MONETARY AND CREDIT POLICY FOR THE YEAR 2001-2002

The Statement consists of three parts: (I) Review of Macroeconomic and Monetary Developments during 2000-01, (II) Stance of Monetary Policy for 2001-02, and (III) Financial Sector Reforms and Monetary Policy Measures.

2. This year's Policy is being presented at a time when serious lacunae have emerged in the functioning of certain segments of the financial system. It is important to take necessary remedial measures urgently to remove the weaknesses that have been noticed so that India's financial sector continues to remain strong and safe. Certain prudential measures to further strengthen the system are dealt with in Part III.

3. Like last year, a technical and analytical review of macroeconomic and monetary developments is being issued as a separate document. This document provides the necessary macroeconomic and other information in somewhat greater detail with the help of simple charts and tables.

I. Review of Macroeconomic and Monetary Developments: 2000-01

Domestic Developments

4. According to the latest estimates of the Central Statistical Organisation (CSO), the GDP growth in 2000-01 is likely to be about 6.0 per cent as compared with 6.4 per cent and 6.6 per cent in the previous two years. The growth in agricultural sector was at 0.9 per cent during 2000-01 as against 0.7 per cent in the previous year. The growth in mining and quarrying sector was expected to be significantly higher at 4.5 per cent as compared with 1.7 per cent a year ago. The overall growth performance of the industrial sector during 2000-01 is estimated to be somewhat lower than that in the previous year. Combined with the continued good performance of the services sector, particularly of information technology related services, the economy is expected to show a growth rate of 6.0 per cent or very close to it, despite low agricultural growth.

5. The Gujarat earthquake has caused considerable damage. While the immediate loss of production may not be sizeable, the cost of restoration of infrastructure is expected to cause a fiscal strain on the state reflecting loss of revenue and financing of relief and rehabilitation. Production of principal agricultural commodities from the state such as oilseeds, cotton and tobacco may suffer. While there has not been major damage to large industrial installations, industrial environment could be affected because of infrastructural constraints. Despite these negative factors, on an overall

reckoning, the impact of the quake on GDP growth is estimated to be small. In order to enable the state government to deal with the situation, the Reserve Bank has taken several initiatives which are reviewed in the Part III of this Statement.

6. The annual rate of inflation on a point-to-point basis as measured by variations in the wholesale price index (base 1993-94 = 100) worked out to 4.9 per cent in 2000-01 as against 6.8 per cent a year ago. While inflation on account of manufactured products (weight 63.7) at 3.7 per cent was modest, primary articles (weight 22.0) showed a marginal decline of 0.3 per cent. The rise in WPI was mainly due to increase in prices of 'fuel, power, light and lubricants' sub-group (weight 14.2) which recorded a substantial increase of 15.3 per cent on top of an increase of 26.9 per cent a year ago. Inflation as reflected in consumer price index (CPI) was much lower at 3.0 per cent (on a point-to-point basis) and 4.0 per cent (on an average basis) up to end-February 2001.

7. During 2000-01, the annual growth in money supply (M_3) on a point-to-point basis, was higher at 16.2 per cent as against 14.6 per cent a year ago. This overall monetary expansion captured large inflows amounting to about Rs.26,000 crore of India Millennium Deposits (IMDs). Net of IMD inflows, the annual growth in M_3 would work out to 13.9 per cent. Among the components, the growth in aggregate deposits of the scheduled commercial banks at 17.8 per cent was higher than that of 13.9 per cent in the previous year. The expansion in currency with the public was lower at 10.8 per cent (about Rs.20,400 crore) as against 11.7 per cent (about Rs.19,800 crore) in the previous year. This could partly be attributed to lower agricultural activity and partly to the larger base in the previous year on account of Y2K uncertainties.

8. The increase in reserve money during 2000-01 at 8.3 per cent (about Rs.23,200 crore) was comparable to that of 8.1 per cent (about Rs.21,000 crore) in the previous year. While the monetisation of Central Government deficit was about Rs.9,000 crore, the expansion in reserve money largely emanated from increase in net foreign exchange assets (NFEA). On the other hand, claims on banks and commercial sector showed a decline of about Rs.5,800 crore reflecting easy liquidity conditions.

9. The year-on-year growth of non-food credit in the range of 19 - 22 per cent during the first three quarters of the year (April-December 2000) was significantly higher than that in the previous year. Expansion in credit during this period partly reflected the increase in stocks of fertilizers, sugar, petroleum and automobiles. Moreover, credit flow to infrastructure sector and retail segment was relatively high. Consumer credit had also expanded in line with accelerated production of consumer durables. The pace of credit growth has, however, decelerated since December 2000 which is in line with

subdued industrial activity. For the year as a whole, non-food credit has registered a lower growth of 14.3 per cent (Rs.58,800 crore) as against an increase of 16.5 per cent (Rs.58,200 crore) in the previous year.

10. The total flow of funds from scheduled commercial banks to the commercial sector including banks' investments in bonds/ debentures/shares of public sector undertakings and private corporate sector, commercial paper, etc., are estimated at about Rs.71,500 crore (15.1 per cent) as against Rs.71,600 crore (17.9 per cent) in the corresponding period of the previous year. Total flow of resources to the commercial sector, including capital issues, global depository receipts (GDRs) and borrowing from financial institutions are placed at about Rs.1,49,000 crore as compared with Rs.1,38,000 crore in the previous year.

11. The increase in food credit was much higher at Rs.14,300 crore as compared with Rs.8,900 crore in the corresponding period of the previous year reflecting larger scale of procurement operations. The buffer stock of foodgrains peaked to 46.8 million tonnes at end-February 2001. The opportunity costs arising from fiscal and monetary perspectives of such large buffer stock operations need to be carefully considered. As the gap between the procurement and issue prices widen, the large buffer stock tends to result in the food subsidy assuming the nature of producers' subsidy rather than benefiting the targeted consumers. In this context, the reforms in the management of the food economy announced in the Union Budget 2001-02 such as enlarging the role of state governments in both procurement and distribution of foodgrains for Public Distribution System (PDS), review of the operations of the Essential Commodities Act (1955) to facilitate free inter-state movement of foodgrains and reduction in the list of essential commodities are meant to enhance the efficiency of the food procurement and distribution system.

12. As per the revised estimates in the Union Budget, the fiscal deficit of the Central Government for 2000-01 was placed at Rs.1,11,972 crore as against budget estimate of Rs.1,11,275 crore. This containment of fiscal deficit facilitated the task of monetary and debt management as the market borrowing programme of the Central Government (Rs.1,15,183 crore gross and Rs.73,787 crore net) could be put through without undue pressure on interest rates. The state governments' net market borrowings of Rs.12,880 crore were almost the same as Rs.12,886 crore in the previous year. The estimated reduction in fiscal deficit to 4.7 per cent of GDP for 2001-02 and the promise of the Fiscal Responsibility Legislation should provide an enabling environment for smooth conduct of debt management.

13. As emphasised in the previous policy statements, the overall monetary

management becomes difficult when a large and growing borrowing programme of the government, year after year, puts pressure on the absorptive capacity of the market. The banking system even now holds government securities of around 35.0 per cent of its net demand and time liabilities as against the minimum statutory requirement of 25.0 per cent. In terms of volume, such holdings above the statutory liquidity ratio (SLR) amounted to as much as Rs.1,00,000 crore, which is substantially higher than the net annual borrowings of the government. In this context, the effort towards fiscal consolidation aimed at in the Union Budget for 2001-02 is a very welcome development. The reduction in fiscal deficit coupled with lowering of interest rates on contractual savings would facilitate a move towards a favourable interest rate regime. This should also help in releasing government resources for much needed investment in physical and social infrastructure, which in turn could stimulate private investment. Further gains from a sustained fiscal consolidation will be realised over a period of time through stabilisation of inflationary expectations in the economy.

14. The average cost of primary issuance of Government of India (GOI) dated securities came down to 10.95 per cent during 2000-01 from 11.77 per cent in the previous year, a decline in interest cost of over 80 basis points. There was also a perceptible downward shift in secondary market yields on government securities across the maturity spectrum during the second half of the year. The yield on government securities with one-year residual maturity which had peaked to 10.82 per cent in August 2000 from 9.23 per cent in April 2000 has subsequently moderated to 9.05 per cent by March 2001. Thus, there has been a reduction in yield of as much as 180 basis points (or 1.8 percentage points) in these securities since August 2000. Similarly, the yield on government securities with 10-year residual maturity which had risen from 10.37 per cent in April 2000 to 11.57 per cent in September 2000 fell to 10.36 per cent by March 2001.

15. In view of the easy liquidity conditions and softer interest rate environment, the overall monetary conditions are at present reasonably comfortable. However, last year's experience once again confirms that monetary management has now become much more complex than was the case even a few years ago. This is because of several factors, such as the on-going integration of financial markets across the world, the phenomenal increase in financial turnover, liberalization of the economy, and the rapidity with which unanticipated domestic and international tremors get transmitted to financial markets across the world because of the new technology. It will be recalled that at the beginning of the last financial year, the Reserve Bank had taken steps to ease monetary policy. However, these measures had to be quickly reversed (in July 2000), in view of unfavourable international

developments, particularly successive increases in interest rates in major industrial economies. The need to quickly change the policy stance in the light of emerging situation has also been the experience of other monetary authorities including the US and European central banks. It is important to emphasise this, as, in case the present economic circumstances change, it may again become necessary to take appropriate monetary measures which may not be in consonance with the present easy conditions. Keeping these realities in view, it is particularly important for banks and financial institutions to make adequate allowances for unforeseen contingencies in their business plans, and fully take into account the implications of changes in the monetary and external environment on their operations.

16. A factor which further complicates the conduct of monetary policy during certain periods is the difficulty in the correct assessment of the **potential** inflationary pressures based on the latest available data for the current period. While the WPI and CPI inflation rates generally move in tandem, there were periods in which one rate widely differed from the other in opposite directions. For instance, during the period 1995-96 to 1998-99, the CPI inflation ruled significantly higher than the WPI, while during 1999-2000 and 2000-01, the reverse is true. Secondly, while there is little disagreement that in the medium to long-run, inflation is largely caused by monetary expansion, in the short-run inflation could be affected by non-monetary and supply side factors. It may be recalled that during the early part of 1998-99, the headline inflation rate as measured by variations in WPI had shown a sharp increase following substantial rise in prices of certain food items such as fruits and vegetables and in October 1998, a conscious decision was taken, not to tighten the reins of monetary policy, since such an increase in prices emanated from temporary supply problems. The inflation rate reversed itself as the supply situation improved, and the monetary policy stance taken earlier proved to be correct. (However, the position could have turned out to be different if inflationary pressures had persisted or accelerated due to emergence of unexpected demand or supply side pressures).

17. We faced a similar situation in most part of 2000-01 when the increase in the overall inflation rate emanated from the sharp increase in international crude prices. If the increase in prices on account of petroleum related sub-group is excluded from the WPI, the inflation rate which peaked to 4.8 per cent in mid-January 2001, has since come down to 2.6 per cent by end-March 2001. It, therefore, becomes extremely important to appreciate the underlying inflation rate from different angles before building up an appropriate policy stance. The Reserve Bank will continue its on-going work on further refinement of the methodology for assessment of the inflationary outlook based on different indices and a set of monetary

indicators which could best guide the formulation of monetary policy in a changing environment.

18. In the Statement of April 1999, a mention was made about the need for developing a robust short-term operational model for better understanding of the transmission mechanism of the monetary policy. In line with this, a liquidity assessment model is being structured, on the basis of available data, so as to assess both the mechanism and inter-linkages among different segments of the financial system.

External Developments

19. There were significant changes in the external environment after April 2000 when the last annual Policy Statement was presented. It may be recalled that during the year 1999-2000, despite a sharp increase in oil prices, foreign currency assets of India had increased by US $ 5.5 billion and forex market was generally stable. This position changed markedly during the first half of the year 2000-01, particularly during the period mid-May to mid-August 2000. In view of the continued high oil prices, combined with successive increases in interest rates in the US and Europe and lower capital inflows, there was a decline in India's foreign currency assets by US $ 2.5 billion in the first six months of the year. Forex markets also witnessed considerable instability with rupee depreciating against US dollar by 5.3 per cent between April and September 2000. During this period, US dollar also appreciated against other major currencies, such as the Euro and the Pound Sterling.

20. The second half of the year, however, saw a sharp turnaround in the forex market. India's foreign currency assets increased by about US $ 7.0 billion, and exchange rate movements were generally orderly and range-bound. This favourable development was largely due to restoration of confidence in India's external prospects in view of the highly successful launch of the India Millennium Deposits (IMD) scheme by the State Bank of India, which attracted deposits of US $ 5.5 billion. It is significant that, excluding the effect of IMD scheme, there was actually an increase of US $ 1.5 billion in India's foreign currency assets during the second half of the year (as against a decline of US $ 2.5 billion during the first half of the year on a comparable basis).

21. The sharp turnaround in the foreign exchange situation and the behaviour of forex markets during the previous year is highly instructive for management of the external sector. As mentioned above, the behaviour of the forex market was sharply different during the two halves of the year, even though there was no significant change in the 'real' economy or important economic variables, such as, the growth rate, trade deficit or oil prices. Reserves in the first half of the year averaged US $ 36.7 billion, which was several times higher than the additional cost of oil imports or even the size of

anticipated current account deficit. Exports also did well throughout the year with an average growth (in US dollar terms) of 20.1 per cent in the first half and 16.3 per cent in the second half (up to February 2001). In May 2000, the Reserve Bank had also announced that, as and when necessary, it would directly meet the foreign exchange requirements for imports by the Indian Oil Corporation as well as government debt service payments in order to meet the temporary demand-supply gaps. Yet, forex markets showed considerable instability and anxiety during the first half as compared with the second half of the year. An analysis of the behaviour of the market during these two periods, leads to following broad conclusions.

- The day-to-day movements, in the short-run, in foreign exchange markets have little to do with the so-called 'fundamentals' or country's capacity to meet its payments obligations, including debt service. Any adverse news, and 'expectations' generated by it tend to play a paramount role. Adverse expectations are also generally self-fulfilling because of their adverse effect on "leads and lags" in export/import receipts and payments, remittances and inter-bank positions.

- In view of inter-bank activity, which sets the pace in forex markets, transaction volumes in "gross" terms are several times higher, and more variable, than "net" flows. Exchange rates are more sensitive to "gross" flows, and variability in "gross" flows in turn is sensitive to exchange rate expectations.

- Any initial adverse movement, following bad news or unfavourable development may get exacerbated because of greater inter-bank activity. Given the "bandwagon" effect of any adverse movement and the herd behaviour of market participants, the situation can lead to further buying or hedging activity among non-bank participants. The "Daily Earnings At Risk" (DEAR) strategies of risk management tends to reinforce herd behaviour. There is a natural tendency to do what everyone else is doing in the event of any adverse development rather than taking a contra position, particularly in thin and underdeveloped markets dominated by a few leading operators.

- Developing countries generally have smaller and localised forex markets where nominal domestic currency values are expected to show a depreciating trend, particularly if relative inflation rates are higher than those of major industrial countries. In this situation, there is a greater tendency among market participants to hold long positions in foreign currencies and to hold back sales when expectations are adverse and currencies are depreciating, than the other way round when currencies are appreciating and expectations are favourable. Thus, market behaviour is not symmetrical in both directions.

- The tendency of importers/exporters and other end-users to look at exchange rate movements as a source of return without adopting appropriate risk management strategies, at times, creates severe uneven supply-demand conditions, often based on "news and views". A self-sustaining triangle of supply demand mismatch, increased inter-bank activity to take advantage of it and accentuated volatility triggered by negative sentiments, not in tune with fundamentals can be set in motion, requiring quick intervention/ response by authorities.

22. The above realities of the foreign exchange markets make the task of determining appropriate exchange rate and market intervention policies extremely difficult for central banks all over the world. In principle, and in theory, there is a strong case for either freely floating exchange rates (without intervention) or a currency board type arrangement of fixed rates. In practice, however, because of the operational realities of foreign exchange markets, empirical research shows that most countries have adopted intermediate regimes of various types including fixed pegs, crawling pegs, fixed rates within bands, managed floats with no pre-announced path, and independent floats with foreign exchange intervention moderating the rate of change and preventing undue fluctuations. By and large, barring a few, most countries have some variety of "managed" floats and central banks intervene in the market periodically.

23. Part of the reason for concern with exchange rate is also the likely effect of adverse developments in forex market on the real economy, as has been seen in East Asia, Russia, Mexico and Brazil a couple of years ago, and Turkey and Argentina currently. The "contagion" effect is quick, and a sharp change in the currency value can affect the real economy more than proportionately. Exporters may suffer if there is unanticipated sharp appreciation and debtors or other corporates may be affected badly if there is a sharp depreciation, which can also lead to bank failures and bankruptcies.

24. Against this background, India's exchange rate policy of focusing on managing volatility with no fixed rate target while allowing the underlying demand and supply conditions to determine the exchange rate movements over a period in an orderly way has stood the test of time. Despite several unexpected external and domestic developments, India's external situation continues to remain satisfactory. The Reserve Bank will continue to follow the same approach of watchfulness, caution and flexibility in regard to forex market in the current year also.

25. Our own experience last year, has highlighted the importance of building up foreign exchange reserves to take care of unforeseen contingencies, volatile capital flows and other developments which can affect expectations adversely. The emerging economies have to rely largely on their own resources during external exigencies (or contagion) as there is no international "lender of last resort" to provide additional liquidity at short notice on acceptable terms. Thus, the need for adequate reserves is unlikely to be eliminated or reduced even if exchange rates are allowed to float freely. Sharp exchange rate movements can be highly disequilibrating and costly for the economy during periods of uncertainty or adverse expectations, whether real or imaginary. These economic costs are likely to be substantially higher than the net financial cost, if any, of holding reserves. The success of the IMD scheme last year, and the confidence generated by it was a crucial factor in stabilising India's forex markets and containing risks to the real economy in the second half of the year.

26. The overall approach to the management of India's foreign exchange reserves in recent years has reflected the changing composition of balance of payments, and has endeavoured to reflect the "liquidity risks" associated with different types of flows and other requirements. The policy for reserve management is thus judiciously built upon a host of identifiable factors and other contingencies. Such factors, *inter alia*, include: the size of the current account deficit; the size of short-term liabilities (including current repayment obligations on long-term loans); the possible variability in portfolio investments and other types of capital flows; the unanticipated pressures on the balance of payments arising out of external shocks (such as the impact of the East Asian crisis in 1997-98 or increase in oil prices in 1999-2000); and movements in the repatriable foreign currency deposits of non-resident Indians. Taking these factors into account, India's foreign exchange reserves are at present comfortable. However, there can be no cause for complacency. We must continue to ensure that, leaving aside short-term variations in reserve levels, the quantum of reserves in the long-run is in line with the growth in the economy and the size of risk-adjusted capital flows. This will provide us with greater security against unfavourable or unanticipated developments, which can occur quite suddenly.

27. The developments in respect of India's balance of payments, particularly exports, also require continuous vigilance. Fortunately, in 2000-01, exports have done well and it is essential to keep up the momentum to ensure that balance of payments do not become a constraint on economic growth. In the past, several measures were introduced to ensure timely delivery of credit to exporters and remove procedural hassles. As indicated in the Mid-term Review of October 2000, the

suggestions received from exporters and export trade organisations were examined by the RBI and the Bankers' Group and guidelines were issued to banks to further simplify procedures for export credit. These include adopting a flexible approach in negotiating bills drawn against LCs over and above the sanctioned limits, delegating discretionary/higher sanctioning powers to branches, authorisation to branches for disbursing a certain percentage of enhanced/ *ad-hoc* limits pending sanction, to incorporate all sanctions including waiver of submission of order/LC for every disbursal and export credit and submission of a statement of orders/LCs in hand at periodical intervals in the sanction letter and advise ECGC immediately about the terms of sanction to facilitate faster claim settlement.

28. The Reserve Bank has been arranging seminars at major exporting centres for the benefit of exporters and branch level bank officials for resolving the problems relating to export credit and meeting foreign currency requirements. The Reserve Bank has also been holding meetings of All India Export Advisory Committee (AIEAC) at quarterly intervals for deliberating on the issues raised by exporter organisations and taking appropriate action. Further, exporters have also been advised that they can call on concerned senior officials of the RBI on any working day during a designated time-slot without prior appointment for redressal of their grievances. In order to have a feedback on simplification of procedures by the RBI for export credit delivery as also the level of exporters' satisfaction with bank services, it is proposed to conduct a survey with the help of an independent outside agency.

29. As a step towards simplification of procedures in the field of exports, all status holders (export/trading/super trading houses) and manufacturer exporters who are exporting more than one-half of their production and recognised as such by the Directorate General of Foreign Trade (DGFT), have recently been extended a simplified facility to write off their export outstandings to the extent of 5.0 per cent of their average annual export realisation in the preceding three years.

30. For mitigating the problems of exporters due to the severe earthquake, guidelines have been issued to banks for providing relief/concessions. These include extending the period of packing credit, conversion of dues into short-term loans repayable in suitable instalments and relaxation in NPA classification norms.

31. In the recent period, procedure of financial transactions such as remittances, investments and maintenance of bank accounts, etc., for non-resident Indians (NRIs) has been considerably simplified and the feedback from the NRIs on this count has been very positive. The Reserve Bank would continue to welcome suggestions for further improving various facilities pertaining to NRIs.

32. Foreign Institutional Investors (FIIs) can invest in a company under the portfolio investment route up to 24.0 per cent of the paid-up capital of the company which could now be increased to 49.0 per cent (40.0 per cent earlier) by the concerned Indian company by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body.

33. In order to encourage foreign investment, foreign direct investment (FDI) is permitted under the automatic route for most activities except in certain circumstances and for a very small negative list. New foreign investment proposals in the IT sector have been allowed automatic approval irrespective of whether the investor has an existing joint venture or technical collaboration in the country. No monetary ceilings have been placed on investment under the automatic route. Foreign Investment Promotion Board (FIPB) now considers applications for FDI up to 100 per cent for oil refining sector, business-to-business e-commerce and internet service providers (ISPs) subject to certain conditions. FDI under the automatic route has been permitted up to 100 per cent for all manufacturing activities (with certain exceptions) in Special Economic Zones (SEZs). As announced in the Union Budget, FDI in Non-Banking Financial Companies (NBFCs) will be put on the automatic route. Foreign equity participation up to 26 per cent has been allowed in the insurance sector subject to issue of necessary licence by the Insurance Regulatory and Development Authority (IRDA). The Reserve Bank has given general permission to Indian companies which are eligible under the automatic route or have SIA/FIPB approval to issue shares to their foreign collaborators, subject only to certain reporting requirements.

34. Continuing with the policy of liberalisation of the capital account following the announcement made in the Union Budget in March 2001, a number of steps have been taken to improve liquidity in the ADR/GDR market and to give opportunity to Indian shareholders to divest their shareholding in the ADR/GDR market abroad. Thus, two-way fungibility in ADR/GDR issues of Indian companies has been introduced, subject to sectoral caps, wherever applicable. Stockbrokers in India have now been allowed to purchase shares and deposit these with the Indian custodians for issue of ADRs/GDRs by the overseas depository to the extent of those being converted into underlying shares. Indian companies have been permitted to sponsor ADR/GDR issues with an overseas depository against shares held by a shareholder, who wish to use this option subject to compliance with Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and guidelines issued by the Government.

35. Indian companies wishing to make acquisitions of foreign companies or direct investment abroad in Joint Ventures/Wholly

Owned Subsidiaries can now invest up to US $ 50 million on an annual basis through automatic route without being subject to the three year profitability condition. Additional block allocation of foreign exchange over the limit of US $ 50 million is available to companies with proven track record, subject to certain conditions. Companies may invest 100 per cent of the proceeds of their ADR/GDR issues for acquisitions of foreign companies and direct investments in Joint Ventures and Wholly Owned Subsidiaries. Any Indian company that has issued ADRs/GDRs may now acquire shares of foreign companies engaged in the same area of core activity up to an amount of US dollar 100 million or an amount equivalent to ten times of their exports in the previous year, whichever is higher. Earlier, such stock swap facility was available only to Indian companies in certain sectors. Partnership firms providing certain specified professional services, *viz*., chartered accountancy, legal services, medical and health care services, information technology and entertainment software related services are allowed to invest abroad in foreign concerns in the same line of activity subject to certain criteria.

36. In order to provide stimulus to the growth of the venture capital industry in India, Securities and Exchange Board of India (SEBI) has been made the single point nodal agency for registration of both domestic and overseas venture capital funds which are allowed to invest through the automatic route, subject to SEBI regulations. General permission has been granted to SEBI registered Foreign Venture Capital Investments (FVCIs) to invest in Indian Venture Capital Undertakings (IVCUs) or in a Venture Capital Fund (VCF) and divest its investments at any price mutually acceptable to the buyer and the seller.

37. In order to provide appropriate information, “Frequently Asked Questions” (FAQs) on various topics relating to foreign exchange matters have also been made available on the RBI’s website (**www.fema.rbi.org.in**). In addition, for queries from public relating to specific transactions, eight dedicated e-mail addresses have been provided on the RBI’s website covering different types of transactions.

