar.	Apr.		Feb.	Mar.	Apr.
	1	2	3	4	5	6	7	8
1 RTGS	**98.34**	**8.23**	**9.87**	**8.33**	**1,035,551.64**	**86,727.72**	**122,783.80**	**91,149.71**
1.1 Customer Transactions	93.95	7.87	9.48	7.97	700,899.82	59,496.06	84,661.99	55,515.68
1.2 Interbank Transactions	4.37	0.35	0.39	0.35	123,678.19	10,845.84	15,383.37	12,895.59
1.3 Interbank Clearing	0.016	0.001	0.001	0.001	210,973.63	16,385.82	22,738.44	22,738.44
2 CCIL Operated Systems	**3.12**	**0.27**	**0.30**	**0.26**	**807,370.42**	**67,673.94**	**75,011.74**	**72,044.93**
2.1 CBLO	0.22	0.02	0.02	0.01	178,335.28	12,827.82	14,477.88	12,227.47
2.2 Govt. Securities Clearing	1.02	0.08	0.10	0.10	269,778.20	24,179.71	24,457.10	24,716.41
2.2.1 Outright	0.88	0.07	0.09	0.09	97,285.41	7,370.78	9,671.40	11,476.80
2.2.2 Repo	0.134	0.015	0.013	0.010	172,492.78	16,808.93	14,785.70	13,239.61
2.3 Forex Clearing	1.89	0.17	0.18	0.15	359,256.94	30,666.41	36,076.76	35,101.05
3 Paper Clearing	**1,101.91**	**93.33**	**98.05**	**85.27**	**82,206.76**	**6,732.62**	**7,716.89**	**6,848.98**
3.1 Cheque Truncation System (CTS)	963.92	83.54	88.24	78.95	70,235.12	5,946.61	6,928.50	6,257.62
3.2 MICR Clearing	–	-	-	-	–	–	–	–
3.2.1 RBI Centres	–	-	-	-	–	–	–	–
3.2.2 Other Centres	–	-	-	-	–	–	–	–
3.3 Non-MICR Clearing	137.98	9.78	9.81	6.32	11,971.64	786.01	788.39	591.36
4 Retail Electronic Clearing	**3,141.60**	**298.50**	**328.29**	**316.86**	**91,407.92**	**7,985.59**	**11,136.11**	**9,168.85**
4.1 ECS DR	224.78	11.04	9.26	2.03	1,651.89	82.13	68.94	14.35
4.2 ECS CR (includes NECS)	39.05	1.61	3.55	1.36	1,058.84	71.30	87.10	34.15
4.3 EFT/NEFT	1,252.88	110.17	129.24	111.84	83,273.11	7,278.60	10,226.36	8,324.52
4.4 Immediate Payment Service (IMPS)	220.81	23.86	25.98	26.78	1,622.26	169.67	198.73	210.44
4.5 National Automated Clearing House (NACH)	1,404.08	151.82	160.26	174.85	3,801.83	383.89	554.98	585.39
5 Cards	**10,038.67**	**866.34**	**917.42**	**913.05**	**29,397.65**	**2,479.69**	**2,610.20**	**2,621.93**
5.1 Credit Cards	791.67	67.63	72.83	73.43	2,437.02	209.08	229.75	230.13
5.1.1 Usage at ATMs	6.00	0.56	0.61	0.59	30.41	2.70	2.80	2.87
5.1.2 Usage at POS	785.67	67.07	72.22	72.84	2,406.62	206.38	226.94	227.26
5.2 Debit Cards	9,247.00	798.70	844.59	839.61	26,960.63	2,270.61	2,380.45	2,391.80
5.2.1 Usage at ATMs	8,073.39	693.64	731.72	721.47	25,371.36	2,141.00	2,245.82	2,244.34
5.2.2 Usage at POS	1,173.61	105.07	112.87	118.14	1,589.27	129.61	134.63	147.46
6 Prepaid Payment Instruments (PPIs)	**747.96**	**65.37**	**72.00**	**69.30**	**490.14**	**49.98**	**59.72**	**46.72**
6.1 m-Wallet	603.99	49.02	53.44	48.76	205.84	22.51	23.79	22.93
6.2 PPI Cards	143.41	16.31	18.50	20.49	256.34	25.30	32.76	21.68
6.3 Paper Vouchers	0.56	0.04	0.06	0.04	27.97	2.17	3.17	2.11
7 Mobile Banking	**387.37**	**42.75**	**49.26**	**48.38**	**4,022.04**	**464.73**	**629.20**	**519.13**
8 Cards Outstanding	**686.33**	**682.51**	**686.33**	**685.13**	–	–	–	–
8.1 Credit Card	24.51	24.13	24.51	24.86	–	–	–	–
8.2 Debit Card	661.82	658.38	661.82	660.27	–	–	–	–
9 Number of ATMs (in actuals)	**212062**	**210028**	**212062**	**212887**	–	–	–	–
10 Number of POS (in actuals)	**1385668**	**1363344**	**1385668**	**1400792**	–	–	–	–
11 Grand Total (1.1+1.2+2+3+4+5+6)	**15,131.59**	**1,332.03**	**1,425.93**	**1,393.07**	**1,835,450.90**	**155,263.72**	**196,580.01**	**159,142.68**