38. The Reserve Bank will continue with its efforts to simplify procedure, reduce documentation requirements and further liberalise opportunities for productive investment in India by NRIs and others and by Indian corporates abroad. Further suggestions by experts, corporates and market participants in these areas would be welcome.

II. Stance of Monetary Policy for 2001-02

39. During March 2001, the equity markets experienced considerable turbulence and uncertainty leading to problems in certain stock exchanges as well as liquidity/

insolvency problems in some co-operative banks, which in turn affected certain commercial banks also. An important priority of the Reserve Bank during this difficult period was to try and minimise the "contagion" spreading from equity markets to money and government securities markets or to the banking system as a whole. In order to achieve this objective, it was necessary to provide assurance of sufficient collateralised liquidity to banks, and to take early action to prevent the problem affecting particular co-operative banks in one region from spreading to other financial institutions. By and large, so far, money market as well as government securities market have continued to function normally. Further, there has been no reduction in market liquidity in spite of some cases of payment delays/ defaults. There has also been no immediate adverse impact of stock market turbulence on interest rates.

40. The recent experience in equity markets, and its aftermath, have thrown up new challenges for the regulatory system as well as for the conduct of monetary policy. It has become evident that certain banks in the co-operative sector did not adhere to their prudential norms nor to the well-defined regulatory guidelines for asset-liability management nor even to the requirement of meeting their inter-bank payment obligations. Even though such behaviour was confined to a few relatively small banks, by national standards, in two or three locations, it caused losses to some correspondent banks in addition to severe problems for depositors. In the interest of financial stability, it is important to take measures to strengthen the regulatory framework for the co-operative sector by removing "dual" control by laying down clear-cut guidelines for their management structure and by enforcing further prudential standards in respect of access to uncollateralised funds and their lending against volatile assets. In the light of recent experience, some corrective steps to prevent commercial banks from taking undue risks in their portfolio management are also outlined in Part III of this Statement.

41. The overall macroeconomic indicators, despite recent developments in the equity market, continue to be favourable for growth with price stability. As mentioned earlier, GDP growth is likely to be about 6.0 per cent in 2000-01 in line with the projection indicated in the Mid-term Review. The "headline" inflation rate at 4.9 per cent turned out to be lower than expected in the Mid-term Review. Excluding the petroleum sub-group, the inflation rate was 2.6 per cent as on March 31, 2001. The external sector was also comfortable during the year as a whole with exports doing well and current account deficit expected to be considerably lower than 2.0 per cent of GDP. Money supply growth was also by and large in line with projected trajectory and the recent Budget has signalled a firm commitment towards fiscal consolidation and reduction in fiscal deficit. The interest rates, after some hardening in mid-year, had softened in the later part of 2000-01. The

primary yields in Treasury Bills of various maturities which had risen from a range of 7.0-9.2 per cent in April 2000 to close to 11.0 per cent in August 2000 have since declined to a range of 8.8-9.1 per cent by March 2001. The primary yield on 10-year government securities has fallen from a peak of 11.7 per cent in October 2000 to 10.7 per cent in January 2001. The secondary market yields have also moved in tandem with the primary market.

42. While there is still considerable uncertainty, it is widely expected that the world GDP growth would be substantially lower in 2001 compared with a high growth of about 5.0 per cent in the previous year, driven by the slowdown of the US economy. A favourable factor this year is that the international inflationary environment is reasonably benign. Low inflationary expectations have facilitated substantial reduction in international interest rates in order to revive economic activity in major industrial countries. India cannot but reckon the impact of these global developments though for several reasons, including its relatively small share of trade, GDP growth in India is unlikely to be as seriously affected by these developments, as in many other countries. While merchandise exports growth may slightly moderate, software exports with more diversified destinations and private remittances may still be maintained. The size of current account deficit is, therefore, expected to continue to be well within 2.0 per cent of GDP.

43. The fiscal deficit of the Central Government is budgeted at 4.7 per cent of GDP for 2001-02 and the borrowing programme of the Centre at Rs.1,18,852 crore (gross) and Rs.77,353 crore (net). While the borrowing programme in respect of some States has come under stress, the RBI expects to conduct debt management without serious pressure on overall liquidity and interest rates.

44. Against this background, the Reserve Bank proposes to continue to ensure that all legitimate requirements for credit are met consistent with price stability. Towards this objective, the Reserve Bank will continue its policy of active demand management of liquidity through OMO, including two-way sale/purchase of Treasury Bills, and further reduction in CRR as and when required. Unless circumstances change unexpectedly, or current problems in some segments of the market are not resolved soon, on the present reckoning, it should also be possible to maintain the current interest rate environment, and explore the possibility of some further softening in medium and long-term rates over time, following the stance of interest rate flexibility announced in the recent Budget. However, as emphasized last year as well as in Part I of this Statement, in formulating their business plans, banks and financial institutions should be prepared for a reversal or tightening of monetary policy in case the underlying inflationary situation turns adverse or there are unfavourable and unexpected external developments.

45. A realistic projection of the overall growth rate for the current year 2001-2002 is presently difficult in view of uncertainties pertaining to the outlook for industrial growth. As mentioned above, the objective conditions for revival of growth are favourable, but the trend in growth of output and investment demand in the last quarter of the previous year has not been very encouraging. Assuming revival of the industrial sector from the next quarter, reasonable monsoon, and good performance of exports, for purposes of monetary policy formulation, for the year as a whole, growth rate of real GDP may be placed at 6.0 to 6.5 per cent. The rate of inflation is assumed to be close to that in the previous year, *i.e.,* within 5.0 per cent; the projected expansion in broad money (M_3) for 2001-02 is about 14.5 per cent. Consistent with prevailing elasticities, this order of growth in M_3 would lead to an increase in aggregate deposits of scheduled commercial banks at about the same rate (or about Rs.1,34,000 crore). Non-food bank credit adjusted for investment in commercial paper, shares/debentures/bonds of PSUs and private corporate sector is projected to increase by 16.0 to 17.0 per cent. This magnitude of credit expansion is expected to adequately meet the credit needs of the productive sectors of the economy.

46. The Mid-term Review of October 1999 underlined the need to undertake concrete steps to remove certain inherent rigidities so that the interest rate structure can be made more flexible during different phases of the business cycle. Since then, there has been some easing of constraints on the flexibility of interest rates in the financial system as a whole. Assuming a continued positive outlook for inflationary expectations, further flexibility would be facilitated if consistent progress is made in certain directions. As emphasised in the Budget, there is urgent need for consistent and credible fiscal adjustment combined with flexibility in administered interest rates. The financial system should also improve its operational efficiency and aim at further reduction in cost of intermediation. In this regard, there is a need to improve the debt recovery system so that the burden of NPAs on the financial system is eased. Although banks have been given the freedom to quote flexible and variable rates on deposits, the bulk of the deposits are still at fixed rates which become unsustainable when lending rates are lowered. It is necessary for banks to undertake further improvements in operational efficiency and active liability management for interest rate flexibility in line with changes in the inflationary outlook. A reduction in fiscal deficit and overall government borrowing programme could facilitate easing the regulatory burden in the banking system by reducing the relatively high level of CRR. There is also a need to rationalise the tax regime so that tax-induced distortions in effective rates of return between different instruments and markets are avoided.

47. The Bank Rate changes by the RBI combined with CRR and repo rate changes

have emerged as signalling devices for interest rate changes and important tools of liquidity and monetary management. The Liquidity Adjustment Facility (LAF) introduced since June 2000 has proved to be an effective mechanism for absorbing and/or injecting liquidity on a day-to-day basis in a more flexible manner and, in the process, providing a corridor for the call money market. The experience with LAF has been satisfactory and RBI's endeavour will be to make it more efficient, by removing some of the existing institutional, procedural and technological constraints. The Reserve Bank will also continue with its effort to bring about orderly development and smooth functioning of financial markets and takes further steps in financial sector reforms.

48. In sum, under normal circumstances and barring emergence of any adverse and unexpected developments in domestic or external sectors, the overall stance of monetary policy for 2001-02 will be:

- Provision of adequate liquidity to meet credit growth and support revival of investment demand while continuing a vigil on movements in the price level.

- Within the overall framework of imparting greater flexibility to the interest rate regime in the medium-term, to continue the present stable interest rate environment with a preference for softening to the extent the evolving situation warrants.

III. Financial Sector Reforms and Monetary Policy Measures

49. The recent annual Policy Statements as well as Mid-term Reviews have focussed on the structural measures to strengthen the financial system and to improve the functioning of the various segments of financial markets. The main objectives of these measures have been to increase operational effectiveness of monetary policy, redefine the regulatory role of the Reserve Bank, strengthen the prudential and supervisory norms, improve the credit delivery system and develop the technological and institutional infrastructure of the financial sector. In this year's Policy also, it is proposed to make further progress in these areas. As far as possible, changes of structural nature being proposed have been decided after extensive consultations with experts and market participants.

50. As announced before, the short-term credit and regulatory measures, like changes in the Bank Rate or CRR, do not necessarily form a part of bi-annual Policy Statements. These short-term measures are announced, from time to time, in the light of emerging developments in the domestic and international financial markets. Thus, recently after a review of developments in the international and domestic financial markets, the Reserve Bank lowered the Bank Rate and CRR on February 16, 2001. A further reduction in the Bank Rate was announced after the Budget on March 1,

2001. No further changes in CRR or the Bank Rate are being proposed just now. These will be announced as and when considered necessary in the light of overall monetary and other developments.

Review of Liquidity Adjustment Facility - Stage II

51. As indicated in April 2000 Policy Statement, the scheme of Liquidity Adjustment Facility (LAF) is being introduced progressively in three convenient stages in order to ensure smooth transition. In the first stage, with effect from June 5, 2000, the Additional Collateralised Lending Facility (ACLF) and Level II support to Primary Dealers (PDs) were replaced by variable rate repo auctions with the same day settlement. The second stage of LAF envisages replacement of Collateralised Lending Facility (CLF) and Level I support to PDs by variable rate repo auctions. It was indicated that the effective date for the second stage would be decided in consultation with banks and PDs. On the basis of experience gained and wide ranging consultations, it has been decided to move forward to implement the second stage in well defined steps, as described below. The third stage envisages multiple auctions intra-day, which will become feasible with the proposed introduction of electronic transfers of funds and securities.

52. An internal Group has reviewed the scheme taking into account feedback received from the market participants and have made several suggestions to make the LAF more effective. The working of the LAF was also considered by the Technical Advisory Committee on Money and Government Securities Markets. A seminar was also organised sometime ago by Fixed Income Money Market and Derivatives Association (FIMMDA) on the subject. By and large, it has been observed that LAF has been working satisfactorily as a flexible instrument for injecting/absorbing liquidity and also as an interest rate signal for the short-term money market. The suggestions emerging from these consultations broadly relate to the procedural aspects relating to the auctions, the need for a second level support, etc., so as to make the LAF operationally more flexible and hassle free.

53. The experience with the LAF has also shown that the LAF can be made fully effective only when it becomes the primary instrument of liquidity adjustment and the other forms of liquidity support to the system, *viz.*, collateralised lending facility and export credit refinance to banks and liquidity support to PDs are gradually replaced with the LAF. However, these facilities were granted on certain specific considerations in the past. The replacement of these facilities has, therefore, to be structured and staggered over a reasonable period so that the transition to LAF as a primary instrument does not cause any serious operational problems for banks and PDs to adjust their asset-liability positions smoothly.

54. Yet another requirement for the LAF to become fully effective is the need to move towards a pure inter-bank call/notice money market and the need to create opportunities for activating the repo market with adequate safeguards and for other alternative short-term investment options to the non-bank participants, which are at present allowed to lend in the call/notice money market.

55. Taking into account the above considerations, it is proposed to announce a package of measures encompassing changes in operating procedures of LAF including auction methods and periods, a strategy for smooth transition of call money market to pure inter-bank market and a comprehensive and coherent programme for rationalisation of liquidity support available to the system at present, through various facilities for different requirements of the market. It is also proposed to announce certain complementary and associated measures in money and government securities markets. The package as a whole is expected to provide considerable operational flexibility to the market participants enhancing smooth flow of funds across instruments and participants resulting in further integration of money market, thereby improving it as a more effective transmission channel of monetary policy.

56. The scheme will, as usual be constantly under review in consultation with the market participants and the Technical Advisory Committee on Money and Government Securities Markets with a view to refining and improving procedural and operational aspects.

(a) Changes in Standing Liquidity Facilities Available to the System and Introduction of Back-stop Facility

57. At present, banks are provided with liquidity support at the Bank Rate under two schemes, *viz.*, (i) Collateralised Lending Facility (CLF) which is available to each scheduled commercial bank at a level of 0.125 per cent of its average aggregate deposits during the year 1997-98 and (ii) export credit refinance to the extent of 50.0 per cent of the increase in its outstanding export credit eligible for refinance over the level of such outstanding as on February 16, 1996. The PDs are provided at present with collateralised liquidity support, and PD-wise limits are based on certain norms relating to their commitments to the RBI.

58. When the LAF was reviewed, it was felt that for a smooth transition to full-fledged operation of LAF, the system would need a back-stop facility at a variable rate of interest, as a cushion, over and above the support available through standing liquidity facilities at the Bank Rate and through the LAF operations in daily auctions.

59. Taking the above features into account and the need for a gradual switchover to the subsequent stage of LAF, the following modifications to the present standing liquidity facilities are announced:

- It is proposed to split the standing liquidity facilities available from the RBI into two parts, *viz.*, (i) normal facility and (ii) back-stop facility. Accordingly, the total quantum of support available to banks under CLF and export credit refinance, and the quantum of support available for PDs will be spilt into two components, i.e., normal facility and back-stop facility.

- The normal facility will be provided at the Bank Rate. The back-stop facility will be provided at a variable daily rate. The variable rate would be linked to cut-off rates emerging in regular LAF auctions and in the absence of such rates, to National Stock Exchange – Mumbai – Inter-bank Offer Rate (NSE-MIBOR) as detailed below:

(i) The variable rate for the back-stop facility, to be fixed on a daily basis would be 1.0 percentage point over the reverse repo cut-off rate at which funds were injected earlier during the day in the regular LAF repos auctions.

(ii) Where no reverse repo bid was accepted as part of LAF auction, the rate will be 2.0 to 3.0 percentage points over the repo cut-off rate of the day emerged in LAF auction as may be decided by the RBI.

(iii) In case no bids were accepted earlier during the day at either repo or reverse repo auctions, the rate will be 2.0 to 3.0 percentage points over NSE-MIBOR as may be decided by RBI.

- Back-stop facility would be operated till close of banking hours.

- Of the total limits of liquidity support available to PDs and banks, the normal facility would initially constitute about two-thirds and the back-stop facility about one-third. PD-wise and bank-wise limits will be announced separately.

60. At present, banks are provided export credit refinance on the basis of outstanding export credit eligible for refinance on an **incremental** basis over a base date. It has been observed that some banks which had large exposure to the export sector on the base date are either unable to get any refinance from the RBI or they have very small entitlements. For instance, a bank, which had an outstanding credit, say, 30.0 per cent of total advances as on February 16, 1996 and an outstanding credit of the same absolute amount in a recent period, does not get any refinance facility as per the current formula even though as a percentage of total advances, export credit may constitute a very high proportion. It has, therefore, been decided to rationalize the export credit refinance facility so that the facility reflects more closely the extent of **total** credit support being provided by banks

to exporters. Now, the limits would be fixed on the basis of total outstanding export credit eligible instead of the incremental export credit eligible over a base date.

61. It has accordingly been decided that with effect from the fortnight beginning May 5, 2001, scheduled commercial banks would be provided export credit refinance to the extent of 15.0 per cent of the outstanding export credit eligible for refinance as at the end of the second preceding fortnight. With the change in formula, the illustrative bank mentioned above will continue to remain entitled to a certain percentage of refinance. In case the volume of export credit by these banks increases, their refinance facility will also correspondingly increase.

62. As a matter of further comfort to all banks, the existing refinance limit as on May 4, 2001 as per the current formula will constitute the minimum limit available for a bank up to March 31, 2002.

63. All the above revisions will be effective from the fortnight beginning May 5, 2001.

(b) Changes in LAF Operating Procedures

64. The following measures relate to LAF operating procedures:

- The minimum bid size for LAF is being reduced from the existing Rs.10 crore to Rs.5 crore to add further operational flexibility to the scheme and enable small level operators to participate.
- The LAF timing is being advanced by 30 minutes - 10.30 a.m. for receipt of bids and for announcement of results to 12.00 noon.
- With a view to stabilising market expectations and arresting volatility in call rates, it has been decided to provide the market with additional information. The market would be provided with information on the scheduled commercial banks' aggregate cash balances maintained with the RBI on a cumulative basis during the fortnight with a lag of two days.
- At present, repo auctions are conducted without any pre-announced rate and bids are accepted on the basis of uniform price method. With a view to providing quick interest rate signals, when necessary, in order to meet unexpected domestic or external developments, the RBI will henceforth have an additional option to switchover to fixed rate repos on overnight basis; but this option is expected to be sparingly used. For the purpose of such repos, the rates of interest intended to be offered would be announced as part of auction announcement on the previous evening or before 10.00 a.m. on the day of auction, if necessary.
- In addition to overnight repos, the RBI

will also have the discretion to introduce longer-term repos up to 14 day period as and when required.

65. At present, auctions under LAF are conducted on uniform price basis. Uniform price auction has the advantage of setting a single repo rate for absorption or injection of funds. Further, unlike multiple price auction, there is no problem of so called “winner’s curse”, as all the successful bidders get the same rate. However, an important disadvantage of the uniform price system is that, as bidders are sure to succeed at the most favourable rate, there is a possibility of indiscriminate or irresponsible bidding out of alignment with the market. Under multiple price auction, on the other hand, as bidders get differential rates in accordance to their need and assessment of cost, greater commitment to bidding is likely to be ensured and the intensity of demand in the market is clearly reflected in the bidding pattern. While there is no conclusive evidence about the superiority of one method over the other, country experience shows that both the methods are used for different instruments and at different times, depending upon the circumstances. The issue between the two auction methods under LAF was discussed recently in a FIMMDA Seminar and a view had emerged that the RBI should at this stage switchover to multiple price auction system. It has, therefore, been decided to introduce multiple price auction (in place of existing uniform price auction) on an experimental basis for one month period during May 2001. The system would be evaluated on the basis of experience. The weighted average cut-off yield in case of multiple price auction would be released to the public which along with cut-off rates will provide a band for call money market to operate.

66. The medium-term objective is to move over gradually to liquidity adjustment only through LAF combined with back-stop facility at variable rates as mentioned earlier and to do away with various specific standing liquidity facilities available now at the Bank Rate.

(c) Rationalisation of Interest Rates on Export Credit

67. At present, export credit is provided by prescribing specific rates of interest on pre-shipment credit and mostly as a ceiling in the case of post-shipment credit. Henceforth, it is proposed to make interest rate on export credit extended by banks to be indicated as a ceiling rate in respect of all categories so that interest rate charged by the banks can actually be lower than the prescribed rate. Along with this, it is also proposed to link such ceiling rates to the Prime Lending Rates (PLRs) of respective banks available to their other domestic borrowers. Accordingly, in respect of pre-shipment credit up to 180 days, the ceiling rate applicable will be 1.5 percentage points below the PLR (Details are in Annexure-1); banks would be free to charge interest rate

below the ceiling rate prescribed, *viz.*, 1.5 percentage points below PLR.

68. At present, banks prescribe PLR for short-term and also on tenor-linked basis for different maturity periods. The application of interest rates on export credit by banks will be on the basis of the relevant PLR prescribed by the bank. Currently, the tenor-linked PLR up to 180 days by three major public sector banks is in the range of 10.0-10.5 per cent. Thus, the ceiling rates prescribed as above would result in the major public sector banks effectively reducing the interest rates on export credit by about 1.0-1.5 percentage points to 8.5-9.0 per cent compared to the present prescribed lending rate of 10.0 per cent for pre-shipment credit up to 180 days (and as a ceiling for post-shipment credit up to 90 days). This is expected to introduce healthy competition and provide exporters a greater choice to avail of banking services in terms of interest rate, quality of service and transaction costs.

69. It may be mentioned that at present, the forward premium for US dollars in the Indian market is around 4.5 per cent for 6 months. An exporter can thus avail of rupee export credit at 8.5-9.0 per cent interest rate and sell the expected export earnings in the forward market, effectively reducing the interest cost to only around 4.0-4.5 per cent, which is internationally highly competitive.

70. Exporters now also have the option to avail of pre- and post-shipment credit in foreign currency which is available at a ceiling rate of LIBOR plus 1.5 percentage points. With the ceiling rate on FCNR (B) deposits being changed to LIBOR (instead of LIBOR plus 0.5 percentage point – covered later in this Statement), it has been decided to revise the ceiling rate on foreign currency loans for exports by banks to LIBOR plus 1.0 percentage point which will make this rate even more competitive.

(d) Complementary Measures Associated with Money and Government Securities Markets

71. As part of streamlining the LAF and improving the transmission channel of monetary policy, the following complementary and associated measures in respect of money and government securities markets are announced:

(i) Moving towards Pure Inter-bank Call Money Market

72. In addition to select corporates, which route calls transactions through PDs, there are several non-banks such as financial institutions and mutual funds, which are permitted to lend directly in the call/notice money market. Following the recommendations of Narasimham Committee II, it was decided to move towards a pure inter-bank (including PDs) call/notice money market. With a view to planning a smooth phasing out of these

institutions from call/notice money market, as indicated in the Mid-term Review of October 2000, a Technical Group, which included representatives from the RBI, non-banks and banks was constituted. The Group has since submitted its report. This report was placed on the RBI website (www.rbi.org.in) on March 29, 2001 for further comments and suggestions from experts and other market participants. The Group has, *inter alia*, recommended a strategy for gradually phasing out non-bank participation. In the light of the recommendations of the Group and the feedback received on the recommendations, following steps are being taken:

- Permission to corporates to route their call transactions through PDs would be available up to June 30, 2001, as announced in the Mid-term Review of October 2000.

- Access to other non-bank institutions (including financial institutions, mutual funds and insurance companies) to operate in call/notice money market would be gradually reduced in four stages:

  - In stage I, with effect from May 5, 2001 non-banks would be allowed to lend up to 85.0 per cent of their average daily lendings in call market during 2000-01.

  - In stage II, with effect from the date of operationalisation of Clearing Corporation, non-banks would be allowed to lend up to 70.0 per cent of their average daily lendings in call market during 2000-01.

  - In stage III, with effect from three months after stage II, access of non-banks to call/notice money market would be equivalent to 40.0 per cent of their average daily lendings in call market during 2000-01.

  - In stage IV, with effect from three months after stage III, access of non-banks to call/notice money market would be equivalent to 10.0 per cent of their average daily lendings in call market during 2000-01.

- From a date to be notified by the RBI, after the on-set of stage IV, non-banks will not be permitted to lend in call/ notice money market.

73. The above measures would allow sufficient time for market participants on both lending and borrowing side to adjust their portfolios without any disruption in the market as the programme will be implemented in four stages indicated, in line with the recommendations of the Technical Group. With the proposed establishment of the Clearing Corporation, repo operations would not only become more efficient, it would also be possible to undertake repo transactions in non-government securities.

It is envisaged that eventually both call money market and repo/reverse repo market combined with market for other money market instruments like term money, Commercial Paper (CP), Certificates of Deposit (CDs) and Treasury Bills would constitute an integrated market for equilibrating short-term funds for both banks and non-banks. Also such an integration is expected to make the money market an effective transmission channel for monetary policy.

(ii) Shortening of Minimum Maturity Period of Term Deposits

74. Interest rates on all term deposits are currently free and banks now offer an array of rates across maturities above 15 days, which is the minimum maturity for term deposits. With a view to moving further towards deregulation, providing opportunities for non-banks to invest short-term surplus funds in a more flexible manner when they are phased out from call money market and to enable banks to have more flexibility in their Asset Liability Management (ALM), it has been decided to reduce the minimum maturity period for term deposits to 7 days from the present 15 days at the discretion of individual banks. But, this facility will be available only in respect of wholesale deposits of Rs.15 lakh and above where banks have the freedom to offer differential rates according to size of deposits. However, the stipulation of minimum maturity of 15 days for CDs and CP will continue.

(iii) Relaxation in Daily Minimum Cash Reserve Ratio Maintenance Requirement

75. As per the Reserve Bank of India Act, Cash Reserve Ratio (CRR) has to be maintained on an average daily basis during a reporting fortnight by all scheduled banks. Along with lagged reserve maintenance, the minimum daily requirement was reduced to 65.0 per cent from the earlier 85.0 per cent to improve the cash management of banks and for smooth inter-bank adjustment of liquidity. The minimum requirement is not, however, applicable to the reporting Friday of the fortnight. It is now proposed to reduce the maintenance of daily minimum requirement of 65.0 per cent to 50.0 per cent for the first seven days of the reporting fortnight while continuing with the minimum requirement of 65.0 per cent for the rest of the fortnight; this minimum requirement, however, will be applicable to all seven days including the reporting Friday without any exception. This will come into force with effect from the fortnight beginning August 11, 2001. This will enable banks to have further flexibility of holding reserves depending upon their intra-period cash flows. This measure is expected to reduce volatility in the call money market.

(iv) Interest on Cash Balances Maintained with Reserve Bank of India under Cash Reserve Ratio

76. At present, all scheduled commercial banks (excluding Regional Rural Banks) are paid interest on eligible cash balances maintained with the RBI under CRR requirement at the rate of 4.0 per cent per annum. While the medium-term objective will continue to be to reduce CRR to the statutory minimum, as an intermediate measure, interest rate on eligible balances will be aligned with the Bank Rate in two stages. In the first stage, with effect from the fortnight beginning April 21, 2001, the interest paid on eligible balances will be increased to 6.0 per cent. At a subsequent stage, to be announced later, interest paid will be at the Bank Rate.

(v) Exemption of Inter-bank Term Liability from Minimum Cash Reserve Requirement

77. At present, inter-bank liabilities are exempt from CRR prescription subject to the minimum requirement of 3.0 per cent. As inter-bank borrowings are of short-term nature and do not cause any secondary deposit expansion, it is proposed to exempt the inter-bank term liabilities of maturity of 15 days and above from the prescription of minimum CRR requirement of 3.0 per cent. Besides a marginal saving on cost to banks, this measure is expected to help in developing inter-bank term money market. This measure will be effective from the fortnight beginning August 11, 2001.

(vi) Treasury Bill Market

78. The present 14 day Treasury Bill and 182 day Treasury Bill auctions are proposed to be discontinued and instead, the notified amount in the 91 day Treasury Bill auctions will be increased to Rs.250 crore. The notified amount in the 364 day Treasury Bill auction will remain at Rs.750 crore. It is proposed to synchronise the dates of payment for both 91 day and 364 day Treasury Bills. As such, both the 91 day and 364 day Bills will mature on same dates and together they can provide adequate fungible stock of Treasury Bills of varying maturities in the secondary market. The market clearing yields and the increased floating stock which are fungible are expected to activate the secondary market in Treasury Bills.

(vii) T plus 1 Settlement for SGL Settled Transactions

79. Currently, transactions in government securities are required to be settled on the trade date or next working day unless the transaction is through a broker of a permitted stock exchange in which case settlement can be on T plus 5 basis. With the progress made in computerization of Public Debt Office (PDO), it is possible to have pooled terminal facility located at Regional Offices across the country and member-terminals paving the way for a Negotiated Dealing System (NDS)

(Annexure-3). In the proposed NDS, all trades between members of NDS will have to be reported on the NDS which will be directly linked to the settlement system. In order that the market participants prepare themselves for the NDS, it is proposed that with effect from June 2, 2001, all transactions settled through the Delivery versus Payment (DVP) system of the RBI will be on T plus 1 basis. As this will provide certainty to market participants in respect of demand for settlement funds for securities transactions on the day of settlement, it is expected to improve cash and liquidity management among money market participants. This will also have a stabilising influence on call money market.

Interest Rate Policy

(a) Review of Norms Relating to Prime Lending Rate

80. As a step towards deregulation of interest rates and providing more operational flexibility to banks, Prime Lending Rate (PLR) was introduced in April 1997. Since then, the norms relating to the operation of PLR by banks has been substantially rationalised and liberalised. Banks were given freedom to declare their own PLRs along with a maximum spread. Later, the Prime Term Lending Rate (PTLR) was introduced and subsequently banks were provided with the freedom to offer tenor-linked PLRs. Banks also have now the flexibility to offer lending rates on a fixed rate or on a floating rate basis.

81. At present, PLR serves as the ceiling rate for credit limits of up to Rs.2 lakh and as a floor for loans or credit limits above Rs.2 lakh. The rationale for this policy is that PLR being the rate chargeable to the best borrower of the bank, transparency and objectivity requires that it should be the minimum rate chargeable to a borrower. However, based on requests from the banking system, banks were given the flexibility to charge interest rates without reference to the PLR in respect of certain categories of loans/credit like discounting of bills, lending to intermediary agencies, etc., in the Mid-term Review of October 1999.

82. In recent meetings with bankers, a request was made that the PLR should be converted into a reference or benchmark rate for banks rather than treating it as the minimum rate chargeable to the borrowers. In this context, a review of the international practices also shows that while the PLR was traditionally the lowest rate charged to the prime borrowers with highest credit rating, in recent years, the practice of providing loans even below the PLR by banks has become common.

83. Keeping in view the international practice and to provide further operational flexibility to commercial banks in deciding their lending rates, it has been decided to relax the requirement of PLR being the floor rate for loans above Rs.2 lakh. Banks will be able to offer loans at below-PLR rates to exporters or other creditworthy borrowers including

public enterprises on the lines of a transparent and objective policy approved by their Boards. Banks will continue to declare the maximum spread of interest rates over PLR. However, given the prevailing credit market in India and the need to continue with concessionality for small borrowers, the practice of treating PLR as the ceiling for loans up to Rs.2 lakh will continue.

(b) Deposit Schemes for Senior Citizens

84. As per present regulations, banks are prohibited to discriminate in the matter of rates of interest paid on deposits except in respect of single term deposits exceeding Rs.15 lakh. Based on the requests received from several senior citizens and their organisations, it has been decided to permit banks to formulate fixed deposit schemes specifically meant for senior citizens offering higher and fixed rates of interest as compared to normal deposits of any size. These schemes should also incorporate simplified procedures for automatic transfer of deposits to nominees of such depositors in the event of death.

(c) Term Deposits – Flexibility to Banks

85. Banks have been given the freedom to offer fixed/floating rates on term deposits and allow pre-mature withdrawal of such deposits. On the basis of suggestions received from banks, in order to facilitate better ALM, the following changes in the existing provisions are proposed:

- As per the extant guidelines on domestic/NRE deposits, it is mandatory for banks to allow premature withdrawals, if requested by the depositors. However, banks are free to prescribe penal rate of interest for allowing premature withdrawal except in the case of reinvestment in term deposits with the same bank. However, premature withdrawal of large sums may impact the ALM function of the banks. It is, therefore, proposed that banks will be given freedom to exercise their discretion to disallow premature withdrawal of large deposits held by entities other than individuals and Hindu Undivided Families. Banks would, however, have to inform such depositors of their policy of disallowing premature withdrawals in advance, i.e., at the time of accepting such deposits. In regard to existing deposits, present provision will continue until the time of renewal of individual deposits.

- At present, banks are free to renew overdue domestic term deposits at an interest rate applicable on the date of maturity. In order to facilitate better ALM, it is proposed that renewal of overdue deposits at the rate of interest prevailing on the date of maturity be allowed only for an overdue period of 14 days. In case the overdue period exceeds 14 days, the deposits should be treated like term deposits and banks may prescribe their own interest rate for the overdue period. Banks, however, have to inform the depositors in advance of their policy for renewal of overdue deposits.

(d) Interest Rate on FCNR(B) Deposits

86. At present, banks are free to accept FCNR(B) deposits for a maturity period of 1-3 years and to offer fixed or floating rates, the latter with a interest reset period of six months, subject to the ceiling of LIBOR/ SWAP rates plus 50 basis points for the corresponding maturity. Based on the feedback received from the banks, it has been decided to revise the above ceiling downward to LIBOR/SWAP rates for the corresponding maturity.

Development of Government Securities Market

87. Following the announcement made in the Union Budget for 2001-02, the Reserve Bank has already taken the following measures:

- A Clearing Corporation with State Bank of India as chief promoter with five other banks and financial institutions is expected to commence its operations by June 2001. The Corporation is expected to facilitate clearing and settlement of money, government securities and forex transactions. Annexure-2 provides more details on the proposals relating to the Clearing Corporation.

- It was mentioned in the Mid-term Review of October 2000 that in order to promote retail access to government securities, an order driven screen-based trading in government securities on the stock exchanges would be introduced in consultation with the Securities and Exchange Board of India (SEBI). The progress in implementation is being continuously reviewed.

- It has been decided to introduce an electronic Negotiated Dealing System (NDS) by June 2001 with a view to facilitating transparent electronic bidding in auctions and secondary market transactions in government securities on a real-time basis. Annexure-3 provides more details about the proposed NDS.

- The Public Debt Act is proposed to be replaced by the Government Securities Act. The enactment will provide flexibility in undertaking transactions in government securities and facilitate retailing.

88. In order to strengthen the institutional mechanism in government securities market, taking into account market risk faced by PDs, capital adequacy guidelines were issued to them in December 2000 based on the

accepted international standards. The following measures are being announced for further development of government securities market:

- In order to encourage retail participation in the primary market for government securities, it is proposed to allocate up to a maximum of 5.0 per cent of the notified amount in each auction of dated securities for allotment to retail investors on a non-competitive basis at the weighted average cut-off yield. The scheme will be operated only through the PDs and SDs. Individuals, and provident funds will be allowed to participate and entitled for allotment under this scheme and such allotment will be outside the notified amount. This scheme will be on an experimental basis after which it will be reviewed and modified, if necessary.

- Presently, the uniform price auction format is used for the issuance of 91 day Treasury Bills. It is proposed to extend the format to the auctions of dated securities, on a selective and experimental basis, in order to assess the benefits of such format. The notification for the respective auctions will specify the format to be used, *viz.*, uniform price or multiple price.

- The scheme of Satellite Dealers (SDs) was established in December 1996 to develop supporting infrastructure as a second tier to the PDs in government securities. The facilities extended to SDs include entitlement for current and SGL accounts with the RBI and access to liquidity support through repos to the extent of 50.0 per cent of the outstanding stock at the end of the previous day. On a review of the scheme, it has been decided that while the current eligibility criteria for accreditation as a SD would continue, the existing liquidity support available from the RBI will be discontinued. The SDs will be able to fund themselves in the repo market as with the setting up of the Clearing Corporation, transactions in the repo market by SDs will be facilitated.

89. It may be mentioned that the proposed NDS and the Clearing Corporation will result in more transparent and efficient trading in the money, government securities and forex markets. Simultaneously, it will ensure efficient and secure settlement by having electronic links among the trading system, clearing corporation and the Public Debt Office (PDO) and payment system.

Progress towards Separation of Debt Management

90. A Working Group on Separation of Debt Management from Monetary Management set up in the RBI in November 1997 submitted its Report in December 1997.

The Working Group recommended, *inter alia*, separation of debt management from monetary management and establishment of an independent company under Companies Act, 1956 to take over the debt management function. In that context, while no view was taken on the details of implementation, a decision to separate the two functions was considered desirable in principle. It was, however felt that separation of the two functions would be dependent on the fulfilment of three pre-conditions, *viz.*, development of financial markets, reasonable control over fiscal deficit and necessary legislative changes.

91. Subsequent developments demonstrate substantial progress on all the fronts:

- First, significant progress has been made in the development and integration of financial markets with the introduction of new instruments and participants, strengthening of the institutional infrastructure and greater clarity in the regulatory structure. Notably, the recent amendment to the Securities Contracts (Regulation) Act, 1956 demarcated the regulatory roles of the RBI and SEBI over the financial markets.

- Second, in the Budget Speech of 2000-01, the Finance Minister expressed the need to accord greater operational flexibility to the RBI for conduct of monetary policy and regulation of the financial system. Accordingly, the RBI has proposed amendments to various Acts, which is under active consideration.

- Third, the RBI has already proposed amendment to the Reserve Bank of India Act to take away the mandatory nature of management of public debt by the RBI and vesting the discretion with the Central Government to undertake the management of the public debt either by itself or to assign it to some other independent body, if it so desires.

- Fourth, the proposed Fiscal Responsibility Bill when passed is expected to bring in reasonable control over the fiscal deficit. Apart from elimination of revenue deficit by March 31, 2006 and bringing down the fiscal deficit to 2.0 per cent of GDP in the same period, the proposed Bill envisages prohibition of direct borrowings by the Central Government from the RBI after three years except by way of advances to meet temporary cash needs.

- Fifth, with the setting up of the Clearing Corporation and the operation of the full-fledged LAF and the other technological infrastructure being put in place, the RBI will be able to operate its instruments of monetary policy with greater flexibility and the proposed separation of debt management will greatly facilitate the independence of the RBI in performing its monetary management function.

92. In the above context, once legislative actions with regard to Fiscal Responsibility Bill and amendments with regard to the Reserve Bank of India Act are accomplished, it is proposed to take up with the Government the feasibility of and further steps for separation of government debt management function from RBI.

Prudential Measures

(a) Adoption of 90 days Norm for Recognition of Loan Impairment

93. At present, a loan is classified as non-performing when the interest and/or instalment of principal remain overdue for a period of more than 180 days as against the international best practice of 90 days payment delinquency. With a view to moving towards international best practices and to ensure greater transparency, it has been decided to adopt the 90 days norm from the year ending March 31, 2004.

94. The banks are, therefore, required to chalk out an appropriate transition path for smoothly moving over to the 90 days norm. As a facilitating measure, banks should move over to charging of interest at monthly rests by April 1, 2002. Banks would have to substantially upgrade their existing Management Information System (MIS) for collecting data on loans, where the interest and/or instalment of principal remain overdue for a period of more than 90 days in order to crystalise NPAs on a 90 days norm. Banks should commence making additional provisions for such loans, starting from the year ending March 31, 2002, which would strengthen their balance sheets and ensure smooth transition to the 90 days norm by March 31, 2004. Banks are, therefore, advised to work out necessary modalities and submit their action plans after approval by their Boards to the RBI. The implementation of the plans will be monitored by the RBI on a half-yearly basis.

95. The Reserve Bank is constantly reviewing the regulatory requirements in respect of prudential provisions and it is proposed to gradually enhance provisioning requirements in future. Considering that higher loan loss provisioning adds to the overall financial strength of the banks and the stability of the financial sector, banks are urged to voluntarily set apart provisions much above the minimum prudential levels prescribed by the RBI as a desirable practice.

(b) Prudential Norms for Financial Institutions

96. As per the extant guidelines, financial institutions (FIs) are required to treat a credit facility as non-performing if interest is overdue for more than 180 days and/or the

principal is overdue for more than 365 days. Over the years, a number of steps have been taken by Government of India to improve the legal framework governing recovery of dues of banks and FIs. The Reserve Bank has already circulated to banks and FIs the ground-rules on certain areas requiring co-ordination, particularly in respect of large value projects jointly financed by banks and FIs, with a view to avoiding delays and facilitating better solution to the common problems for implementation. Since the banking system is moving towards 90 days norm for recognition of loan impairment, it has been decided to bring in convergence in the norms for asset classification between FIs and banks over a reasonable period. Accordingly, to start with, the asset of a financial institution would be treated as non-performing if interest and/or principal remain overdue for 180 days instead of the present 365 days, with effect from the year ending March 31, 2002.

(c) Norms for Statutory Central Auditors in respect of Private Sector Banks

97. Of late, it was observed by the RBI that there was no uniformity amongst private sector banks in regard to the appointment of their Statutory Central Auditors (SCAs). Many banks were appointing audit firms of a smaller size and proprietary concerns with comparatively less experience. Considering the fast changes that are taking place in the financial sector in general and in the field of banking in particular as also the use of latest technology by some of the new private sector banks in their day-to-day operations, the RBI had examined the issue of prescribing minimum eligibility standards for the audit firms before approving their names as statutory auditors for Indian private sector banks. Accordingly, with effect from the year 2001-02, the audit firms recommended by Indian private sector banks for appointment as their SCAs will have to satisfy the prescribed standards in this regard such as minimum standing, minimum number of full time partners associated with the firm for a period of at least 3 years, minimum number of chartered accountants exclusively associated with the firm, number of professional audit staff as well as minimum statutory central audit experience for the auditors. With a view to applying the prescribed minimum standards, Indian private sector banks have been classified into two categories on the basis of their asset size as at end-March of the previous year, i.e., banks with an asset size up to Rs.5,000 crore and those with above Rs.5,000 crore.

(d) Revised Guidelines for Recovery of NPAs

98. As announced in the Union Budget for 1999-2000, guidelines for constitution of Settlement Advisory Committees (SACs) for compromise settlement of chronic Non-Performing Assets (NPAs) of small sector were framed. While banks were required to take effective measures to strengthen the credit appraisal and post credit monitoring

to arrest the incidence of fresh NPAs, a more realistic approach was needed to reduce the stock of existing and chronic NPAs in all categories. The guidelines were, therefore, modified in July 2000 which provided a simplified, non-discretionary and non-discriminatory mechanism for recovery of NPAs. The guidelines are in the RBI website www.rbi.org.in. The Government and the RBI have received a number of representations from industry/trade associations, individual borrowers as also from banks that the period of the guidelines should be extended. Accordingly, the revised guidelines, operative till March 31, 2001 were extended up to June 30, 2001; for processing these applications/ cases, banks have been given time up to September 30, 2001. All public sector banks are required to uniformly follow these guidelines, so that they maximise recovery of NPAs within the stipulated time.

(e) Credit Exposure to Individual/Group Borrowers

99. It was announced in the Mid-term Review of October 2000 that a review of current practices regarding credit exposure limits *vis-à-vis* international practices shows that there are certain issues which require further consideration. The first relates to the concept of ‘capital funds’; second relates to the scope of the measurement of credit exposure, in particular, the coverage of non-fund and other off-balance sheet exposures; and the third relates to the level of exposure limit itself. Taking into account the complexities involved, a discussion paper on the subject was prepared and circulated among a few public sector, private sector and foreign banks. Based on the comments and suggestions received from the banks on the issues, following measures are announced:

- Internationally, exposure ceilings are computed in relation to total capital as defined under capital adequacy standards (Tier I and Tier II Capital). Taking into account the best international practices, it has been decided to adopt the concept of capital funds as defined under capital adequacy standards for determining exposure ceiling uniformly both by domestic and foreign banks, effective from March 31, 2002.

- In line with international best practices, it has been decided that non-fund based exposures should be reckoned at 100 per cent and in addition, banks should include forward contracts in foreign exchange and other derivative products like currency swaps and options, at their replacement cost value in determining individual/group borrower exposure ceiling, effective from April 1, 2003.

- As the concept of capital funds has been broadened to represent total capital (Tier I and Tier II), it has been decided to adjust the exposure ceiling for single borrower from the existing

20.0 per cent to 15.0 per cent effective from March 31, 2002. Similarly, the group exposure limits will be adjusted effective from March 31, 2002 to 40.0 per cent of capital funds. In case of financing for infrastructure projects, the limit is extendable by another 10.0 per cent, i.e., up to 50.0 per cent.

(f) Debt Recovery Tribunals

100. It has been announced in the Union Budget for 2001-02 that the Government has decided to set up 7 more Debt Recovery Tribunals (DRTs) during 2001-02 in addition to the existing 22 DRTs and 5 Appellate Tribunals to facilitate banks to quickly recover their dues from borrowers. Besides, the Government has proposed to bring in legislation for facilitating foreclosure and enforcement of securities in case of default so as to enable banks and financial institutions to realise their dues.

(g) Defaulters' List – Widening the Coverage

101. The RBI annual publication of the list of defaulters to banks and financial institutions of Rs.1 crore and above, introduced in 1995, is confined to suit filed cases due to the secrecy provisions enshrined in the banking laws. The coverage of the scheme was widened by bi-annual circulation of the names of defaulters of Rs.1 crore and above in the doubtful or loss category as well. A scheme for collection and dissemination of information on willful defaulters with outstanding balance of Rs.25 lakh and above, on quarterly basis, was also introduced in February 1999. Pending appropriate amendments in banking laws, the RBI has also advised banks to incorporate a condition in the loan agreement for obtaining consent of the borrowers to disclose their names in the event of their becoming defaulters. Banks, which have not yet put in place the system of obtaining consent of the borrowers, are advised to complete the process by September 30, 2001.

(h) Revised Guidelines on Exposure of Banks to Stock Market

102. As announced in the Mid-term Review of October 2000, the RBI-SEBI Technical Committee has reviewed the RBI guidelines on banks' investments in shares as also advances against shares and other connected exposures. In making its recommendations, the Committee has taken into account the recent experiences of the banks and the exposures taken by them by way of advances against shares and financial guarantees. The report of the RBI-SEBI Technical Committee, which was submitted to the RBI on April 12, 2001 was released on the same day by the RBI for comments/suggestions by experts/ market participants and others. The report is available on the RBI website.

103. The Technical Committee has found that the overall exposure of banks in capital markets (both in terms of funded and non-

funded credit facilities) continues to be modest at 1.76 per cent of total advances of banks in February 2001. Banking system as a whole and public sector banks, accounting for the overwhelming proportion of deposits and advances in the economy, have currently an exposure of 1.76 per cent and 0.49 per cent of total advances, respectively, compared to 1.88 per cent and 0.53 per cent, respectively, in March 2000, showing overall, a negligible impact of the guidelines issued last year. However, some relatively small banks (in terms of their share in total advances) do not seem to have observed appropriate risk management guidelines, particularly in respect of advances against shares and non-funded guarantees to a few stock broking entities (including their associated and inter-connected companies). This concentration of exposure on a few entities by these few banks was unjustified on prudential grounds and substantially increased the risks attached to such advances/guarantees, besides raising serious ethical concerns.

104. The Technical Committee's recommendations are expected to minimise the possibility of such unwarranted and unethical "nexus" emerging between some inter-connected stock broking entities and promoters/managers of some private sector or co-operative banks. At the same time, the Technical Committee's recommendations provide head-room for growth of banks' financial support to capital market with appropriate disbursal of funds by multiplicity of banks among the customers.

105. In the light of the recommendations of the Technical Committee, the RBI proposes to revise the guidelines issued earlier in November 2000 on banks' investments in shares as also advances against shares and other connected exposures. It is proposed to issue the final guidelines in this regard in early May 2001 after taking into account further comments/ suggestions received by the RBI.

106. It is also proposed to review the actual working of the revised guidelines again after six months. Financing of assets backed by equity is a relatively new activity for most banks. It was anticipated by the RBI, when the present guidelines were issued in November 2000, after intensive and open consultations with all concerned, that some revisions in these guidelines might be required in the light of actual experience. Banks were also requested to keep a close watch on their operations and monitor data relating to this sector. All banks, large and small, are once again advised to carefully monitor their operations in this sensitive sector in order to minimize risk and maximize transparency.

(i) Reliance on Call Money Market

107. With the progressive deregulation, it is essential that banks adopt asset-liability management technique for scientific management of balance sheets. Accordingly, the RBI issued comprehensive guidelines on Asset-Liability Management System in

February 1999, advising banks to put in place a scientific system with effect from April 1, 1999. As a prudent measure, banks were, *inter alia*, advised that mismatches in cash flows during the first two time-buckets, *viz.*, 1-14 days and 15-28 days should not, in any case, exceed 20 per cent of the cash outflows. Further, to contain short-term funding, banks were advised to set caps on inter-bank borrowings, especially call borrowings.

108. Narasimham Committee II has also recommended that there must be clearly defined prudent limits beyond which banks should not be allowed to rely on the call money market and that access to the call market should essentially be for meeting unforeseen swings and not as a regular means of financing banks' lending operations. Recognising, however, that the money and fixed income securities markets were not well-developed and that banks had been advised to comply with the prudential limits on mismatches, it was decided to move away from placing product-specific limit. However, a review undertaken by the RBI had revealed that a few banks were overly exposed to the call money market. These banks were specifically advised to chart definite plans to reduce maturity mismatches and avoid excessive reliance on call money market. A recent assessment has indicated that some of the banks have taken concrete steps in building core deposit base, arranging committed lines of credit, etc., in order to reduce their dependence on call money borrowings. If, however, any bank continues to rely excessively on call money market for carrying out their banking operations, after discussion with such bank, the RBI will lay down specific ceilings to reduce its long-term dependence on call money.

(j) Commercial Paper

(i) Preference for Dematerialised holding

109. As part of the new guidelines for issue of CP released in October 2000, banks, FIs, PDs and SDs were advised to invest and hold CP only in dematerialised form, as soon as arrangements for such dematerialisation are put in place. As the existing arrangements for dematerialised holding of CP are now considered adequate and satisfactory, it has been decided that with effect from June 30, 2001, banks, FIs, PDs and SDs will be permitted to make fresh investments and hold CP only in dematerialised form. Outstanding investments in scrip form should also be converted into dematerialised form by October 31, 2001.

110. As a corollary, it is also considered expedient to extend the demat form of holding to other investments like bonds, debentures and equities. Accordingly, with effect from October 31, 2001 banks, FIs, PDs and SDs will be permitted to make fresh investments and hold bonds and debentures, privately placed or otherwise, only in dematerialised form. Outstanding

investments in scrip form, should also be converted into dematerialised form by June 30, 2002. As regards equity instruments, they will be permitted to be held by the above mentioned institutions only in dematerialised form, from a date to be notified in consultation with SEBI.