Note : Data for latest 12 month period is provisional.

Occasional Series

No. 44: Small Savings

(₹ Billion)

Scheme		2014-15	2014	2015		
			Nov.	Sep.	Oct.	Nov.
		1	2	3	4	5
1 Small Savings	**Receipts**	**2,411.58**	**180.81**	**265.03**	**283.61**	**299.50**
	Outstanding	**6,323.39**	**6,241.25**	**6,442.01**	**6,484.22**	**6,533.80**
1.1 Total Deposits	**Receipts**	**2,137.49**	**164.50**	**231.47**	**249.76**	**262.92**
	Outstanding	**3,961.81**	**3,939.16**	**4,060.35**	**4,089.45**	**4,122.42**
1.1.1 Post Office Saving Bank Deposits	Receipts	1,142.29	85.71	120.46	136.52	147.59
	Outstanding	474.28	449.23	523.51	538.88	550.64
1.1.2 MGNREG	Receipts	–	–	–	–	–
	Outstanding	–	–	–	–	–
1.1.3 National Saving Scheme, 1987	Receipts	0.44	0.04	–0.03	–0.01	–
	Outstanding	36.89	37.02	35.61	35.28	35.11
1.1.4 National Saving Scheme, 1992	Receipts	0.03	–	0.01	–	0.01
	Outstanding	2.32	2.39	1.92	1.89	1.87
1.1.5 Monthly Income Scheme	Receipts	215.69	16.21	27.89	29.64	30.00
	Outstanding	2,005.57	2,015.64	1,972.90	1,966.65	1,959.13
1.1.6 Senior Citizen Scheme	Receipts	30.11	2.52	8.93	12.34	12.19
	Outstanding	179.75	195.20	175.95	180.26	187.85
1.1.7 Post Office Time Deposits	Receipts	330.69	25.73	38.44	35.05	36.19
	Outstanding	517.57	482.39	593.86	608.33	623.19
1.1.7.1 1 year Time Deposits	Outstanding	361.53	334.30	423.58	434.37	445.10
1.1.7.2 2 year Time Deposits	Outstanding	20.31	19.49	22.76	23.41	24.27
1.1.7.3 3 year Time Deposits	Outstanding	41.42	40.29	42.72	43.15	43.64
1.1.7.4 5 year Time Deposits	Outstanding	94.31	88.31	104.80	107.40	110.18
1.1.8 Post Office Recurring Deposits	Receipts	418.24	34.29	35.77	36.22	36.94
	Outstanding	745.13	757.01	756.24	757.81	764.28
1.1.9 Post Office Cumulative Time Deposits	Outstanding	0.08	0.06	0.09	0.08	0.08
1.1.10 Other Deposits	Outstanding	0.22	0.22	0.27	0.27	0.27
1.2 Saving Certificates	**Receipts**	**192.52**	**11.18**	**29.70**	**30.24**	**28.70**
	Outstanding	**1,834.10**	**1,825.66**	**1,855.14**	**1,866.58**	**1,877.07**
1.2.1 National Savings Certificate VIII issue	Receipts	165.84	11.07	6.90	6.39	6.65
	Outstanding	856.08	821.32	871.40	872.16	872.72
1.2.2 Indira Vikas Patras	Receipts	0.04	–	–	–	–
	Outstanding	8.87	8.91	8.90	8.90	8.90
1.2.3 Kisan Vikas Patras	Receipts	5.54	0.07	2.09	2.14	2.10
	Outstanding	848.41	910.91	740.74	728.38	716.99
1.2.4 Kisan Vikas Patras - 2014	Receipts	21.1	0.04	20.71	21.71	19.95
	Outstanding	26.71	0.04	127.34	149.1	169.09
1.2.5 National Saving Certificate VI issue	Outstanding	–0.82	–0.80	–0.87	–0.87	–0.86
1.2.6 National Saving Certificate VII issue	Outstanding	–0.53	–0.52	–0.55	–0.54	–0.54
1.2.7 Other Certificates	Outstanding	95.38	85.80	108.18	109.45	110.77
1.3 Public Provident Fund	**Receipts**	**81.57**	**5.13**	**3.86**	**3.61**	**7.88**
	Outstanding	**527.48**	**476.43**	**526.52**	**528.19**	**534.31**