(ii) Documentation and Procedure

111. As part of the new guidelines on issue of CP released in October 2000, FIMMDA was entrusted with the task of prescribing standard procedures and documentations that are to be followed by the participants, in consonance with the international best practices. In this regard, FIMMDA has been in dialogue with the RBI and in the process of devising such standard procedures and documentation. Before finalisation, FIMMDA would circulate a draft of these guidelines among its members and other market participants.

(k) New Basel Capital Accord

112. The Basel Committee on Banking Supervision has recently released the second set of consultative documents on a new Capital Accord. The new Accord provides a range of options of increasing sophistication for providing explicit capital for credit, market and operational risks. It is envisioned that the new Accord will be implemented in member jurisdictions in 2004. In the RBI, an internal Working Group is currently examining the implications of the new Accord.

113. While the 1988 Accord could be easily adopted on account of its simplicity and flexibility, the more sophisticated provisions incorporated in the new Accord pose significant implementation challenges for banks and supervisors. The feedback received from a few banks indicates that they would have to substantially upgrade their existing MIS, risk management practices and procedures and technical skills of staff. Banks should, therefore, initiate necessary steps to ensure that they are geared to adopt the new Accord, as and when approved. In this context, banks are advised to assess their preparedness to adopt the new Accord, and formulate a plan for implementation.

(l) Consolidated Accounting and Supervision

114. The Board for Financial Supervision has evolved an approach for consolidated supervision as appropriate in the Indian context based on which, a set of measures was announced last year. A multi-disciplinary Working Group has been set up to look into the introduction of consolidated accounting and quantitative techniques for consolidated supervision, in line with international best practice. The Group is expected to submit its report before July 2001.

(m) Move towards Risk-based Supervision

115. As indicated in April 2000 Policy Statement, there is a growing acceptance

that risk based supervision (RBS) approach would be more efficient than the traditional transaction based approach. Accordingly, following the recommendations of an international consultant, appointed to advise on a proper structuring of the RBS approach, a dedicated Group has been set up within the RBI for project implementation and to drive the change management implication. To meet the requirements of RBS, banks would have to take immediate measures to improve the reliability and robustness of their risk management, management information, and supervisory reporting systems.

(n) Credit Information Bureau

116. A mention was made in the April 2000 Policy Statement regarding State Bank of India entering into a Memorandum of Understanding with HDFC Ltd. and other foreign technology partners to set up a Credit Information Bureau (CIB) which would provide an institutional mechanism for sharing of credit information among banks and FIs. CIB has since been set up with a paid up capital of Rs.25 crore. The Bureau will collect, process and share credit information on the borrowers of credit institutions. As per the existing legislative framework, success of CIB would largely depend on the banks' efforts to obtain consent of borrowers for disclosure and make available the information to the Bureau. While CIB can be functional within the existing framework, to strengthen the legal mechanism for making the functioning of CIB effective, a draft master legislation covering responsibilities of the Bureau, rights and obligations of the member credit institutions, safeguarding of the privacy rights, has been forwarded to Government of India.

(o) Prompt Corrective Action

117. As indicated in the Mid-term Review of October 2000, a framework for Prompt Corrective Action (PCA) was prepared with various trigger points for prompt responses by the supervisors. The draft scheme was posted on the RBI website, and sent to select banks. Based on the suggestions received, the scheme has been modified. The scheme will be finalised in consultation with banks and the Government.

(p) Macro-Prudential Indicators

118. The Mid-term Review of October 2000 indicated that a half-yearly financial stability review using Macro-Prudential Indicators (MPIs) would be prepared for internal circulation. In this regard, an inter-departmental Group was constituted and a pilot review of MPIs for the half-year ended March 2000 was finalised and a review for September 2000 has since been prepared. While the initial reviews are likely to be largely compilations of MPIs, over time, these reviews are expected to act as the foundation of an early warning system by highlighting

potential vulnerabilities in the financial system. They would also show linkages between the macroeconomic indicators and the balance sheets of individual institutions with the eventual objective of building appropriate models in the Indian context. These periodical reviews would also identify issues for further examination or internal research and suggest improvements in the data collection/ compilation process through constant analysis of emerging literature in this area.

Urban Co-operative Banks

(i) Prudential Measures

119. It has to be recognised that the present prudential norms and the regulatory system prescribed for Urban Co-operative Banks (UCBs) are relatively soft in comparison with those for commercial banks. This is partly on account of historical reasons, and partly due to their size being generally small and the preferential treatment of co-operative structure in general. At present, three authorities are involved in regulatory and promotional aspects concerning the UCBs – the Central Government (in case of banks having multi-state presence), State Governments and the RBI. At times, this results in overlapping jurisdiction and difficulties in carrying out administrative/prudential measures with the required speed and stringency. The recent experience has also shown that irresponsible and unethical behaviour on the part of even a few co-operative banks in the country can have some contagion effect beyond the particular area or the state concerned and may cause severe harm to depositors, including smaller co-operative banks, and impair the confidence in the system. It is necessary to ensure that immediate interim measures are taken to ward off such contingencies with serious adverse consequences without continuing to wait for legal and institutional reform. The following measures are proposed:

- Even at present, co-operative banks are not permitted to invest directly in stock markets or lend to stock brokers. They can, however, lend to individuals against pledge of shares up to Rs.10 lakh per borrower, if the shares are in the physical form, and up to Rs.20 lakh if they are in demat form. Available information shows that a few UCBs have ignored the present guidelines and established a nexus with certain stock brokers in order to operate in the stock market. In order to prevent any possible misuse in the future, it is necessary to stop lending by UCBs directly or indirectly to individuals or corporates against security of stocks. With immediate effect, UCBs are being advised not to entertain any fresh proposals for lending directly or indirectly against security of shares either to individuals or any other entity. They are also advised to unwind existing lending to stock-brokers or direct investment in shares, which were not permissible, at the earliest. Advances to individuals against security of stocks that have already been disbursed, up to permissible amounts, may however, continue till the contracted date. The managements of co-operative banks should immediately communicate above measures to the concerned members and the steps being taken by the bank to implement the new guidelines.

- In order to reduce the excessive reliance of some UCBs in the call money market, it is being provided that their borrowings in the call/notice money market on a daily basis should not exceed 2.0 per cent of their aggregate deposits as at end March of the previous financial year. The existing freedom to lend in the call/ notice money market will continue.

- As parking of funds by UCBs with other UCBs may pose a systemic risk, as a safety precaution, UCBs are advised not to increase their term deposits with other UCBs. While UCBs will not be permitted to increase their term deposit balances with other UCBs, the outstanding deposits with other UCBs as on April 19, 2001, could be unwound before end of June 2002. UCBs may maintain current account balances at their discretion with other UCBs to meet their day-to-day clearing and remittance requirements.

- UCBs are allowed to maintain their SLR (25.0 per cent of NDTL) in the form of investments in government and other approved securities or as deposits with District Central Co-operative Banks/State Co-operative Banks. As per extant guidelines, the scheduled UCBs are required to maintain at least 15.0 per cent of NDTL in government and other approved securities; non-scheduled UCBs with deposits of Rs.25 crore and above are required to maintain at least 10.0 per cent of their NDTL in government and other approved securities; and in respect of non-scheduled UCBs with deposits of less than Rs.25 crore there is no stipulation regarding maintenance of SLR in the form of government and other approved securities. It is now proposed to increase the proportion of SLR holding in the form of government and other approved securities as percentage of NDTL in the following manner, which should be achieved by end-March 2002:

Category of UCBs	SLR holding in Government and other approved securities as per cent of NDTL	
	Present	Proposed
Non-Scheduled UCBs		
i) UCBs with deposits of Rs.25 crore and above	10.0 per cent	15.0 per cent
ii) UCBs with deposits of less than Rs.25 crore	Nil	10.0 per cent
Scheduled UCBs	15.0 per cent	20.0 per cent

- With effect from April 1, 2003, the scheduled UCBs will need to maintain their entire SLR assets of 25.0 per cent of NDTL only in government and other approved securities. Further, compliance with CRR requirements on par with scheduled commercial banks would be prescribed in due course.

- All the scheduled UCBs and non-scheduled UCBs with deposits of Rs.25 crore and above would henceforth be required to maintain investments in government securities only in SGL Accounts with the RBI or in constituent SGL Accounts of public sector banks and PDs. Non-scheduled UCBs with deposits of less than Rs.25 crore will have the facility of maintaining government securities in physical or scrip form.

- UCBs should, in their operations, take note of the fact that commercial banks may establish appropriate inter-bank monetary limits for discounting of pay-orders issued by scheduled co-operative banks, taking into account the size of their deposits/net worth, etc.

120. It may be noted that, in order to minimize any immediate financial impact on UCBs, all the measures are either "prospective" in nature or sufficient time has been allowed for UCBs to implement them in the interest of their members. The above measures should provide greater security for depositors and members of UCBs and contribute to the development of the UCB sector on sound lines.

(ii) A New Supervisory Structure for UCBs?

121. As mentioned earlier, three authorities

(Central and State Governments and the RBI) are presently involved in regulating, supervising and/or administering UCBs. There are as many as 2,084 UCBs of which 51 are scheduled UCBs and the rest are unscheduled. In view of the large number as well as their dispersed and local character, their supervision and inspection pose special problems. At present, while accounts of UCBs are required to be audited by state governments, there has been substantial delay in completing audit of a large number of UCBs. The RBI conducts statutory inspections normally once in two years in respect of scheduled UCBs, once in two to three years in respect of non-scheduled UCBs, while the identified weak banks are inspected on annual basis.

122. Concerned about the potential consequences of the present multiplicity of authorities involved in supervising and regulating the UCBs and other problems that had been observed, the RBI had set up a high level committee in May 1999 under the Chairmanship of Shri K.Madhava Rao. The Committee also had representatives of the co-operative banking sector and the RBI as well as other experts as members. The Committee submitted its Report in November 1999 and this report was also sent to Central and State Governments for consideration. The Committee made wide-ranging recommendations for improving the functioning of the co-operative banks. These recommendations, *inter alia*, included proposals to substantially improve the entry-point norms, induction of professional management, abolition of dual supervisory control, and stiffer prudential and other parameters. Most of the recommendations of the Committee have been accepted by the RBI, but recommendations requiring legislative action at the level of State Governments have yet to be implemented. The Reserve Bank is following up with State Governments to implement the recommendations of the Committee as early as possible.

123. In the light of the recent experience, one of the options that deserves to be seriously considered is the setting up of a new apex supervisory body which can take over the entire inspection/supervisory functions in relation to scheduled and non-scheduled UCBs. This apex body could be under the control of a separate high-level supervisory board consisting of representatives of the Central Government, State Governments, the RBI as well as experts and it may be given the responsibility of inspection/and supervision of UCBs and ensuring their conformity with prudential, capital adequacy and risk-management norms laid down by the RBI.

124. The Reserve Bank proposes to consult the Central Government on the above suggestion, and if found acceptable in principle, the proposal could be pursued further in consultation with State Governments and others concerned. The RBI will be prepared to provide manpower and

other assistance to the new apex supervisory body as necessary.

Ownership Functions of Reserve Bank of India

125. The Reserve Bank holds at present shares in State Bank of India (SBI), National Housing Bank (NHB), Infrastructure Development Finance Company (IDFC), Deposit Insurance and Credit Guarantee Corporation (DICGC), National Bank for Agriculture and Rural Development (NABARD), Bharatiya Reserve Bank Note Mudran Ltd. (BRBNML), Discount and Finance House of India (DFHI) and Securities Trading Corporation of India (STCI).

126. It may be recalled that Narasimham Committee II was of the view that appropriately, the RBI should not own the institutions it regulates. In the Discussion Paper prepared by the RBI on Harmonising the Role and Operations of Development Financial Institutions and Banks (January 1999), it was suggested that in order to enable the RBI to concentrate its regulatory and supervisory functions, the ownership of financing institutions could ideally be delinked from the RBI through transfer of such ownership to the Government. It was stated indeed that the RBI should desist from continuing with its ownership functions in both commercial banking and refinance or development finance segments.

127. The Reserve Bank has accepted the recommendation for transfer of ownership of its shares in SBI, NHB and NABARD to the Central Government, and is in touch with the Government in this regard. The matter has to be examined further by the Government and the RBI in detail, and a view taken by the Government since policy decisions and legislative actions are involved.

128. The Reserve Bank also plans to initiate the process in respect of IDFC at an appropriate time in future. In respect of BRBNML, there is no intention to divest the RBI's shareholding at this stage since the RBI is a captive customer and there are no regulatory implications. In respect of DICGC, the RBI had already submitted proposals to the Government for framing a new Act to make it consistent with financial sector liberalization.

129. The Reserve Bank has, consistent with the above approach, already divested most of its shareholding in DFHI and STCI. Currently, the RBI holds only 10.50 per cent of the shares in DFHI and 14.40 per cent of the shares in STCI. It has been decided to completely divest these shareholdings in the current year.

Credit Delivery Mechanism

Relief Measures for Gujarat

130. In view of the devastating effect of earthquake in the state of Gujarat in January 2001 resulting in wide-spread damage to the

properties and heavy loss of life, the RBI announced a package of relief measures for the State. These measures cover:

- The loan classification status in case of borrowers affected by the earthquake is frozen on an 'as-is-where-is' basis up to March 31, 2003 at concessional interest rate of 10.0 per cent without application of penalty provisions.

- Notwithstanding the present loan classification status, the affected small traders, small business, self-employed and small road transporters, etc., would be sanctioned fresh loans up to Rs.1 lakh for the purpose of restoration/rehabilitation of their business at interest rates not exceeding PLR.

- Banks are advised to grant loans up to Rs.2 lakh at interest rate not exceeding PLR for repairs/reconstruction of houses/shops damaged by the earthquake.

- Provision of additional limits/rescheduling of existing limits for affected small scale industries (SSI), business, trade and industry under a need based approach at PLR up to Rs.10 lakh and at banks' discretion beyond Rs.10 lakh.

- Loans for repair/construction of houses and shops and to small traders, small business, self-employed and small road transport operators, etc., will be reckoned as priority sector lending.

- Waiving of processing fee for the affected beneficiaries.

- In respect of agricultural loans, banks are not to recover principal or interest from the affected farmers for a period of two years with a provision for reschedulement up to 7 years.

- For purposes of interest rate on loans to affected borrowers, PLR of the SBI will be uniformly applied by all banks.

- On the request from National Housing Bank (NHB), the RBI has sanctioned a long-term loan of Rs.1,000 crore at 6.0 per cent rate of interest per annum repayable over 18 years to enable NHB to provide refinance assistance to housing finance companies, banks, etc., providing loans for reconstruction of houses, etc., to the affected people.

- Relief/concessions for affected exporters include extending the period of packing credit, conversion of dues into short-term loans repayable in suitable instalments and relaxation in NPA classification norms.

Non-Banking Financial Companies

131. In recent years, the Reserve Bank has

taken a number of initiatives and steps to speed up the reform process in the functioning of Non-Banking Financial Companies (NBFCs). In terms of the extant Regulations (Section 45-IA of the amended RBI Act, 1934), NBFCs are not permitted to commence/carry on financial business as defined in the Act without a Certificate of Registration (CoR) from the RBI. The Bank has received applications for CoR from 36,870 NBFCs, of which 12,690 applications were approved and 17,736 were rejected as at end-February 2001. Out of the total approvals of 12,690 applications, only 734 have been permitted to accept public deposits. It may be mentioned that, of these, only 25 NBFCs have public deposits of over Rs.50 crore. It may be reiterated that NBFCs not registered with the RBI, and those institutions which are not permitted to accept public deposits, should not raise public deposits. Further, NBFCs are advised to repay public deposits as per the terms of their acceptance and continue to adhere to the provisions of the RBI Act and other directives issued from time to time.

132. With a view to further strengthening the regulatory/supervisory framework on NBFCs, the following measures are proposed:

(a) Separate Act for Non-Banking Financial Companies

133. In order to facilitate NBFCs to effectively perform their role in the economic development of the country, the Government has proposed a separate legislation to provide for enhanced protection to the depositors of NBFCs. The Bill is under consideration of the Government.

(b) Draft Guidelines for Asset Liability Management for Non-Banking Financial Companies

134. The Reserve Bank has concluded its consultations with NBFCs and other concerned institutions on the draft guidelines for asset-liability management for NBFCs. The final guidelines would be issued shortly.

Technology Upgradation

135. Improvement in payment system has been one of the priority areas of financial sector reform. In this direction, the following further steps are being taken:

(a) Payments System Vision Document

136. The Mid-term Review of October 2000 mentioned about the preparation of a "Payments System Vision Document" focussing on the implementation of the systemically important payment system applications having impact on large value inter-bank funds transfers. The draft Vision Document was prepared and widely circulated. The RBI has received feedback from banks and comments from the members of apex bodies such as the National Payments Council. The Reserve

Bank is examining these comments/ feedback and the final version of the Vision Document would be published shortly. The Vision Document would provide a road map of important developments in the payment system project. This would facilitate banks in getting themselves fully prepared to participate effectively in the new products aimed at better payment and settlement services.

(b) 'Imaging' as Pre-cursor for Cheque Truncation

137. As part of the Mid-term Review of October 2000, stages of development relating to introduction of imaging to serve as pre-cursor for cheque truncation were mentioned. A Working Group constituted by the Ministry of Finance, Government of India is examining the legal requirements for cheque truncation under the Negotiable Instruments Act.

(c) Internet Banking

138. As indicated in the Mid-term Review of October 2000, the Working Group on Internet Banking has since submitted its report which has been accepted for implementation. As a part of this process, a staggered approach, based on the levels of technology usage in different banks is being prepared covering the conduct of internet based transactions in a highly secured environment with appropriate risk control measures and risk management techniques.

(d) Indian Financial Network

139. In addition to the extensive use of Indian Financial Network (INFINET) for information flow and funds movements, further steps have been taken in improving the infrastructure for facilitating efficient funds management. Accordingly, it has been decided to set up a structured financial messaging backbone system for which SWIFT like message formats have been finalised and circulated to the banks to encompass various types of intra and inter-bank applications including those of government transactions and debt-related transactions.

140. The other technology related infrastructure such as the Securities Settlement System, the Negotiated Dealing System, the Centralised Funds Management System and the Real Time Gross Settlement System are all slated for completion shortly. Banks, therefore, need to take suitable measures by ensuring intra-city connectivity and networking of branches and setting up of gateways at major cities. The 21 centres where the RBI has a presence have been identified for network connectivity by the National Payments Council. However, intra-city and intra-bank networking within these 21 centres will have to be done by individual banks.

Legal Reforms

141. The major legal reforms initiated in the

banking sector in the recent months encompass areas such as security laws, Negotiable Instruments Act, fraud on banks and regulatory framework of banking. The RBI has forwarded its recommendations to Government of India for comprehensive amendments to the Reserve Bank of India Act, 1934 and the Banking Regulation Act, 1949, which are under consideration by the Government. Government of India has constituted a Working Group for suggesting changes in the provisions of Negotiable Instruments Act, 1881, to bring it in conformity with the Information Technology Act, 2000 and also to examine the incorporation of electronic cheque, securitised certificate and other evolving products within the ambit of Negotiable Instruments Act. Further, with the increasing level and complexity of frauds and the difficulties being faced by banks in recovering the financial loss by recourse to legal process, the RBI has constituted a Committee on legal aspects of bank frauds to define financial frauds, lay down procedural laws, examine the process of investigation of bank frauds and prosecution of persons involved.

142. Government of India constituted an Expert Committee under the chairmanship of Shri T.R.Andhyarujina for the purpose of formulating specific proposals to give effect to the suggestions made by Narasimham Committee II relating to changes needed in the legal framework. The Committee submitted its report in February 2000. As a follow-up, Government of India constituted a Working Group (Chairman: Shri S.H.Bhojani, with Shri M.R.Umarji, as a member from the RBI) on asset securitisation in July 2000 to examine the Expert Committee's recommendations for implementation. This Working Group has drafted a Bill on asset securitisation for enactment and submitted to the Government.

143. Another Working Group was constituted by the Government in July 2000 (Chairman: Shri M.R.Umarji), to examine the vesting of powers with banks and FIs for taking possession and sale of securities without intervention of the courts and to draft a Bill for consideration of the Government. The report of the Group is expected to be submitted shortly.

International Financial Standards and Codes

144. In the Mid-term Review of October 2000, it was mentioned that some of the Advisory Groups on International Standards and Codes had submitted their reports in part/full to the Standing Committee, constituted by the RBI in consultation with the Government. Advisory Groups, which consist of non-official experts, have since made significant progress in firming up their views in various subject areas. As of now, the reports/part of reports in respect of the following subjects have already been received by the Standing Committee: (i) Transparency of Monetary and Financial

Policies (Final), (ii) Payment and Settlement System, (iii) Insurance Regulation, (iv) Banking Supervision (Part I), (v) Accounting and Auditing, (vi) Bankruptcy Laws (Interim) and (vii) Corporate Governance. The remaining reports on three subjects, *viz.*, Data Dissemination, Fiscal Transparency and Securities Market Regulation are expected by May 2001. All the reports of the Advisory Groups have been put on the RBI website **www.rbi.org.in** for debate and discussion. These reports are also being printed for wider dissemination. The Standing Committee also plans to help the Groups in organising Seminars/Workshops to enhance awareness and concretise views on the recommendations and seek comments/feedback from both private and public sector organisations, international institutions and experts. The work of the Standing Committee and non-official advisory groups in this important area has been commended internationally.

Regulations Review Authority

145. The Regulations Review Authority (RRA), which was constituted on April 1, 1999 for reviewing the Reserve Bank's rules, regulations and reporting system based on the suggestions received from general public at large, market participants and other users of services of the RBI, has ceased its operations from March 31, 2001 on expiry of its term. During two years of its operations, RRA received a number of suggestions, many of which were implemented. This helped in removal of redundancies in the reporting system, simplification of rules and internal procedures in various functional areas within the RBI and also brought about some improvement in operational efficiency in commercial banks which enabled better customer service. An important outcome of RRA's initiative was the arrangement for preparation of master circulars in many regulatory areas, incorporating the RBI's instructions/ guidelines at one place.

146. Though the RRA has ceased its operations, in view of the favourable response to the Scheme, the RBI has decided to make the review exercise an integral part of its internal system and accordingly, has put in place an alternate mechanism under the charge of an Executive Director for dealing with such applications from April 1, 2001. This will help the RBI to further simplify procedures, reduce paper work and improve customer service, on an on-going basis.

Mid-term Review

147. A review of credit and monetary developments in the first half of the current year will be undertaken in October 2001. The Mid-term Review will be confined to a review of monetary developments and to such changes as may be necessary in monetary policy and projections for the second half of the year.

Annexure-1

Current and Revised Interest Rate Structure on Export Credit

Category	Existing	Revised* (With effect from May 5, 2001)
Pre-shipment Credit		
(i) Up to 180 days	10.0 per cent	Not exceeding PLR **minus** 1.5 percentage points
(ii) Beyond 180 days and up to 270 days	13.0 per cent	Not exceeding PLR **plus** 1.5 percentage points
Post-shipment Credit		
a) On demand bills for transit period (as specified by FEDAI)	Not exceeding 10.0 per cent	Not exceeding PLR **minus** 1.5 percentage points
b) Usance Bills		
(i) Up to 90 days	Not exceeding 10.0 per cent	Not exceeding PLR **minus** 1.5 percentage points
(ii) Beyond 90 days and up to 6 months from date of shipment	12.0 per cent	Not exceeding PLR **plus** 1.5 percentage points

* Note : 1. Since these are ceiling rates, banks would be free to charge any rate below the ceiling rates.

2. Interest rates on other miscellaneous categories of export credit will stand revised in accordance with the above restriction. Detailed instructions are being issued separately.

Annexure-2

Clearing Corporation

The main features of the proposed Clearing Corporation for clearing of money, government securities and forex markets transactions are:

- The Clearing Corporation will be constituted as a limited liability Company under the Indian Companies Act 1956 and will be known as "The Clearing Corporation of India Ltd."
- The Company will have an authorised capital of Rs.50 crore.
- The Clearing Corporation will be owned by the market participants and promoted by State Bank of India. The other core promoters of the company will be Bank of Baroda, HDFC Bank, ICICI, IDBI and LIC.
- The proposed Clearing Corporation will be managed by a Board of Directors headed by a non-executive Chairman.
- The Clearing Corporation will address the need for efficient securities settlement system covering money, government securities and forex markets.
- The Clearing Corporation will:
  - Facilitate extension of repos market to non-Government securities and enlargement of market participants.
  - Act as a tri-party agent for efficient management of collateral in consonance with internationally accepted best practices.
  - Act as a central counter-party through novation thereby minimising counter-party risk.
- The Corporation will also manage a Settlement Guarantee Fund thereby minimising settlement risk.

Annexure-3

Negotiated Dealing System

The salient features of the Negotiated Dealing System (NDS) are:

- Banks, Primary Dealers and Financial Institutions having Subsidiary General Ledger and Current Accounts with the RBI will be eligible to become members of the system.

- The system will facilitate submission of bids/applications for auctions/ floatations of government securities through pooled terminal facility located at regional offices of Public Debt Office (PDO) across the country and through 'member-terminals'.

- The system can be used for daily Repo and Reverse Repo auctions under Liquidity Adjustment Facility (LAF).

- It will provide an electronic dealing platform for primary and secondary market participants in government securities and also facilitate reporting of trades executed through exchanges for information dissemination and settlement in addition to deals done through the system.

- Government dated securities, Treasury Bills, Repurchase Agreements (Repos), Call/Notice/ Term Money, Commercial Paper, Certificates of Deposit, Forward Rate Agreements/Interest Rate Swaps, etc., will be the eligible instruments.

- NDS will be integrated with Securities Settlement System (SSS) of PDO of the RBI to facilitate settlement of deals done in government securities and treasury bills.

- It will facilitate dissemination of information relating to primary issuance through auction/sale on tap and underwriting apart from secondary market trade details to participants.

Macroeconomic and Monetary Developments in 2000-2001

Contents

I. Growth, Saving and Investment

Growth Rates

According to the advance estimates of the Central Statistical Organisation, real GDP growth decelerated to 6.0 per cent in 2000-01 from 6.4 per cent in 1999-2000 and 6.6 per cent in 1998-99. The growth rate of GDP originating from 'agriculture and allied activities' rose marginally to 0.9 per cent in 2000-01 from 0.7 per cent in 1999-2000. The prospects of shortfalls from kharif targets being bridged by the rabi output remain uncertain. The growth in GDP from 'industry' remained at 6.1 per cent, the same as in the preceding year. 'Manufacturing' decelerated to 6.4 per cent in 2000-01 from 6.8 per cent in 1999-2000; on the other hand, there was improvement in 'mining and quarrying', supported by 'electricity, gas and water supply'. Service sector GDP growth slackened from 9.4 per cent in 1999-2000 to 8.4 per cent in 2000-01. Given the preponderant share of services in GDP, the deceleration in service sector GDP held down the overall GDP growth. The slowdown in the growth of the services sector was evident in major categories, i.e., 'financing, insurance, real estate and business services' and 'community, social and personal services'. 'Construction' recorded an acceleration in growth (Table 1).

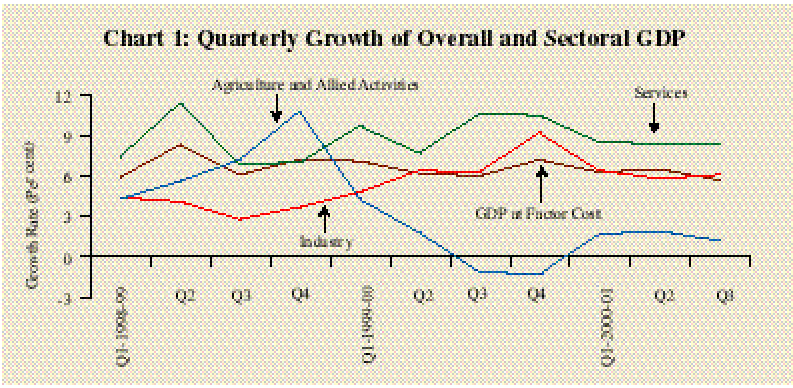
Table 1: Growth Rates and Sectoral Composition of GDP(at 1993-94 prices)

(Per cent)

Items	Growth Rate			Share in GDP		
	1998-99@	1999-00*	2000-01#	1998-99@	1999-00*	2000-01#
1	2	3	4	5	6	7
1. Agriculture and Allied Activities	7.1	0.7	0.9	26.6	25.2	24.0
1.1 Agriculture	7.9	0.3	-	24.6	23.2	-
2. Industry	2.8	6.1	6.1	21.9	21.8	21.9
2.1 Manufacturing	2.5	6.8	6.4	17.0	17.1	17.1
2.2 Mining and Quarrying	1.3	1.7	4.5	2.4	2.3	2.3
2.3 Electricity, Gas and Water Supply	6.4	5.2	5.6	2.5	2.5	2.4
3. Services	8.0	9.4	8.4	51.5	53.0	54.2
3.1 Trade, Hotels, Restaurants, Transport and Communication	7.1	8.0	8.0	21.6	21.9	22.4
3.2 Financing, Insurance, Real Estate and Business Services	8.4	10.1	9.6	12.3	12.7	13.2
3.3 Community, Social and Personal Services	9.9	11.8	7.6	12.6	13.2	13.4
3.4 Construction	6.1	8.1	8.7	5.0	5.1	5.2
4. GDP at Factor Cost	6.6	6.4	6.0	100.0	100.0	100.0

@ Provisional estimates. * Quick estimates. # Advance estimates.
Source: Central Statistical Organisation.

Quarterly data on real GDP growth indicate a slowdown in the first quarter of 2000-01 in relation to the fourth quarter of 1999-2000, closely mirroring the deceleration in industrial activity as well as in services. The absolute decline in real GDP from 'agriculture and allied activities' recorded in the later half of 1999-2000 was, however, reversed. In the second quarter of 2000-01, the deceleration in real GDP growth levelled off with the services sector growth compensating for the continuing slowdown in industry. The growth rate of real GDP in the third quarter of 2000-01 showed a decline mainly due to lower growth in the services sector (Chart 1).



The overall saving-investment gap remained at 1.0 per cent of GDP in 1999-2000, the same as in the preceding year. The rate of gross domestic saving (GDS) edged up to 22.3 per cent in 1999-2000 from 22.0 per cent a year ago, mainly on account of an improvement in the rate of household saving in physical assets. On the other hand, the rate of financial saving by households declined from 10.9 per cent in 1998-99 to 10.5 per cent in 1999-2000. The rate of saving of the private corporate sector remained unchanged at 3.7 per cent. The rate of dissaving of the public sector rose from 0.8 per cent in 1998-99 to 1.2 per cent in 1999-2000. The rate of gross domestic capital formation (GDCF) tracked the gross domestic saving rate, moving up to 23.3 per cent in 1999-2000 from 23.0 per cent in the preceding year. The rate of capital formation in the household sector and in the public sector improved to 9.2 per cent and 7.1 per cent, respectively, in 1999-2000 from 8.2 per cent and 6.4 per cent, respectively, a year ago.

The rate of final consumption expenditure improved from 76.7 per cent in 1996-97 to 77.5 per cent in 1999-2000, mainly due to a rise in the rate of government final consumption expenditure. On the other hand, the rate of private final consumption expenditure declined from 66.1 per cent in 1996-97 to 64.7 per cent in 1999-2000. Within a consolidation of the overall saving-investment balance during the 1990s, there have been adverse compositional shifts in the macro balances. While the public sector saving-investment deficit has widened in recent years, there has been a steady erosion of the private sector's saving-investment surplus (Table 2).

Table2: Gross Domestic Saving, Investment and Consumption Expenditure

	Item	Per cent of GDP (at current market prices)				Amount in Rupees crore			
		1996-97@	1997-98@	1998-99@	1999-2000*	1996-97@	1997-98@	1998-99@	1999-2000*
	1	2	3	4	5	6	7	8	9
1.	Household Saving	17.1	19.0	19.1	19.8	2,33,508	2,88,550	3,36,469	38,6913
	1.1 Financial Assets	10.4	10.4	10.9	10.5	1,41,627	1,57,526	1,92,511	20,5898
	1.2 Physical Assets	6.7	8.6	8.2	9.2	91,881	1,31,024	1,43,958	1,81,015
2.	Private corporate sector	4.5	4.3	3.7	3.7	61,101	64,786	64,608	71,879

3.	Public sector	1.7	1.4	-0.8	-1.2	22,958	21,079	-14,345	-23,220
4.	Gross Domestic Saving (GDS)	23.3	24.7	22.0	22.3	3,17,567	3,74,415	3,86,732	435,572
5.	Net capital inflow	1.3	1.5	1.0	1.0	17,738	22,302	18,087	19,656
6.	Gross Domestic Capital Formation (GDCF)	24.6	26.2	23.0	23.3	3,35,305	3,96,717	4,04,819	4,55,228
7.	Total Consumption Expenditure	76.7	75.8	76.9	77.5	10,45,182	11,49,206	13,52,977	15,16,948
	7.1 Private Final Consumption Expenditure	66.1	64.5	64.9	64.7	8,99,575	9,77,684	11,41,207	12,65,432
	7.2 Government Final Consumption Expenditure	10.7	11.3	12.0	12.9	1,45,607	1,71,522	2,11,770	2,51,516
	Memo Items								
I.	Saving-Investment Gap (4-6)	-1.3	-1.5	-1.0	-1.0	-17,738	-22,302	-18,087	-19,656
	Public Sector	-5.3	-3.4	-7.2	-8.2	-72,452	-51,605	-1,26,414	-1,61,406
	Private Sector	6.8	10.5	8.0	7.8	91,950	1,59,572	1,41,128	1,52,556
	Private Corporate Sector	-3.6	-2.1	-2.9	-2.7	-49,677	-31,642	-51,383	-53,342
	Household Sector	10.4	12.6	10.9	10.5	1,41,627	1,91,214	1,92,511	2,05,898
II.	ICOR	3.6	5.9	4.2	3.6	—	—	—	—

@ Provisional Estimates. * Quick Estimates.
Note : Incremental capital output ratio (ICOR) is calculated as a ratio of the investment rate and growth rate of real GDP.
Source : Central Statistical Organisation.

The growth experience since the second half of the 1990s is characterised by the co-existence of variability in output growth and in the rate of investment. The capacity of the economy to sustain a real output growth of over 6 per cent in the face of a fall in the investment rate from its peak of 27.2 per cent in 1995-96 has drawn attention to productivity changes as a source of growth in recent years. Studies conducted on developing countries in Asia estimate that contribution to growth on account of improvement in total factor productivity ranges between 10-30 per cent. The predominant contribution comes from capital accumulation -60 to 70 per cent – and the remaining 10 per cent can be attributed to human capital deepening. In India, mobilisation of resources for investment has occurred mainly in the form of domestic saving, with external resources accounting for barely 1 per cent of GDP or 8 per cent of domestic investment. The Indian experience over the past three decades suggests a close association between the trend components of domestic saving and investment (Chart 2).

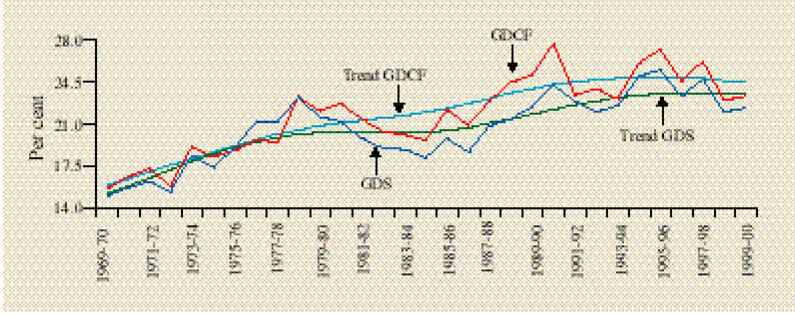


Chart 2: GDS and GDCF Rates- Actual and Trend

Agricultural Situation

The GDP growth in 'agriculture and allied activities' slowed down to 1.7 per cent in the first quarter of 2000-01 but increased to 1.9 per cent during the second quarter, as compared with the corresponding quarters of 1999-2000. In the third quarter of 2000-01, the growth rate of 1.2 per cent was an improvement over the absolute decline of 1.1 per cent recorded in the third quarter of 1999-2000. The index of agricultural production (base: triennium ending 1981-82=100) fell by 3.5 per cent in 2000-01 on top of a fractional decline of 0.7 per cent in 1999-2000. During the South-west monsoon season 2000, the country received 92 per cent of the Long Period Average

(LPA) rainfall as compared with 96 per cent received in the previous year. Although this level of precipitation is considered to be statistically normal, the inter-temporal and inter-spatial distribution of rainfall exhibited marked aberrations, affecting the crop prospects in Gujarat, Madhya Pradesh, western Orissa and Rajasthan. The production of coarse cereals and oilseeds output may be adversely affected for the second year in succession.

The Union Ministry of Agriculture estimated the kharif 2000 foodgrain production at 102.3 million tonnes as compared with the previous year's production of 104.9 million tonnes. The fall in production was due to lower output of rice and coarse cereals. Production of kharif pulses is expected to be higher at 5.5 million tonnes compared with the previous year's level of 4.9 million tonnes; however, it still falls short of the target on account of drought in the major pulse-growing States of Gujarat, Madhya Pradesh and Rajasthan. As these States are also the major producers of oilseeds, the production of oilseeds also is likely to be affected. The production of sugarcane and cotton is expected to be higher than in the previous year although well below the target.

The prospects of the rabi crop compensating for the kharif shortfall are not very encouraging in view of drought-like conditions in parts of the country and critically low water availability in major reservoirs in Gujarat, Rajasthan, Madhya Pradesh, Chattisgarh, Himachal Pradesh and Orissa. All meteorological sub-divisions in these States had reported deficient and inadequate rainfall during the South-west monsoon. Cumulative rainfall during the North-east monsoon (October-December) was excess/normal in 4 out of 35 sub-divisions as compared with 28 sub-divisions in 1999 and 34 sub-divisions in 1998. The cumulative area weighted post-monsoon rainfall was deficient, being 50 per cent less than the LPA, and the cumulative rainfall is the lowest in the last five years. Preliminary estimates indicate that rabi foodgrains may reach 93.8

million tonnes only as compared with the record rabi output of 104.0 million tonnes in 1999-2000.

The production of wheat has been estimated much lower at 68.5 million tonnes as compared with the target of 74.0 million tonnes for 2000-01. Total rice output is estimated to be 85.5 million tonnes in 2000-01 as compared with the target of 90.0 million tonnes. Coarse cereals and pulses at 30.4 million tonnes and 11.7 million tonnes, respectively, in 2000-01 are expected to record substantial shortfalls from the production targets for 2000-01. Accordingly, total production of foodgrains is expected to be around 196.1 million tonnes in 2000-01, nearly 12.8 million tonnes below the peak of 208.9 million tonnes recorded in 1999-2000 (Table 3).

Table 3: Crop-wise Targets/Achievements

(Million tonnes/bales)

	1996-97		1997-98		1998-99		1999-00		2000-01	
Crops	T	A	T	A	T	A	T	A	T	E
1	2	3	4	5	6	7	8	9	10	11
Rice	81.00	81.73	83.00	82.54	84.20	86.02	86.00	89.48	90.00	85.50
Wheat	65.00	69.35	68.50	66.35	70.00	71.29	74.00	75.57	74.00	68.50
Coarse cereals	32.50	34.11	33.50	34.40	34.30	31.35	34.50	30.47	33.00	30.36
Pulses	15.00	14.25	15.00	12.87	15.50	14.88	15.50	13.36	15.00	11.70
Total Foodgrains	193.50	199.44	200.00	192.26	204.00	203.55	210.00	208.88	212.00	196.14
Nine Oilseeds	23.00	24.38	25.50	21.30	27.00	24.73	28.00	20.87	28.00	18.70
Sugarcane	270.00	277.56	280.00	279.54	300.00	288.74	305.00	299.23	325.00	301.40
Cotton*	13.00	14.23	14.80	10.85	14.80	12.29	15.00	11.64	14.50	11.50
Jute & Mesta**	9.00	11.13	9.80	11.02	9.80	9.81	11.00	10.53	10.00	10.30

T: Target. A: Achievement. E: Estimated.
* Million bales of170 Kg. each. ** Million bales of 180 Kg. each.
Source: Ministry of Agriculture and Economic Survey, 2000-01.

Procurement of foodgrains (rice and wheat) has been progressively increasing year after year. The procurement of rice and wheat during 2000-01 (upto March 30, 2001) rose by 16.4 per cent. The total off-take of foodgrains (up to February, 2001) declined by 23.4 per cent on account of a substantial fall in the off-take under the targeted Public Distribution System (TPDS) mainly as a consequence of the increase in Central Issue Prices (CIP) under the Public Distribution System (PDS) (Chart 3 and Table 4).

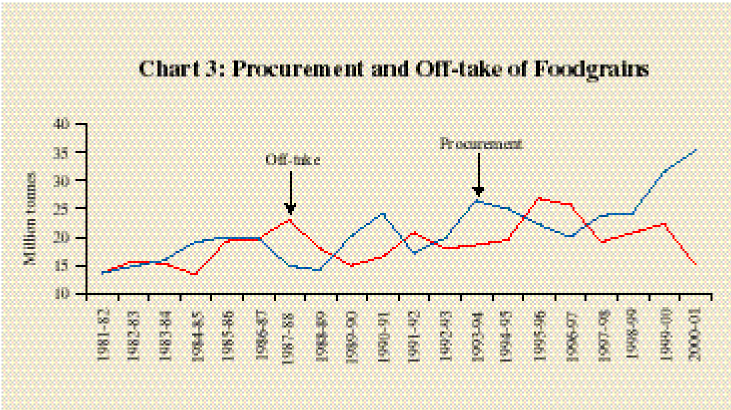


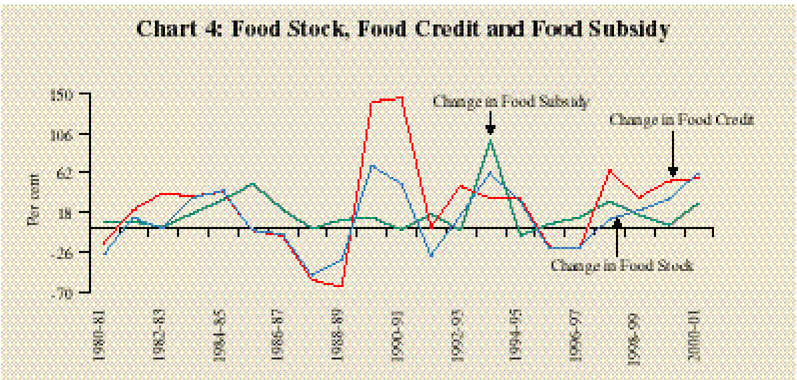
Table 4: Procurement, Off-take and Stocks of Foodgrains

(Million tonnes)

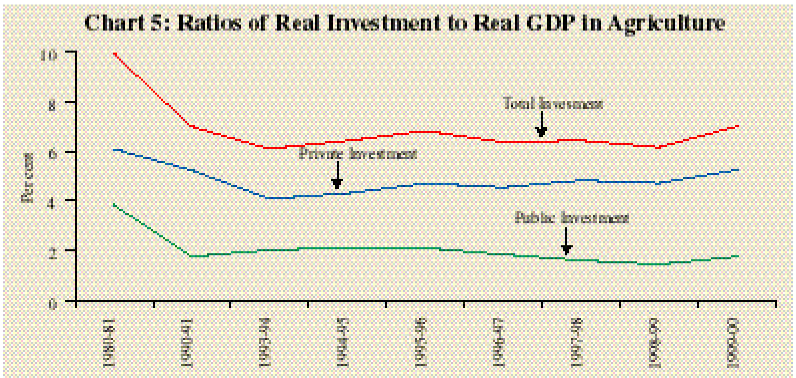
Fiscal year	Procurement			Off-take			Stocks *		
	Rice	Wheat	Total	Rice	Wheat	Total @	Rice	Wheat	Total @
1	2	3	4	5	6	7	8	9	10
1995-96	9.91	12.33	22.24	14.00	12.82	26.82	13.06	7.76	20.82
1996-97	11.86	8.16	20.02	12.44	13.26	25.70	13.17	3.24	16.41
1997-98	14.52	9.30	23.82	11.36	7.76	19.12	13.05	5.08	18.12
1998-99	11.56	12.65	24.22	11.83	8.90	20.73	12.16	9.66	21.82
1999-2000	17.28	14.14	31.43	12.21	10.10	22.31	15.72	13.19	28.91
2000-2001#	20.10	16.35	36.46	9.22	6.01	15.22	23.22	23.30	46.75

* Stocks are as at end-March. @ Includes coarse cereals.
# Data on procurement are up to March 30, 2001 and up to February, 2001 for off-take and stocks.
Source : Ministry of Food, Consumer Affairs and Public Distribution, Government of India.

As a result of the fall in off-take and enhanced procurement, the stock of foodgrains stood at a substantially high level of 46.8 million tonnes at end-February 2001, as compared with 30.5 million tonnes in February, 2000. Stocks of both rice and wheat have registered considerable increases, with stock levels at over two and a half times the quarterly buffer stock norm specified for end-December (16.8 million tonnes). The current unprecedentedly high level of food stocks entail both higher food credit from commercial banks and higher food subsidy (Chart 4).



The rate of gross capital formation in agriculture in relation to GDP originating in agriculture has declined during the 1990s. The decline has been more pronounced in the share of the public sector's capital formation in agriculture which fell from 3.8 per cent in 1980-81 to 1.7 per cent in 1999-2000. Although private sector investment in agriculture also recorded a modest fall in comparison with the 1980s, there was a perceptible improvement during the second half of the 1990s (Chart 5).



Industrial Performance

In terms of the index of industrial production (IIP), industrial output recorded a growth rate of 5.1 per cent in April-February 2000-01, lower than 6.5 per cent in the corresponding period of the previous year. Monthly growth rates of IIP show a steady deceleration up to August 2000 followed by a pick up in September 2000 which continued up to November 2000 (Chart 6). In December 2000, however, the IIP growth rate decelerated to 3.3 per cent and further to 0.6 per cent in February 2001. Manufacturing and electricity generation slowed down while mining sector growth improved (Table 5).

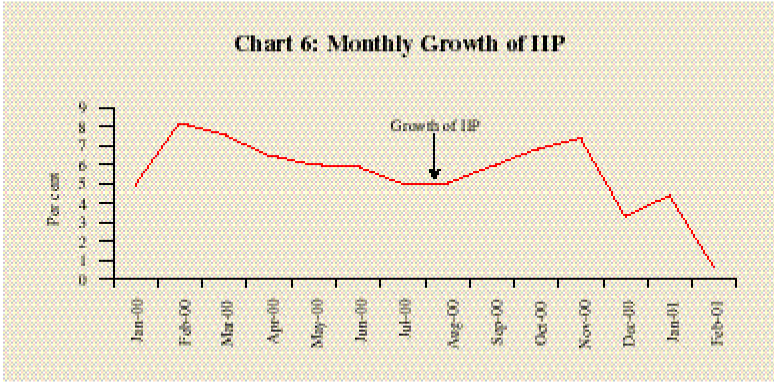


Table 5: Growth of Industrial Production and Relative Contribution of the Sectors (April-February)

(Per cent)

Sector	Weight	Growth		Relative Contribution	
		1999-2000	2000-01	1999-2000	2000-01
1	2	3	4	5	6
General Index	100.00	6.5	5.1	100.00	100.00
Manufacturing	79.36	7.0	5.3	87.7	85.0
Mining	10.47	0.8	4.2	1.1	7.1
Electricity	10.17	7.4	4.1	11.1	7.9

At a disaggregated level, the modal range of growth among the seventeen manufacturing industry groups is 8-10 per cent, emanating largely from food production, machinery and equipment other than transport equipment, other manufacturing industries, leather and leather and fur products, which together accounted for 22.35 per cent weight in the IIP (Table 6).

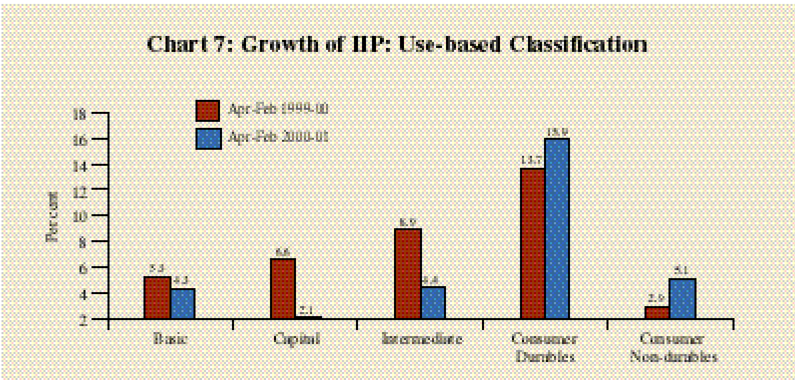
Table 6: Frequency Distribution of Industry-Groups on the Basis of Growth Rates(April-February, 2000-01)

Negative	0-4 per cent	4-6 per cent	6-8 per cent	8-10 per cent	Above 10 per cent
1	2	3	4	5	6
1. Jute and other vegetable fibre textiles (0.59)	1. Basic metal and alloy industries (7.45)	1. Beverages, tobacco and related products (2.38)	1. Basic chemicals & chemical products (except products of petro and coal) (14.00)	1. Machinery and equipment other than transport equipment (9.57)	1. Rubber, plastic, petroleum and coal products (5.73)
2. Transport equipment and parts (3.98)	2. Textile products including wearing apparel (2.54)	2. Wood and wood products, furniture & fixtures (2.70)		2. Food Products (9.08)	2. Metal products and parts (except machinery and

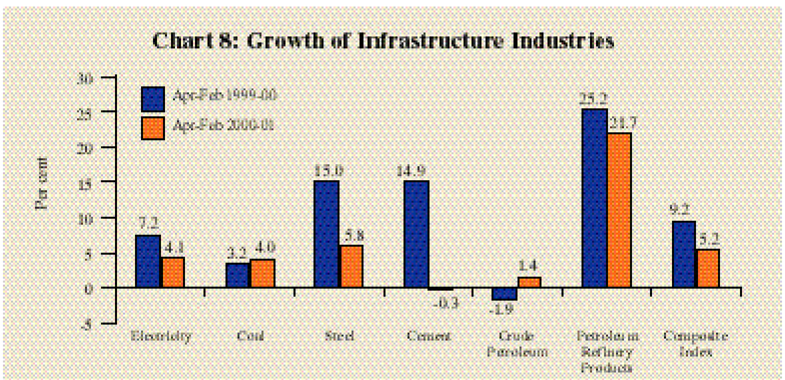
					equipment) (2.81)
3. Non-metallic mineral products (4.40)	3. Cotton textiles (5.52)	3. Wool, silk and man-made fibre textiles (2.26)		3. Other manufacturing industries (2.56)	
4. Paper and paper products and printing, publishing and allied industries (2.65)				4. Leather and leather & fur Products (1.14)	

Note: Figures in brackets indicate weights in the IIP.