Source: Accountant General, Post and Telegraphs.

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

(Per cent)

Category	2014	2015			
	Dec.	Mar.	Jun.	Sep.	Dec.
	1	2	3	4	5
1 Commercial Banks	42.77	43.30	43.14	43.03	43.59
2 Non-Bank PDs	0.34	0.31	0.35	0.54	0.35
3 Insurance Companies	21.02	20.87	21.37	22.09	21.90
4 Mutual Funds	1.68	1.89	2.37	2.69	2.52
5 Co-operative Banks	2.57	2.62	2.73	2.64	2.71
6 Financial Institutions	0.73	2.07	0.70	0.60	0.68
7 Corporates	1.12	1.25	1.12	0.84	0.86
8 Foreign Portfolio Investors	3.62	3.67	3.59	3.57	3.68
9 Provident Funds	7.47	7.58	7.08	7.17	7.11
10 RBI	14.50	13.48	13.06	12.08	12.07
11 Others	4.18	2.96	4.49	4.75	4.51

Explanatory Notes to the Current Statistics

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

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

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

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

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

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

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

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

Table No. 15 & 16
Data are provisional and relate to select banks which cover 95 per cent of total non-food credit extended by all scheduled commercial banks (excludes ING Vysya which has been merged with Kotak Mahindra since April 2015).
Export credit under priority sector relates to foreign banks only.
Micro & small under item 2.1 includes credit to micro & small industries in manufacturing sector.
Micro & small enterprises under item 5.2 includes credit to micro & small enterprises in manufacturing as well as services sector.
Priority Sector is as per old definition and does not conform to FIDD Circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015.

Table No. 17
2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks
2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.
4: Include borrowings from IDBI and NABARD.

Table No. 24
Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30
Exclude private placement and offer for sale.
1: Exclude bonus shares.
2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32
Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC SWAP arrangement. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

Table No. 34
1.1.1.1.2 & 1.1.1.1.1.4: Estimates.
1.1.1.2: Estimates for latest months.
'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.
Data may not tally with the BoP data due to lag in reporting.

Table No. 35
1.10: Include items such as subscription to journals, maintenance of investment abroad, student loan repayments and credit card payments.

Table No. 36
Increase in indices indicates appreciation of rupee and vice versa. For 6-Currency index, base year 2012-13 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). Methodological details are available in December 2005 and April 2014 issues of the Bulletin.

Table No. 37
Based on applications for ECB/Foreign Currency Convertible Bonds (FCCBs) which have been allotted loan registration number during the period.

Table Nos. 38, 39, 40 & 41
Explanatory notes on these tables are available in December issue of RBI Bulletin, 2012.

Table No. 43
1.3: Pertain to multiateral net settlement batches.
3.1: Pertain to three centres – Mumbai, New Delhi and Chennai.
3.3: Pertain to clearing houses managed by 21 banks.
6: Available from December 2010.
7: Include IMPS transactions.
9: Includes ATMs deployed by Scheduled Commercial banks and White Label ATMs (WLA). WLA are included from April 2014 onwards.