The use-based classification shows that the pattern of industrial growth has tilted towards the consumer goods sector (both durables and non-durables); on the other hand, growth of basic, capital and intermediate goods sectors decelerated, reflecting the general sluggishness in investment demand (Chart 7).



The infrastructure sector also registered a lower growth as compared with the previous year (Chart 8). The deceleration in the infrastructure sector is mainly due to low capacity utilisation, low productivity, stock piling of coal and undue delay in project implementation.



During the first three quarters of 2000-01, while there was sustained growth in non-food credit, the growth in manufacturing sector was relatively subdued. This trend reflected, inter alia, carrying cost of inventories in a number of industries such as fertilisers, sugar, petroleum and automobiles. In addition, credit flow to infrastructure had shown substantial increase which would not immediately reflect in the industrial production index due to gestation lags. Moreover, retail credit had increased significantly in line with higher production of consumer durables. The pace of credit growth since December 2000 moderated in line with decelerating manufacturing activity (Chart 9).

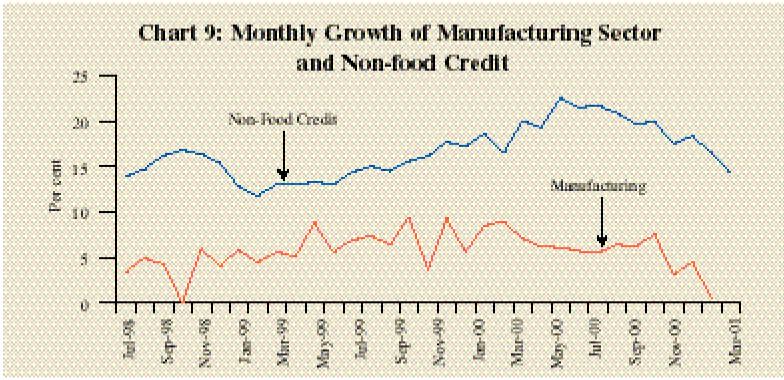


Chart 9: Monthly Growth of Manufacturing Sector and Non-food Credit

Sales of a sample of 1,060 non-government non-financial public limited companies rose by 15.3 per cent in the first half of 2000-01 as against a growth of 12.1 per cent (for 921 companies) in the corresponding period of the previous year. There was, however, a decline in the number of companies reporting post-tax profits. There was a deceleration in the growth of both gross profits and post-tax profits in comparison with the first half of 1999-2000. Corporate sales growth decelerated in the third quarter; however, post-tax profits showed improvement. As in the first half, number of companies reporting post-tax profits also declined in the third quarter of 2000-01.

Impact of Gujarat Earthquake

The earthquake which struck Gujarat on January 26, 2001 is widely regarded as unprecedented in its intensity measuring 7.7 on the Richter scale as per the US Geological Survey. It has caused extensive loss of life, property and economic activity. There has been massive damage to both private property and public property such as roads, railways, port and telecommunications networks. Initial estimates of the Earthquake Control Room of the State Government place the loss of property, both public and private, at Rs.21,262 crore. Infrastructure and utilities have suffered losses of Rs.1,080 crore while damages to industrial and corporate enterprises are estimated at Rs.8,000 crore. The joint assessment of the World Bank and the Asian Development Bank (ADB) under the Gujarat Earthquake Recovery Programme estimates a loss of Rs.9,900 crore (US $ 2.1 billion) in assets, which would entail reconstruction costs of Rs.10,600 crore (US $ 2.3 billion) and an output loss between Rs.2,300-3,000 crore (US $ 491-655 million) or 2 to 3 per cent of the State Domestic Product of Gujarat in aggregate over three years. It needs to be mentioned that these estimates are tentative and are likely to be revised significantly as more detailed assessment becomes available.

The contribution of Gujarat to the all-India foodgrains production is around 2.7 per cent. Oilseeds, cotton and tobacco are the major commercial crops, accounting for nearly 24 per cent, 32.3 per cent and 26.4 per cent, respectively, of the all-India production levels. According to the preliminary estimates prepared by the State Government, the damage to the agricultural sector on account of the earthquake has been estimated to be around Rs.730 crore. As per initial assessment reports, castor, cotton, groundnut, jowar and bajra crops were affected. The loss on account of the damages to storage houses and godowns have also been included in the estimates. The number of cattle deaths is placed at around 21,600. The earthquake has exacerbated deteriorating agricultural conditions which the State has been experiencing for the second consecutive year. Sixteen of the 25 districts in the State received deficient rains during the 2000 South-west monsoon with the entire Saurashtra region receiving no rain. The adverse agro-climatic conditions have resulted in a drop in rabi acreage under wheat, pulses and oilseeds. The total crop area during the rabi season up to February 5, 2001 was down by about 36 per cent.

Over 3,000 small-scale industries were affected, with the loss estimated at Rs.198 crore. Around 970 SSI units in ceramic, mosaic tile, roofing, refractory, powerloom, engineering and salt industries were severely affected. It is estimated that medium, and large-scale industrial units have suffered a loss of about Rs.2,000 crore. Around 24 medium and large-scale units have reported damages to their facilities amounting to Rs.122 crore. Large plants such as refineries, pharmaceutical and chemical units were, however, reported to be safe after the earthquake.

Gujarat is a major exporter of diamonds and gems and jewellery (about 70 per cent of total exports) and textiles. Moreover, the port of Kandla, which handles bulk container trade of almost 4 lakh tonnes, has been damaged. The loss for trade and industry is estimated at Rs.2,000 crore, as per the Earthquake Control Room reports.

Preliminary estimates of the damage indicate that there would be pressures on the fiscal position of the State over the medium term. In the joint World Bank - ADB assessment, the impact on the State’s fiscal deficit has been estimated at Rs.10,100 crore (US $ 2,170 million) in aggregate over three years. The Central Government introduced an additional 2 per cent surcharge on incomes of individuals and corporates to mitigate the financial strain on the State. The Union Budget 2001-02 has announced that the Government of Gujarat could raise funds additionally by the issue of tax-free earthquake relief bonds for individuals (including non-resident Indians) and others through the Reserve Bank.

Several measures have been taken by the Reserve Bank to address this situation. A package of special relief measures for Gujarat announced by the Reserve Bank included sanction of special limits up to Rs.1 lakh for restoration/ rehabilitation of businesses of small trades, self-employed and road transporters, etc.; grant of loans up to Rs.2 lakh for repairs/reconstruction of house/shops; stipulating additional limits/rescheduling existing limits for small scale industry (SSI), business and trade; relaxation in interest rates; allowing loans up to Rs.10 lakh at PLR and interest rates for loans exceeding Rs.10 lakh to be determined at the discretion of the financing bank; reckoning credit extended for repairs/ construction of houses/shops and to small trades, small business, self-employed and small road transporters etc. under the relief package as part of priority sector lending; delaying recovery of principal and interest for a period of two years in case of agricultural loans and rescheduling of the amounts not collected during two years for a period up to 7 years; and allowing consumption loan up to Rs.2,000 per eligible beneficiary.

Gujarat's limits for ways and means advances (WMA) have been completely relaxed and the terms of overdraft regulations for Gujarat have been eased for three months till end-April 2001. The normal WMA limit of Gujarat has been revised upwards to Rs.393 crore from the earlier limit of Rs.243 crore. With a view to assisting exporters affected by the earthquake in Gujarat, banks have been advised (i) to extend the period of packing credit at concessional rate even beyond 360 days in deserving cases where the goods are likely to be exported (the concessional rate ranges between 10-13 per cent); (ii) to convert the overdue packing credit into term loans after taking into account the availability of Export Credit Guarantee Corporation (ECGC) claim, repayable in suitable instalments; and (iii) not to classify the overdue loans as non-performing assets (NPA) in respect of i) and ii) above but to treat as NPA if interest and instalment of principal remains unpaid for 180 days, after it has become overdue, taking into account the revised due date fixed by the banks. Instructions are already in place for rescheduling/rephasing of existing loans and for extending fresh loans to agricultural borrowers affected by natural calamities. The rescheduled loans and the fresh facilities granted to such borrowers will be treated as current dues and need not be classified as NPA as per the income recognition, asset classification and provisioning norms. A special remittance of funds has been arranged for the Ahmedabad office of the Reserve Bank whose fresh note stock position is being constantly monitored. The Reserve Bank sanctioned soft loans of Rs.1,000 crore to the National Housing Bank (NHB) to provide financial assistance for construction of houses damaged in the earthquake. These loans were granted at 6 per cent rate of interest per annum and are repayable over 18 years, inclusive of a moratorium period of 3 years.

II. Fiscal Situation

Centre's Fiscal Position

The strategy of fiscal consolidation envisaged in the Union Budget 2000-01 focused upon bringing down the Centre's gross fiscal deficit (GFD) and revenue deficit (RD) to 5.1 per cent and 3.6 per cent of GDP, respectively. According to the revised estimates for 2000-01, both the revenue deficit and fiscal deficit were contained at the budgeted levels. The primary deficit (PD) is placed at Rs.11,305 crore (0.5 per cent of GDP) as against the budget estimate of Rs.10,009 crore (Chart 10). The deficit targets were achieved due to buoyancy in revenue receipts and reining in of expenditure, despite a shortfall in the realisation from disinvestments.

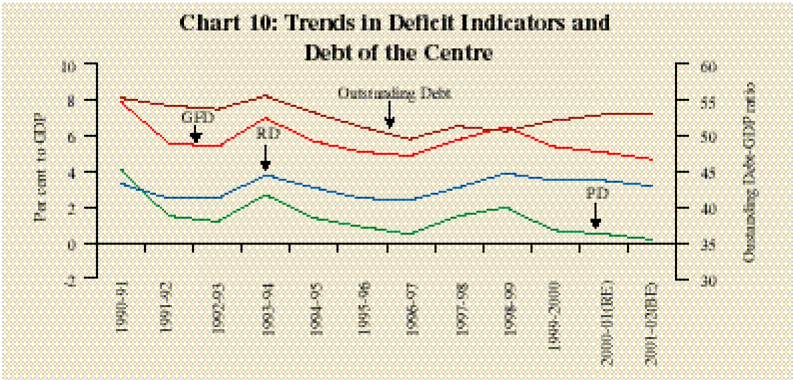
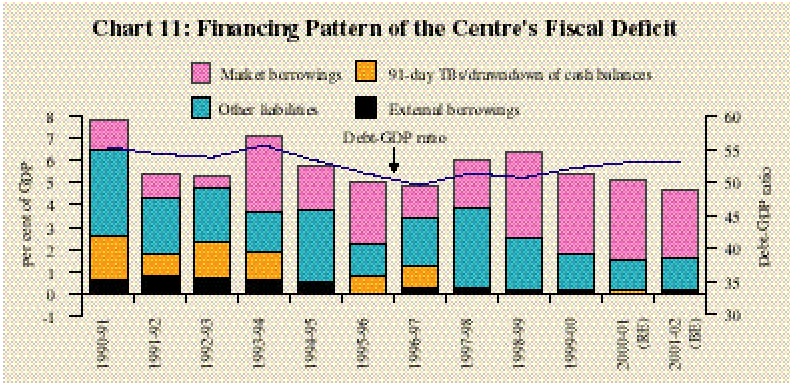


Chart 10: Trends in Deficit Indicators and Debt of the Centre

The revenue receipts (net to Centre) registered an increase of Rs.2,493 crore (1.2 per cent) mainly on account of non-tax revenue. Net tax revenue, however, suffered a decline of Rs.1,806 crore, primarily due to the shortfall in indirect taxes, viz., customs and union excise duties. Expenditure reduction was effected under both non-Plan and Plan categories. Aggregate expenditure was kept below the budget estimates by Rs.2,964 crore (0.9 per cent). The reduction in non-Plan expenditure by Rs.1,103 crore, despite the significant rise in expenditure on subsidies (Rs.5,569 crore), was on account of the reduction under pensions (Rs.1,311 crore), interest payments (Rs.599 crore), grants to States and Union Territories (UTs) (Rs.1,532 crore) and defence (Rs.4,126 crore). The plan expenditure was less than the budgeted level by 2.1 per cent (Rs.1,862 crore). The realisation from disinvestments was only Rs. 2,500 core as against the budgeted target of Rs. 10,000 crore.

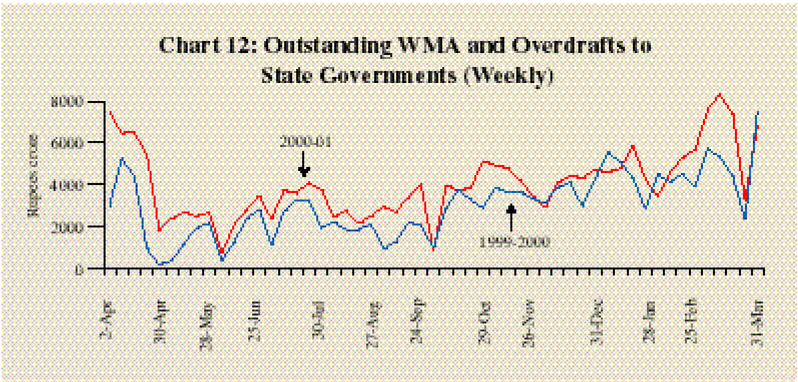
The Union Budget projects the major deficit indicators for 2001-02 lower than their levels in the revised estimates for 2000-01. The gross fiscal deficit (GFD), budgeted at Rs.1,16,314 crore, is placed lower at 4.7 per cent of GDP as compared with 5.1 per cent for 2000-01. The revenue deficit is estimated at Rs.78,821 crore or 3.2 per cent of GDP as against 3.6 per cent in the revised estimate for 2000-01. The primary deficit is projected at Rs.4,014 crore, declining to 0.2 per cent of GDP from 0.5 per cent in 2000-01. The financing pattern of GFD indicates that during 2001-02, net market borrowing would finance 66.5 per cent of GFD, marginally lower than 69.0 per cent in the revised estimate for 2000-01. At the same time, financing through other liabilities would increase to 31.9 per cent from 27.5 per cent in 2000-01 and external finance would contribute 1.6 per cent as against 0.5 per cent in the previous year (Chart 11). The debt-GDP ratio is also placed marginally higher at 53.2 per cent as at end-March 2002 as against 53.0

per cent as at end-March 2001, although it is lower than the level of 55.3 per cent as at end-March 1991.



State Finances

The State Governments' budgets for 2000-01 aimed at fiscal stabilisation mainly through limiting revenue imbalances. The revenue deficit was estimated to be lower at 2.1 per cent of GDP as compared with 2.9 per cent in 1999-2000 and the fiscal deficit was budgeted to decline to 4.1 per cent as against 4.8 per cent in 1999-2000. The fiscal outturn of the State Governments during 2000-01 is not yet clear. The recourse to WMA by States has been generally higher during 2000-01 as compared with the previous year. As on March 31, 2001, State Governments' outstanding WMA and overdrafts from the Reserve Bank amounted to Rs.6,811 crore as against Rs.7,519 crore at the end of March 2000 (Chart 12).



Market Borrowing

The Centre's net market borrowings for 2000-01 were budgeted at Rs.76,383 crore (gross, Rs.1,17,704 crore), financing 69 per cent of the Centre’s gross fiscal deficit. The Central Government raised net borrowings of Rs.73,787 crore (Rs.1,15,183 crore, gross), lower than the budgeted borrowing programme for the full fiscal year.

The Reserve Bank's initial gross subscription to the Central Government's borrowing programme by way of devolvement/private placements of dated securities and 364-days Treasury Bills amounted to Rs.32,978 crore. While the liquidity impact of these operations was limited on account of net open market sales amounting to Rs.21,892 crore which helped in smoothening the yield curve and reducing the portfolio risks to market participants under uncertain market conditions during the year. The primary yields in Treasury Bills of various maturities which had increased from a range of 6.26-9.29 per cent in April 2000 to close to 11.0 per cent in August 2000, declined to a range of 6.78-8.96 per cent by March 2001. The primary yield on 10-year government securities reduced from 11.69 per cent in October 2000 to 10.67 per cent in January 2001. The secondary market yields moved in tandem with the primary market. The weighted average cost of primary issuance of Central Government dated securities declined to 10.95 per cent from 11.77 per cent in 1999-2000. The market borrowings of the Central Government are budgeted at Rs.1,18,852 crore (gross) and Rs.77,353 crore (net) for fiscal 2001-02.

The net market borrowings initially allocated for all States during 2000-01 amounted to Rs.11,230 crore (gross, Rs.11,650 crore), which was completed by end-January 2001. The amount mobilised through pre-announced issues aggregated Rs.9,980 crore and through auction route, Rs.1,670 crore. An additional allocation of Rs.1,650 crore was raised by 10 State Governments through a pre-announced 10-year loan on March 20, 2001. Thus, the total market borrowings of State Governments for 2000-01 amounted to Rs.13,300 crore (gross) and Rs.12,880 crore (net). The interest rate on State Governments' 10-year maturity loans rose from 10.52 per cent on April 25, 2000 (i.e., 48 basis points lower than the similar maturity loan issued in March 2000) to 12.0 per cent in the second tranche of loans issued on September 26, 2000. The cut-off yield on borrowings through auctions settled higher in the range of 11.70-11.80 per cent (Andhra Pradesh, Maharashtra, Tamil Nadu and West Bengal) on August 8, 2000 and 11.75 per cent (Kerala) on August 29, 2000. With general moderation in interest rates, the cut-off yield fell to 11.57 per cent for loans raised by Karnataka on December 5, 2000. The interest rate on the 10-year pre-announced security was reduced to 10.82 per cent on January 30, 2001 and further to 10.50 per cent on March 20, 2001.

Public Debt

The high order of borrowings by the Centre and States and the consequential overhang of public debt poses challenges for debt management as it leaves little flexibility for the debt management authority to minimise borrowing costs in the face of continuous increases in bond supply. Despite the downward rigidity in the level of Government borrowings, debt management operations played an effective role in moderating the interest rate on Government borrowings and facilitated a downward movement in long-term interest rates in the recent years (Charts 13 and 14). Further moderation and stability in the long-term interest rates in the future would depend upon the efforts to achieve sustainable levels of fiscal deficits and debt.

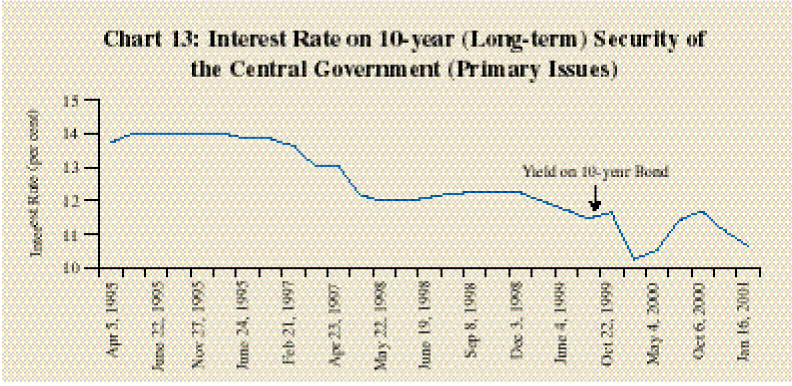


Chart 13: Interest Rate on 10-year (Long-term) Security of the Central Government (Primary Issues)

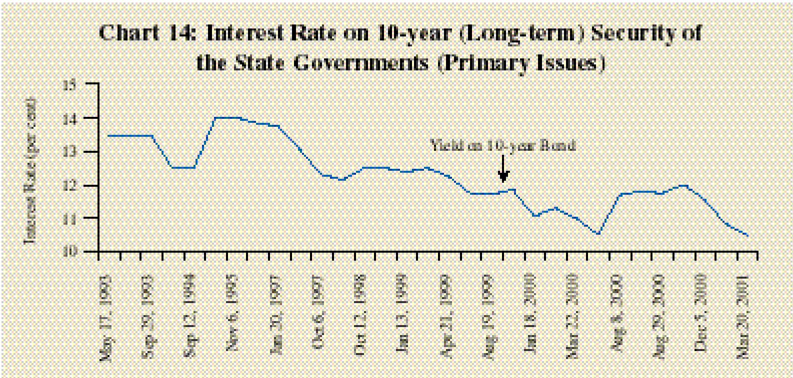


Chart 14: Interest Rate on 10-year (Long-term) Security of the State Governments (Primary Issues)

The principal issue governing the conduct of debt management policy is to evolve an optimum of maturity structure and interest rate. The Fiscal Responsibility and Budget Management Bill 2000, which aims at correcting the deficit and debt in the medium-term to sustainable levels, is expected to impart credibility to fiscal management and facilitate debt management. The objectives of the Bill, inter alia, include elimination of the revenue deficit by March 31, 2006, bringing down the fiscal deficit to 2 per cent of GDP in the same period, prohibition of direct borrowings by the Central Government from the Reserve Bank after three years except by way of advances to meet temporary cash needs.

III. Monetary and Liquidity Conditions

Monetary Trends

Broad money (M_3) increased by 16.2 per cent during 2000-01 as compared with 14.6 per cent during 1999-2000. The (net of IMDs), however, registered a growth rate of 13.9 per cent which was well within the 15.0 per cent projection announced in the April 2000 monetary and credit policy statement (Table 7 and Chart 15). On a monthly average basis, the (net of RIBs/IMDs) growth rateM_3 decelerated to 14.7 per cent during 2000-01 from 16.7 per cent during 1999-2000 and 18.2 per cent during 1998-99. Currency with the public increased by 10.8 per cent during 2000-01 as compared with 11.7 per cent during the previous year. Scheduled commercial banks' aggregate deposits registered a higher growth of 17.8 per cent as compared with 13.9 per cent during 1999-2000, driven largely by IMD inflows. Demand deposits increased by 10.5 per cent as compared with 8.5 per cent during the previous year. Time deposit growth, at 15.4 per cent, net of IMDs, was comparable with 15.0 per cent in 1999-2000.

Table 7: Monetary Indicators

(Per cent)

Variable	Point-to-point basis			Monthly Average basis		
	1999-2000	2000-2001	Average during 1990s	1999-2000	2000-2001	Average during 1990s
1	2	3	4	5	6	7
I. Reserve Money	8.1	8.3	13.9	12.0	8.1	14.4
II. Narrow Money (M_1)	10.5	10.7	15.6	14.7	11.2	15.9
III. Broad Money (M_3)	14.6	16.2	17.3	17.2	15.4	17.4
III.1 M_3, net of RIBs				16.7		
III.2 M_3, net of IMDs		13.9			14.5	
III.3 NM_3*	13.3	12.7	16.4	17.3		16.6
IV. Components of Broad Money						
a) Currency with the Public	11.7	10.8	15.2	16.3	9.1	15.9
b) Aggregate Deposits (i+ii)	15.3	17.2	17.8	17.3	16.8	17.8
i) Demand Deposits	9.7	9.9	16.3	13.1	14.1	15.8
ii) Time Deposits	16.4	18.6	18.1	18.2	17.3	18.2
V. Sources of Broad Money						
a) Net Bank Credit to the Government (i+ii)	14.1	16.2	14.2	15.1	13.7	14.6
i) Net Reserve Bank Credit to the Government	-2.8	4.9#	7.5	5.3	1.0	8.9
Of which: to Centre	-3.8	6.5#	7.1	4.3	0.4	8.8
ii) Other Banks' Credit to the Government	25.2	22.0	21.2	21.7	20.0	21.1
b) Bank Credit to Commercial Sector	18.3	14.3	14.6	16.4	19.3	14.4
Of which:						

	Scheduled Commercial Banks' Non-food Credit	16.5	14.3	15.4	15.5	15.4	15.3
c)	Net Foreign Exchange Assets of the Banking Sector	15.6	18.8	44.7	21.1	17.6	46.4

Data are provisional.
* Up to February 9, 2001 and February 11, 2000, respectively.
# Before closure of Government accounts as on March 31, 2001.

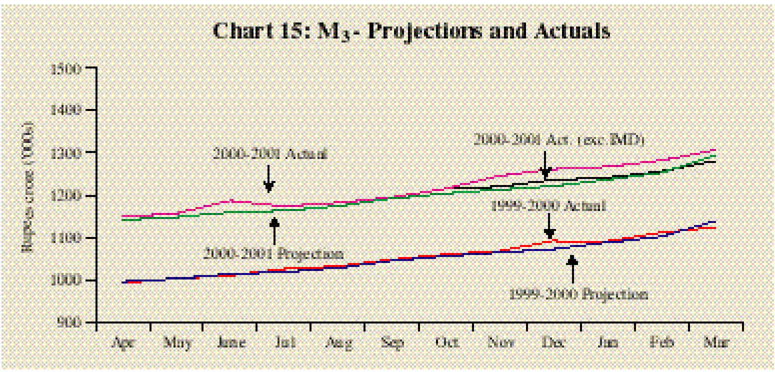


Chart 15: M_3- Projections and Actuals

In pursuance of the recommendations of the Working Group on Money Supply (Chairman: Dr. Y.V. Reddy), it is necessary to adjust the M_3 aggregate for India Millennium Deposits (IMDs) so that the monetary impact of such capital flows depends on their net effect on the monetary base (Table 8).

Table 8: Monetary Impact of India Millennium Deposits

Transaction	Reserve Bank				CommercialBanks			Monetary Impact	
Foreign		Govt	Reserve	Foreign	Foreign	Govt.	Bank	NM_3	M_3
	Assets	Securities	Money	Liabilities	Assets	Securities#	Credit		
1	2	3	4	5	6	7	8	9	10
Purchase by	RBI								
Unsterilised	↑	↔	↑	↑	↔	↔	↑		IMD+
Purchase								effect	M 0 effect
Sterilised purchase	↑	↓	↔	↑	↔	↑	↔	↔	IMD
Retained by	banks								
Invested abroad	↔	↔	↔	↑	↑	↔	↔	↔	IMD

Note : ↑ indicates increase, ↓ decrease and ↔ no change.
Excluding Secondary market transactions with the non-bank sector. M_0: Reserve money.

It is necessary to recognise that the comparison of monetary flows between 1999-2000 and 2000-01 is complicated by two factors: i) the dip in the end-March 2000 position, because of the gap between the last reporting Friday of March (March 24) and the balance sheet date muting the impact of the year-end bulge in bank deposits and credit and ii) proceeds under the IMD scheme.

The monthly average year-on-year currency growth rate decelerated to a single digit (9.1 per cent) – for the first time since 1975-76 – from 16.3 per cent during 1999-2000. A slower cash demand has three implications. First, it reduces the currency to deposit ratio and thereby pumps up the money multiplier so that a relatively small increase in the monetary base could support a larger monetary expansion. Second, to the extent currency drawals are a leakage from the banking system, changes in cash demand, ceteris paribus, impact on bank liquidity. Third, currency essentially depends on the public demand for liquid transaction balances which, in turn, is a function of the level of economic activity, banking habits and the availability of alternate liquid monetary assets (Chart 16).

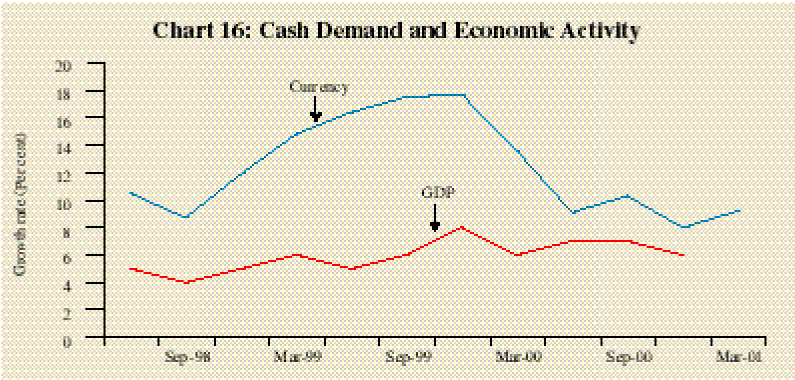


Chart 16: Cash Demand and Economic Activity

Credit Trends

Domestic credit (adjusted for scheduled commercial banks' investments in non-SLR securities) decelerated to 15.4 per cent during 2000-01 from 16.9 per cent during 1999-2000. The ratio of incremental (adjusted) non-food credit in incremental (adjusted) domestic credit at 42.4 per cent during 2000-01 was lower than 45.3 per cent during 1999-2000.

Net bank credit to the Government accelerated to 16.2 per cent from 14.1 per cent last year. The share of the Reserve Bank's incremental net credit to the Government in the increase in net bank credit to the Government shot up to 48.5 per cent as on November 3, 2000 with the tightening of liquidity conditions and thereafter fell to an average of 7.6 per cent during the last quarter of 2000-01, once the return of comfortable liquidity conditions revived the market interest in government paper. Scheduled commercial banks' investments in government securities decelerated to 21.8 per cent during 2000-01 from 24.7 per cent during 1999-2000.

Bank credit to the commercial sector moved contrary to the real activity conditions over the greater part of 2000-01. The year-on-year growth rate of scheduled commercial banks’ non-food credit was markedly high in the first half of the year, running, on average, at nearly 700 basis points above the growth rate in the first half of the previous year. By March 2001, however, the growth rate of non-food credit dipped by over 200 basis points below the corresponding growth rate recorded in March 2000. Scheduled commercial banks’ non-food credit amounted to only Rs. 11,294 crore in the last quarter of 2000-01, almost half of the off-take of Rs. 20,688 crore in the last quarter of 1999-2000. For the year 2000-01 as a whole, bank credit to the commercial sector decelerated to 14.3 per cent from 18.3 per cent in 1999-2000.

Net foreign assets of the banking sector increased by 18.8 per cent in 2000-01 as against an increase of 15.6 per cent during 1999-2000, bolstered by IMD inflows.

Reserve Money

Reserve money expanded by only 8.3 per cent during 2000-01, as against the long-term average growth rate of 13.9 per cent. In 1999-2000, reserve money growth was even lower at 8.1 per cent, muted by the first round release of resources, as a result of CRR changes, of about Rs.13,000 crore. The net RBI credit to the Centre increased by 6.5 per cent (Rs.9,023 crore) (before closure of accounts) during 2000-01 in sharp contrast to the decline of 3.8 per cent (Rs.5,587 crore) (after closure of accounts) during 1999-2000, mainly on account of the RBI's net subscription to the Centre's fresh dated securities (Rs.29,504 crore at face value) partly offset by net open market sales (Rs.19,218 crore, of which Rs.11,388 crore was to commercial banks). The commercial bank drawals from the Reserve Bank declined by Rs.4,471 crore in contrast to the increase of Rs.3,256 crore during 1999-2000, partly reflecting the reduction in refinance limits. The Reserve Bank’s credit to commercial sector declined by Rs.1,983 crore in contrast to the increase of Rs.3,044 crore in 1999-2000 essentially on account of the decline in availment of liquidity support by primary dealers. The Reserve Bank's foreign currency assets increased by Rs.27,463 crore (adjusted for revaluation) during 2000-01 as against an increase of Rs.27,382 crore (adjusted for revaluation) during 1999-2000, mainly on account of IMD inflows. The monetary impact of IMDs was, by and large, moderated by several measures impinging on liquidity.

The Reserve Bank modulated the domestic and external sources of monetisation during the year (Chart 17). In the first phase (till April 21, 2000), primary liquidity generated by capital inflows was more than offset by a decline in the Reserve Bank's net domestic assets. In the second phase (i.e., April 21-November 3, 2000), the Reserve Bank's foreign currency assets declined by Rs.10,676 crore (adjusted for revaluation). Monetary policy action reduced liquidity in the form of a 0.5 per cent CRR hike and a reduction in banks' standing facilities. The gap was filled by the increase in the Reserve Bank's net credit to the Centre (Rs.17,783 crore), reflecting the net effect of the Reserve Bank's private placements and devolvements and repo operations under the Liquidity Adjustment Facility (LAF). In the third phase (November 3, 2000 onwards), liquidity generated by the Reserve Bank's absorption of IMD proceeds and the revival of capital inflows resulted in renewed interest in government paper, reducing the net RBI credit to the Centre by Rs.20,545 crore (before closure of accounts).

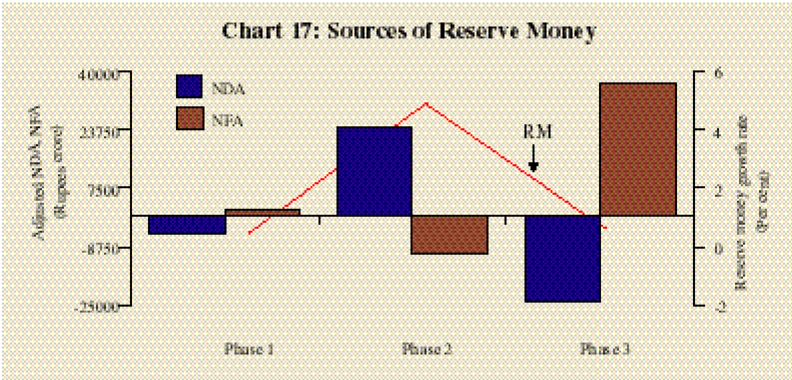


Chart 17: Sources of Reserve Money

In a regime of frequent CRR changes, it is useful to adjust bank reserves and thus reserve money for changes in reserve requirements. Adjusted for cumulative first round changes in reserve requirements[1], the reserve money growth rate followed an inverted U curve during 1999-2000 and 2000-01 in contrast to the path of the unadjusted reserve money growth rate (Chart 18). The deceleration in the average adjusted reserve money growth rate to 11.7 per cent during 2000-01 from 15.3 per cent during 1999-2000 pulled down monetary growth rate.

This is a simplified method of adjusting reserve money, which could be technically computed following Rangarajan C., and Anoop Singh, (1984), “Reserve Money : Concepts and Policy Implications Implications for India”, RBI Occasional Papers, June:

$$M_0^* = M_0 - \{ (r_t - r_0) D + IR - DF \}$$

where M_0^* is adjusted reserve money, M_0 reserve money, r_t current cash reserve ratio, r_0 base period cash reserve ratio, D demand and time liabilities relevant for computation of CRR, IR incremental reserve requirements and DF net CRR default for all commercial banks.

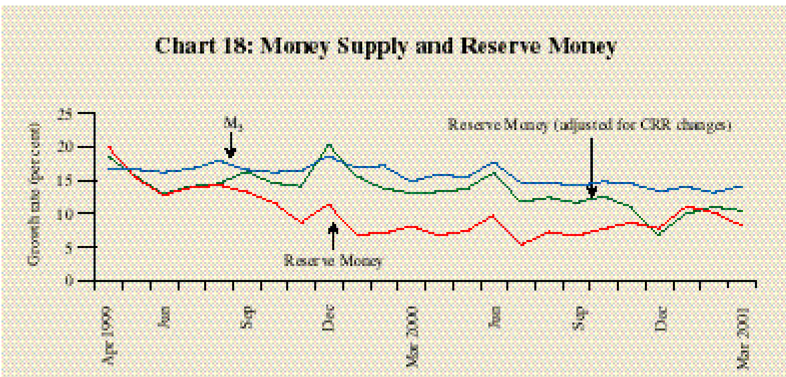


Chart 18: Money Supply and Reserve Money

Monetary policy regimes all over the world have undergone fundamental shifts in their operational settings, reflecting the sweeping changes in their environment brought on by globalisation and financial restructuring. The progressive downgrading of monetary targets in several countries has ushered in a transitional phase during which the analytics and evidence are being re-examined in the search for a new operational framework for monetary policy. Some countries have chosen to develop institutional settings and operating procedures which enable them to directly target inflation. Operational independence for the monetary authority mandated by an act of legislature has usually formed part of the institutional apparatus for inflation targeting, consistent with the rule of 'one target, one instrument'. For many countries, however, strict pursuit of the assignment rule poses some problems. There is the absence of fully integrated financial markets which provide transmission channels for policy impulses and also allow for adjustments between the outcomes of independently deployed policy instruments. Furthermore, structural changes in the financial system have caused shifts in the transmission channels so that even in countries with well-developed financial markets, the transmission channels for monetary policy remain uncertain. In countries where monetary policy is also burdened with quasi-fiscal responsibilities such as debt management, deficit financing and the rationing of credit, the precise effects of monetary policy are difficult to estimate. Moreover, there is a high degree of uncertainty about the lags in monetary policy, and therefore, its impact on the future. Consequently, confronted with the short run trade-off between growth and inflation, the dilemma of having to pursue both becomes live and real. In such situations, target flexibility and balancing of conflicting goals is unavoidable. It is perhaps for this reason that central banks have to pursue multiple objectives in practice (Table 9).

In India also, monetary policy decisions are time-, context- and environment-specific with elements of sound judgement and objective/ quantitative analysis reinforcing each other. While rules serve the interest of transparency, they are not meant to be so binding as to preclude discretionary actions by the authorities. While inflation control and financial stability have been accorded prime importance, growth and employment are equally matters of policy concern. These issues become even more relevant when authorities have to contend with variable transmission lags in the effects of monetary policy and when conflicting signals emanate from various macroeconomic aggregates and render the inflation outcome uncertain. There may be compelling conditions in the current period to ease the policy stance in the interest of growth. The conflict becomes sharper in countries characterised by large unorganised agricultural sectors, credit-constrained informal sectors and lack of depth in financial markets. The problem gets compounded during periods of domestic or external uncertainties when the trade-off at the margin assumes importance.

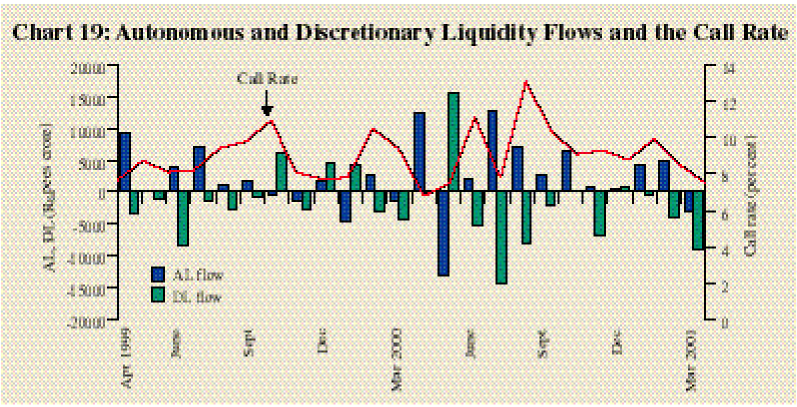
Table 9: Monetary Policy Operating Procedures in Selected Emerging Market Economies

Country	Target	Intermediate/ Operating Target	Instruments	Supporting Indicators
1	2	3	4	5
Brazil	Sustainable growth and price stability	Money, credit and interest rates	OMO, CRR and financial assistance for liquidity	
Indonesia	Exchange rate and price stability	Monetary base and real effective exchange rate	CRR, discount rate, OMO & moral suasion	Interest rates, exchange rate
Malaysia	Inflation and growth	Intervention rate, inter-bank rates	Direct borrowing/ lending, selective credit and administrative measures,	Real interest rates, inflation and inflation indicators, asset prices, credit

			CRR, OMO and moral suasion	and money
Mexico	Purchasing power of currency		Money and foreign exchange market operations	Money and monetary base, inflation indicators, employment, exchange rate and balance of payments

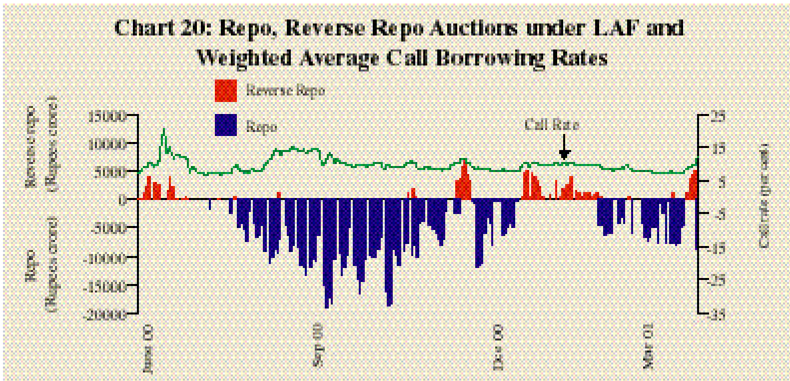
Liquidity Management

The Reserve Bank strategically offset changes in autonomous liquidity with changes in discretionary liquidity in order to stabilise money market conditions in 2000-01 (Chart 19). The cost of discretionary liquidity influenced the spectrum of short-term market interest rates.

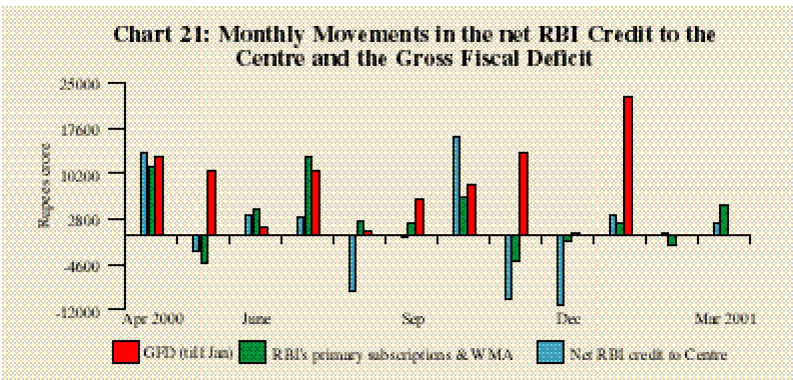


Liquidity Adjustment Facility

The Liqudity Adjustment Facility (LAF) has provided a mechanism for central banks to modulate liquidity in the system and thereby influence short-term interest rates consistent with monetary policy objectives. Operating procedures under LAF range from exclusive use of market-based instruments like open market operations including repos to the availibility of a discount window facility. In India, the LAF operates through repo and reverse repo auctions, thereby setting a corridor for the short-term interest rates, consistent with the policy objectives. The LAF, which was introduced on June 5, 2000, enabled the Reserve Bank, to modulate short-term liquidity under varied financial market conditions in order to ensure stability in call money rates during 2000-01. The LAF was operated both as a tool for liquidity management and for interest rate signaling depending upon market conditions. During June 2000, the commencement of LAF operations coincided with tight liquidity conditions resulting mainly from foreign currency sales by the Reserve Bank in the wake of currency market uncertainties and advance tax outflows. The reverse repo auctions under LAF were employed to arrest overshooting in the call money rates. Initially, the cut-off reverse repo rate was shifted upwards from 9.0 to 14.0 per cent with a view to ensuring orderly conditions in the foreign exchange market. Subsequently, with restoration of stable conditions in the foreign exchange market and improvement in liquidity, the cut-off repo rate was gradually brought back to 9.0 per cent by mid-July 2000. Thereafter, the LAF was largely employed to supplement direct monetary measures taken by the Reserve Bank on July 21, 2000 in response to uncertainties in financial market conditions. Repo auctions were used for absorption of liquidity and for signaling interest rates. Additional repo auctions with maturity ranging from 3 to 7 days were also undertaken from August 3, 2000. The cut-off rates on daily repo auctions were gradually raised from 8.0 per cent to a peak of 15.0 per cent on August 18, 2000. With the return of stable conditions in financial markets, the cut-off repo rates were gradually brought down to 10.0 per cent on September 30, 2000 and further to 8.5 per cent on October 20, 2000. In contrast to similar situations in the past, no spike in call rates occurred during July-October 2000. Together with open market operations (OMO), repo auctions were effectively used in November-December 2000 to absorb excess liquidity largely emanating from the proceeds of India Millennium Deposits (IMD). The repo rate, at 8.0 per cent, provided a floor to call money rates. Towards the end of December 2000, advance tax payments and increased interest in government paper in the secondary market led to hardening of call rates. Reverse repo operations, injecting liquidity at 10.0 per cent, were used from end-December 2000 to end-January 2001 to ensure stability in the call money rate. Thereafter, liquidity conditions eased with a 50 basis point cut in the CRR. Towards the end of March 2001, balance sheet considerations and bunching of holidays led to hardening of call rates. The Reserve Bank responded by conducting a special auction under LAF on March 31, 2001, apart from the regular auctions (Chart 20).



LAF operations were combined with strategic open market operations and devolvement/private placements consistent with market liquidity conditions in the context of the financing of the Centre's fiscal deficit (Chart 21).

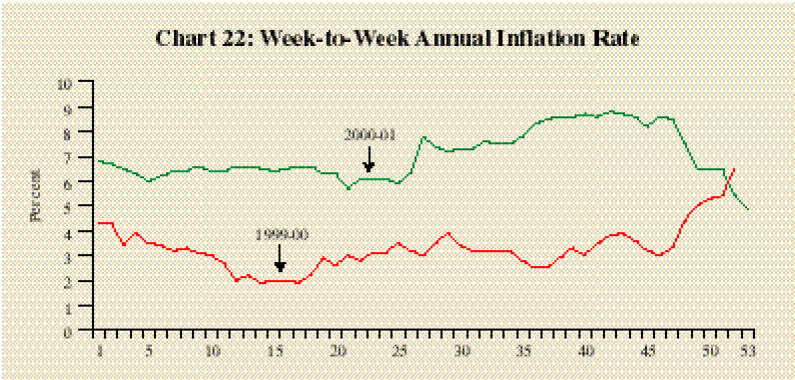


IV. Price Situation

Inflation Indicators

The upward drift imparted to inflation by three successive rounds of administered price revisions receded towards the close of 2000-01. By the end of February 2001, wholesale price inflation began to decline, partly reflecting base effects since the first two rounds of revisions in the administered items had been effected in February and March 2000 and partly, completion of the pass-through of administered price hikes into the general price level.

Headline inflation, measured by the variation in the Wholesale Price Index (WPI), on a point-to-point basis, ruled generally above 6 per cent throughout the year touching a peak of 8.8 per cent on January 13, 2001, as against 3.8 per cent in the corresponding week of 1999-2000. By the first week of March 2001, however, the headline inflation moderated to 6.5 per cent and fell sharply to 4.9 per cent by the end of March – the lowest during the year 2000-01 – as compared with 6.5 per cent in 1999-2000 (Chart 22).



Among the major groups, manufacturing inflation increased by 3.3 per cent during 2000-01, on an average basis, comparable with 2.7 per cent a year ago, while primary articles inflation inched up to 3.0 per cent from 1.1 per cent. Fuel group inflation, on the other hand, shot up to 28.4 per cent from 9.0 per cent a year ago. The fuel group contributed the maximum to the price rise during 2000-01, with a share of 62.9 per cent as against 41.4 per cent in the preceding year, reflecting the impact of administered price hikes (Table 10). The share of the manufactured products group fell to 27.6 per cent from 49.9 per cent during 1999-2000. On the other hand, the weighted contribution of the primary articles group increased marginally to 10.0 per cent from 8.1 per cent in 1999-2000 (Chart 23).

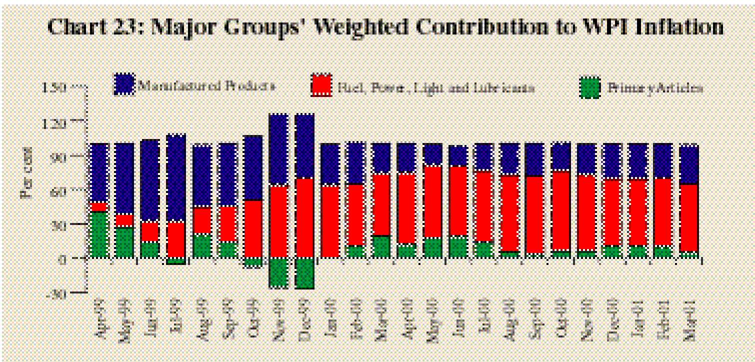


Table 10 : Administered Price Hikes

(Per cent)

	Electricity	Kerosene	Urea-N-Content	Liquefied Petroleum Gas (LPG)	Aviation Turbine Fuel (ATF)	Diesel	Petrol
1	2	3	4	5	6	7	8
February 2000	15.1	—	14.0	—	—	—	—
March 2000	—	100.9	—	30.2	18.2	—	—
September 2000	—	50.0	—	19.0	20.0	19.0	10.0

Core Inflation

In the recent period, the focus on core inflation among central banks as a guide for the conduct of monetary policy is expanding into a more broad based approach in which measures of core inflation are assessed in conjunction with other indicators of monetary and aggregate demand conditions. Typically, central banks invested with a mandate to independently pursue an inflation target have chosen to separate out exogenous influences on their inflation targets. Food and energy price changes are examples of such exogenous effects which do not normally reflect changes/shifts in domestic demand. The limited experience gained from dealing with issues relating to construction of core inflation measures, the loss of information content due to exclusion of certain commodity price effects and lack of public acceptance suggest that these measures are useful in indicating the underlying medium-term trends in the inflationary process under normal output conditions rather than as policy targets. Inflation targets, therefore, continue to be defined in terms of aggregate consumer price inflation in almost all economies.