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

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

Recent Publications of the Reserve Bank of India

Name of Publication	Price	
	India	Abroad
1. Reserve Bank of India Bulletin 2016	₹200 per copy (over the counter) ₹240 per copy (inclusive of postage) ₹2,800 (one year subscription - inclusive of postage)	US$ 11 per copy (inclusive of postage) US$ 130 (one-year subscription) (inclusive of air mail courier charges)
2. Handbook of Statistics on the Indian Economy 2014-15	₹400 (Normal) ₹450 (inclusive of postage) ₹300 (concessional) ₹375 (concessional with postage)	US$ 40 (inclusive of air mail courier charges)
3. Report on Currency and Finance 2009-12 Fiscal-Monetary Co-ordination	₹515 (normal) ₹555 (inclusive of postage)	US$ 16 per copy (inclusive air mail courier charges)
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5. State Finances - A Study of Budgets of 2015-16	₹430 per copy (over the counter) ₹480 per copy (including postal charges)	US$ 22 per copy (inclusive air mail courier charges)
6. Handbook of Statistics on State Government Finances 2010	CD-ROM ₹80 (normal) ₹105 (inclusive of postage) ₹60 (concessional) ₹85 (concessional inclusive of postage)	US$ 16 per CD (inclusive of air mail courier charges) US$ 4 per CD (inclusive of registered air mail charges)
7. CD Compendium of Articles on State Finances (1950-51 to 2010-11)	₹280 (over the counter) ₹305 (inclusive of postal charges) ₹210 (concessional) ₹235 (concessional inclusive of postage)	US$ 8 (inclusive of air mail book post charges)
8. Mint Road Milestones RBI at 75	₹1,650 per copy (over the counter)	US$ 50 per copy (inclusive of air mail courier charges)
9. India's Financial Sector, An Assessment Vol. I to VI 2009	₹2,000 per copy (over the counter) ₹2,300 per copy (inclusive postal charges) ₹1,500 per copy (concessional price) ₹1,800 per copy (concessional inclusive of postage)	US$ 40 per set and US$ 120 per set (inclusive of air mail courier charges)
10. The Paper and the Promise: A Brief History of Currency & Banknotes in India, 2009	₹200 per copy (over the counter)	US$ 30 per copy (inclusive of air mail courier charges)
11. Report of the committee on Fuller Capital account Convertibility (Tarapore Committee Report II)	₹140 per copy (normal) ₹170 (per copy by post)	US$ 25 per copy ((inclusive of air mail courier charges)
12. A Profile of Banks 2012-13	₹80 per copy (over the counter) ₹110 per copy (inclusive of postal charges)	US$ 7 per copy (inclusive of air mail courier charges)

Name of Publication	Price	
	India	Abroad
13. Selected Banking Indicators 1981 to 2002 (On CD-ROM)	₹250 per CD (over the counter) ₹300 per CD (including postal charges)	US$ 75 (per CD) (inclusive of air mail courier charges)
14. Statistical Tables Relating to Banks in India 2012-13	₹240 per copy (over the counter) ₹300 (inclusive of postage)	US$ 13 per copy (inclusive of air mail courier charges)
15. Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks 1981-2003 (on CD-ROM)	₹185 per copy (over the counter) ₹240 per copy (including postal charges)	US$ 20 per copy US$ 55 per copy (inclusive of air mail courier charges)
16. Basic Statistical Returns of Scheduled Commercial Banks in India Vol. 41 March 2012	₹270 per copy (over the counter) ₹310 per copy (inclusive of postal charges)	US$ 10 per copy (inclusive of air mail courier charges)
17. Private Corporate Business Sector in India - Selected Financial Statistics from 1950-51 to 1997-98	₹500 per CD (over the counter)	US$ 100 per CD ROM (inclusive of air mail courier charges)
18. Banking Glossary (2012)	₹80 per copy (over the counter) ₹120 per copy (inclusive of postal charges)	
19. Anuvad Ke Vividh Aayam (Hindi)	₹165 per copy (over the counter) ₹205 per copy (inclusive of postal charges)	

Notes

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

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