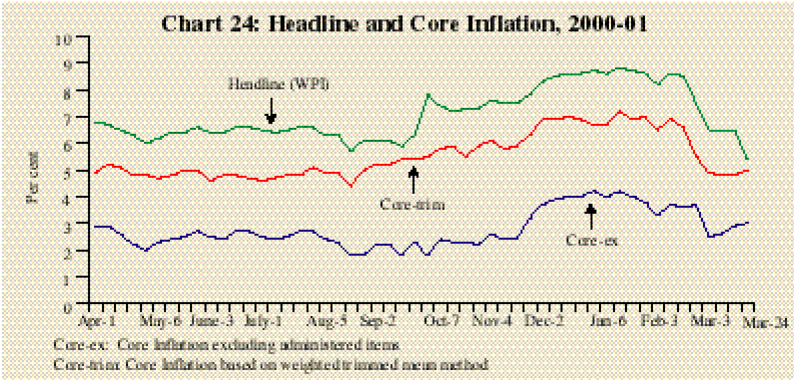
The concept of core inflation is closely associated with the methodology adopted for its construction. One approach defines core inflation as the common element in the expected behaviour of different price indices. The more standard approach is to employ time series techniques - filters or smoothers, structural vector autoregressions - to separate transient elements from more permanent components of inflation. An alternative method is the stochastic or limited influence estimators which remove or reduce the weights of extreme price changes. The most common approach in this class of core inflation measures is the trimmed mean which excludes a proportion of each tail of the distribution of price changes to arrive at a central tendency which represents core inflation. The most widely used core inflation measures are based on the exclusion principle by which core inflation is derived by excluding prices of those commodities which are subject to seasonal supply shocks and/or administrative controls (Table 11).

Table 11 : Core Inflation - Selected Cross-Country Indices

Country	Price Index	Items Excluded
1	2	3
Canada	CPI	Food, energy and first round effects of indirect taxes with a weight of 26.3 per cent.
France	CPI	Tax changes, energy, food and regulated items.
New Zealand	Weighted median CPI inflation rate	—
Portugal	CPI (exclusion) (first principal component) (10.0 per cent trimmed mean)	Energy and non-processed food, with a weight of 21.9 per cent.

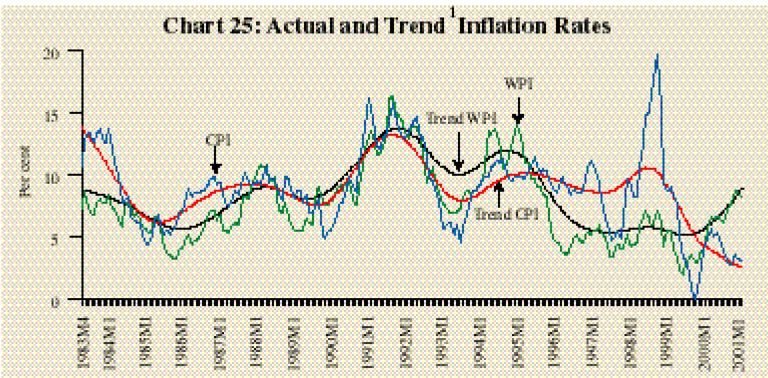
An ideal measure of core inflation should be efficient in distinguishing between 'core' and 'non-core' components of inflation. It should be unbiased with respect to measured inflation. It should also be robust in terms of coverage. Timeliness and credibility are other pre-requisites of an ideal measure of core inflation.

In India, the impact of supply side factors such as food prices in 1998-99 and administered price changes of electricity and petroleum products in 2000-01 suggests that it will be useful to estimate and monitor underlying inflation excluding the impact of changes in prices of such items. Preliminary work conducted in this area indicates that core inflation measured by excluding prices of administered items (which account for 16.4 per cent of the total weight of the WPI) rose marginally to 3.0 per cent, on a point-to-point basis, as on March 24, 2001 from 2.6 per cent in 1999-2000. On the other hand, core inflation measured by the weighted trimmed mean method worked out to 5.0 per cent as on March 24, 2001 as compared with 4.9 per cent at the end of March 2000 (Chart 24). It needs to be stressed that these are extremely preliminary results, and further research is needed before the utility of the concept of core inflation for monetary policy formulation in India can be judged.



Retail price inflation, as measured by the annual variation in consumer price index for industrial workers (CPI-IW), on a point-to-point basis, moderated to 3.0 per cent by February 2001 from 3.6 per cent during the corresponding period of the preceding year. On an average basis, however, the CPI-IW inflation rate which started the year at 3.2 per cent (as against 13.1 per cent last year) has trended up to 4.0 per cent by February 2001, as against 3.7 per cent in the corresponding period of 2000.

In general, there is considerable co-movement between the WPI and CPI in India with the CPI tending to follow the WPI with a lag. The co-movement between WPI and CPI is best depicted by the behaviour of their trend or filtered components. During the second half of the 1990s, a degree of divergence has set in with opposing movements becoming more discernible (Chart 25). While the WPI reflects the cost-push impact of administered price revisions, the CPI appears to track the sluggishness in demand conditions.



V. Domestic Financial Markets

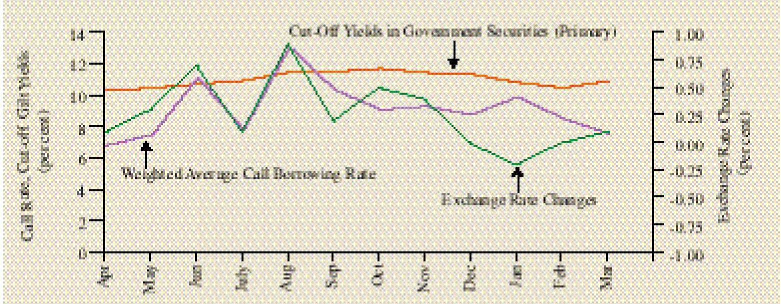
Financial markets, particularly money, foreign exchange, government securities and credit markets, exhibited a distinct co-movement during 2000-01. In turn, this necessitated active management of market liquidity; as a consequence, liquidity operations conducted during 2000-01 were enmeshed in market developments (Table 12 and Chart 26). Three phases can be distinguished in this growing integration: (i) easy liquidity conditions in April — mid-May, 2000 i.e. Phase I, (ii) tightening of market conditions in May — October 2000 i.e. Phase II and (iii) improvement in market sentiment in November 2000 onwards, i.e. Phase III.

Table 12: Developments in the Money, Gilt and Foreign Exchange Markets, 2000-01

Month	Commercial Banks' Borrowings from the RBI* (Rs. crore)	Average Daily Inter-bank Foreign Exchange Turnover (US$ mn)	Turnover in Central Govt. Dated Securities Market £ (Rs. crore)	Exchange Rate (Rs. per US Dollar)	RBI's Net Foreign Currency Sale(-)/ Purchase(+) (US$ mn)	Net OMO Sales(-)/ Pur-chase (+) # (Rs. crore)	Average Daily Repos (LAF) out-standing (Rs. crore)	Average Daily Reverse Repo (LAF) out-standing (Rs. crore)	Liquidity Support to PDs** (Rs. crore)	Average Daily Call/ Notice Turnover (Rs. crore)	Average Call Money Borrowing Rate (per cent)	3-month Forward premia (per cent)
1	2	3	4	5	6	7	8	9	10	11	12	13
2000												
April	5,068	3,802	79,072	43.6388	368	-36	—	—	466	44,687	6.79	2.59
May	10,341	4,781	78,198	43.9829	-897	-1,479	—	—	1,543	39,214	7.48	2.29
June	8,713	5,115	37,602	44.6893	-1,051	-510	0	1,327	4,136	27,089	11.08	3.32
July	5,847	4,253	86,571	44.7788	-408	-6,299	1,150	34	3,972	28,418	7.77	3.69
August	6,251	5,213	36,490	45.6800	-467	1,197	8,807	36	5,614	21,809	13.06	5.10
September	5,292	4,603	45.660	45.8883	-287	-1,335	10,672	2	5,141	23,981	10.31	5.19
October	6,225	4,344	50,930	46.3445	-494	-66	8,321	166	4,716	30,218	9.07	4.40
November	5,624	4,282	1,07,696	46.7789	3,686	-11,565	2,634	1403	1,229	32,148	9.28	4.05
December	6,692	4,173	87,004	46.7496	-155	-1,671	1,206	565	5,519	30,159	8.76	3.48
2001												
January	6,099	4,670	1,51,498	46.5439	832	-87	0	1,762	5,333	38,530	9.89	4.24
February	5,130	5,156P	1,41,793	46.5167	623	-2	2,802	160	3,788	33,412	8.51	4.15
March	3,896	5,339P	1,15,710P	46.6205		-40	3,952	650	5,010	36,217	7.52	4.44

P: Provisional. * Outstanding as on last reporting Friday of the month. £ Outright only.
** As at the end of the month. # Inclusive of Treasury Bills.

Chart 26: Average Call Rate, Govt. Securities Cut-off Yields and Exchange Rate during 2000-01



In April 2000, easy liquidity conditions, buoyed by strong capital flows brought stability to the foreign exchange market and enabled an easing of monetary conditions. There was a softening of interest rates across the spectrum. Commercial banks and primary dealers reduced their refinance drawals from the Reserve Bank. The government securities market witnessed a small rally. The yield curve shifted downwards, with a more pronounced steepening at the short end. Scheduled commercial banks' deposit and lending rates also declined. Prime lending rates of public sector banks (PSBs) eased to 11.25-12.50 per cent as on April 7, 2000 from 12.0-13.5 per cent as on February 25, 2000.

In the second phase, the return of excess demand conditions in the foreign exchange market was tackled with monetary tightening. The exchange rate depreciated and the turnover in the inter-bank segment of the foreign exchange market increased significantly. Money markets began to firm up, reflecting the twin impact of the monetary measures and heightened market activity. With the tightening of liquidity conditions, the turnover in the Central Government dated securities market plummeted. The rupee, which was range bound during the first half of July 2000, fell to Rs.45.02 per US dollar on July 21, 2000. Repo auctions hardened call rates, setting off a general firming up of interest rates. Scheduled commercial banks' deposit and lending rates began to edge upwards.

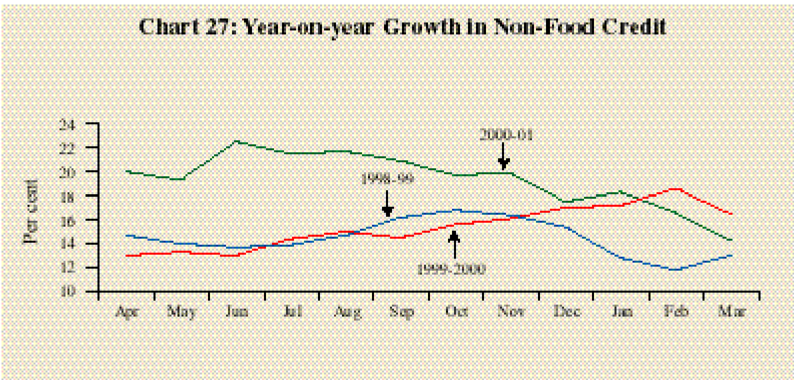
In the third phase, easy liquidity conditions prevailed due to the inflow of proceeds under the India Millennium Deposit (IMD) scheme from abroad. The return of comfortable liquidity conditions generated interest in gilts. This enabled the market off-take of government paper either through government securities auctions or through the OMO window. The exchange rate stabilised from November 2000. There was a softening of interest rates across the spectrum.

Credit Market

The deposit and lending rates of banks were also influenced by the phases of monetary and liquidity conditions during 2000-01. The reduction of the savings deposit rate by 0.5 percentage point to 4.0 per cent in the beginning of 2000-01 reduced the cost of funds in the banking system. The easing of interest rates in term deposits, however, commenced in June 2000 across all the maturity periods for public sector, private sector and foreign banks. The dynamics, however, depended on the maturity period of the deposits. The interest rates on one-year deposits were decreased by the PSBs from 5.0-9.0 per cent in May 2000 to 4.0-8.0 per cent in December 2000 and by foreign banks from 4.0-11.0 per cent to 4.0-10.5 per cent, albeit with some increase in August-September for both the bank groups. The interest rates on such deposits remained almost unchanged for PSBs but declined for foreign banks to 4.25-10.75 per cent during the last quarter of 2000-01. The private banks reduced the interest rates on deposits under this tenor from 5.0-10.5 per cent to 4.5-10.25 per cent during May-December 2000 with some firming up during September-October as well as during the last quarter of 2000-01. In case of deposits for a maturity period of 1-3 years, only the peak interest rates came down by 100 basis points and 25 basis points over May-December 2000 for PSBs, and private sector and foreign banks, respectively. During the fourth quarter of 2000-01, while the interest rates on deposits of 1-3 years of private sector banks remained more or less unchanged, those for public sector and foreign banks firmed up. In case of deposits above 3-year maturity, interest rates for PSBs declined from 9.75-11.0 per cent and those for private sector banks moved from 10.0-12.5 per cent to 9.50-10.25 and 9.25-11.5 per cent, respectively, during May-December 2000. In the case of foreign banks, only the trough interest rates decreased for these deposits by 50 basis points since November 2000. During the fourth quarter of 2000-01, the interest rate on such deposits for public sector banks declined but remained unchanged for private and foreign banks.

Under easy liquidity conditions prime lending rates (PLRs) of the PSBs and foreign banks declined from 12.0-13.5 per cent and 10.5-17.5 per cent in March 2000 to 11.25-12.5 per cent and 9.75-17.50 per cent, respectively, in April 2000. As monetary conditions tightened in August 2000, the PLRs of the PSBs and foreign banks also rose to 11.75-13.0 per cent and 10-17.5 per cent, respectively. However, during September-December 2000, while the PLR range for the PSBs remained around 11.75-13.00 per cent, the PLRs of foreign banks decreased by 75 basis points at the lower end by November 2000. The private banks, however, responded with some lag to the conditions, easing their interest rates only in July and August 2000 and hiking them since September 2000. During the fourth quarter of 2000-01, the PLR was reduced at the lower end from 11.75 per cent to 10.0 per cent by PSBs and 10.25 per cent to 8.0 per cent by private sector banks but remained unchanged for foreign banks.

The year-on-year growth of non-food bank credit during 2000-01 kept above the growth rates recorded in the previous year up to January 2001 (Chart 27). A sectoral deployment analysis of non-food gross bank credit of 50 reporting banks up to January 2001 shows that the expansion of credit was absorbed by medium and large industry (Rs.16,127 crore), followed by the priority sector (Rs.15,464 crore), other sectors (Rs.9,232 crore) and wholesale trade (Rs.2,394 crore). The increase in bank credit partly reflected build up inventories of fertilisers, sugar, petroleum and automobiles. In addition, there was significant increase in credit for infrastructure such as power, telecommunications, roads and ports. Credit flow to petroleum, electricity, gems and jewellery and retail segments was also relatively high. At the same time, other textiles, vegetable oils and coal registered moderate decline in credit (Chart 28). The pace of credit expansion decelerated since December 2000 in line with subdued industrial activity. For the year as a whole, the rate of expansion of non-food credit at 14.3 per cent (Rs.58,664 crore) was lower as compared with that of 16.5 per cent (Rs.58,246 crore) in the corresponding period of the previous year.



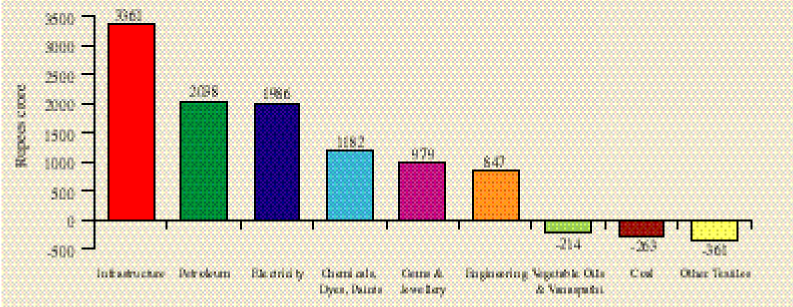


Chart 28: Industry-wise Variations in Outstanding Gross Bank Credit Deployment during 2000-2001(April to January)

The investments by scheduled commercial banks in government and other approved securities showed a higher increase of Rs.60,889 crore during 2000-01 than Rs.54,349 crore during 1999-2000. Investments by scheduled commercial banks in non-SLR securities recorded lower increase of Rs.12,367 crore (up to March 9, 2001) than Rs.13,161 crore deployed during 1999-2000.

As per provisional information available so far, the resource flow from bank and non-bank sources, inclusive of capital issues, GDRs/ADRs/FCCBs, CPs subscribed by non-banks and borrowings as well as bills rediscounted with financial institutions, to the commercial sector increased by Rs.1,47,420 crore during 2000-01 as compared with Rs.1,59,935 crore during the preceding year (Table 13).

Table 13: Total Flow of Non-Food Resources to Commercial Sector

(Rupees crore)

	Item	1999-2000	2000-01P
	1	2	3
I.	Scheduled Commercial Banks (I.1+I.2)	71,407	71,191
	I.1. Non-food credit	58,246	58,824
	I.2. Other Investments (2.1+2.2+2.3)	13,161	12,367*
	2.1. Commercial Paper (CP)	1,030	2,196
	2.2. Bonds/Debentures/Preference Shares Issued by	11,635	9,818
	2.2.1 Public Sector Undertakings (PSU)	6,430	6,322
	2.2.2 Private Corporate Sector	5,205	3,496
	2.3 Equity Shares issued by PSUs and Private Corporate Sector	497	353
II.	Other Banks	20,395	11,913@
III.	Other Sources (III.1+III.2+III.3+III.4+III.5)	68,133	64,316
	III.1 Bills rediscounted with financial institutions	-96	291**
	III.2 Capital Issues $ (2.1+2.2)	-617	1,815***
	2.1 Non-Government Public Companies	-617	1,815
	2.1.1 Debentures and Preference Shares	-2,804	-371
	2.1.2 Equity shares	2,187	2,186
	2.2 PSU and Government Companies	0	0
	III.3 Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs)	1,721	5,549**

III.4 Issue of CPs #	-137	-869@@
III.5 Borrowings from Financial Institutions (FIs) ##	67,264	57,531**
Total Flow of Non-food Resources (I+II+III)	1,59,935	1,47,420
Memo Items		
1. Loans to Corporates against shares held by them to enable Them to meet the promoters' contribution to equity of new companies in anticipation of raising resources	-44	-5*
2. Private Placements	61,259	46,241$$

P Provisional. $ Adjusted for banks' investments in shares and debentures.
Excluding CPs issued to banks. ## Excludes bills rediscounted with FIs.
* Up to March 9, 2001. *** Up to January 2001@ Preliminary Estimate.
** Up to February, 2001. @@ Up to March 15, 2001. $$ Up to December 2000.

Money Market

Money market conditions during 2000-01 were determined, to a large extent, by the interplay between the short-term influences from exchange market developments and the Reserve Bank's liquidity operations. Inter-bank call money borrowing rates generally remained easy during 2000-01 except for spurts in June and in August (Chart 29). The volatility in the daily weighted average call money borrowing rates was also high in June and August.

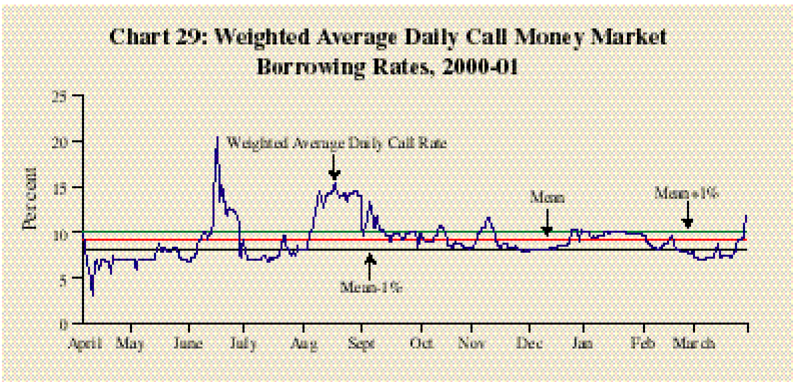


Chart 29: Weighted Average Daily Call Money Market Borrowing Rates, 2000-01

Easy liquidity conditions prevailing in April-mid-May 2000 kept the call rates moving generally in a range defined by the fixed repo rate (5 per cent) and slightly above the Bank Rate (7 per cent). Devolvement of government securities upon the Reserve Bank absorbed pressures on market liquidity and call rates ruled easy up to the first week of June 2000. Advance tax payments and volatility in the foreign exchange market in the second week caused a spurt in call rates to 20.34 per cent on June 17, 2000. Spot sales of foreign exchange and reverse repo auctions, averaging about Rs.1,327 crore, at increasing interest rates (9.05 per cent on June 9 to 10.85 per cent on June 14) under the newly introduced Liquidity Adjustment Facility (LAF) helped to ease liquidity conditions. The call rate tended to move in tandem with the reverse repo rates (Table 14).

Table 14: Inter-bank Call Money Borrowing Rates: 2000-01

	Average (%)	Standard Deviation (%)	Coefficient of Variation
1	2	3	4
April	6.79	1.21	0.18
May	7.48	0.67	0.09
June	11.08	3.67	0.33
July	7.77	0.86	0.11
August	13.06	2.12	0.16
September	10.31	1.28	0.12
October	9.07	0.77	0.08
November	9.28	1.27	0.14
December	8.76	0.84	0.10
January	9.89	0.20	0.02
February	8.51	0.59	0.07
March	7.52	0.55	0.07

The inflow of funds in the form of coupon payments and redemption of zero coupon bonds enabled easy market conditions in July 2000 except for some edging up of the rates associated with measures to counter foreign exchange market pressures. After August 3, however, with pressures resuming in the foreign exchange market, liquidity was absorbed through repo (including multi-period repo) auctions. The call rates spurted for the second time during 2000-01, remaining in two digits during August 4-31, 2000 with the monthly average call money borrowing rate at 13.06 per cent.

The call money rates softened during September-October 2000 following the restoration of stability in the foreign exchange market, a reduction in repo cut-off rates and the expectations of inflow of funds through India Millennium Deposits (IMDs). Despite some hardening of call rates around mid-September, the inflows from coupon payments and redemption of government securities effectively balanced the advance tax outflows and subscriptions to government securities. The rates remained range bound at 9.5-10.0 per cent in the latter half of September, declining to 8.21 per cent by end-October as cut-off repo rates were brought down to 8 per cent and the IMD inflows trickled into the system.

While the call rates steadily inched up during the first ten days of November following auction outflows and strong appetite for open market sales, reverse repo operations met the demand for liquidity. With IMD funds and coupon inflows, call rates hovered around the Bank Rate of 8.0 per cent for the most part of November and December. Call rates firmed up towards end-December 2000 in the wake of advance tax payments, the rally in gilts and government securities auctions. They softened in February 2001 with a cut in the Bank Rate by 50 basis points effective February 17, 2001 followed by the injection of liquidity on account of the CRR cuts of 0.25 percentage points each effective February 24 and March 10. Call rates softened further with another cut on the Bank Rate by 50 basis points effective March 2, 2001. Monthly average call rates declined from 8.5 per cent in February 2001 to 7.5 per cent in March 2001.

Treasury Bills

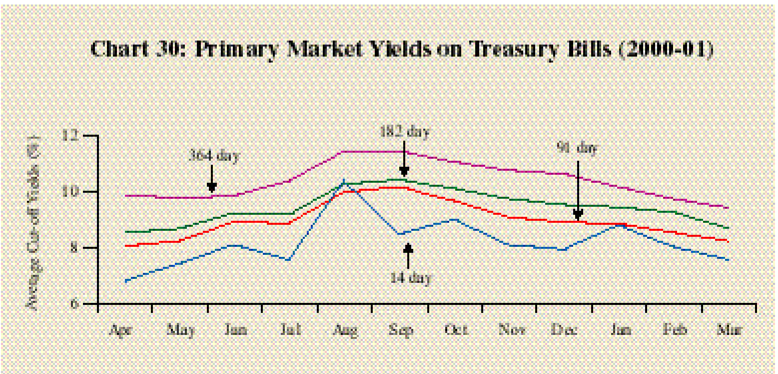
Easy liquidity conditions during April 2000 facilitated a small rally in Treasury Bills, which provided a conducive environment for successful auctions at lower implicit cut-off yields as compared with March 2000. While average cutoff yields of Treasury Bills increased (except for 364-day paper) in May and June (Table 15) due to tightened conditions in the money market, the Reserve Bank took substantial devolvement in June and prevented further rise in primary yields. Easy liquidity conditions in July till the announcement of monetary tightening measures on July 21, 2000 facilitated successful auctioning of Treasury Bills of all durations by the Reserve Bank with no devolvement on the Reserve Bank (except for 364-day Treasury Bills in the July 12 auction). Treasury Bill rates (except for 364-day Treasury Bills) eased further in July. In the later half of July, the Reserve Bank revised the implicit cut-off yields upwards in consonance with the monetary measures on July 21 and there was no devolvement of Treasury Bills on the Reserve Bank during the month. During August 2000, although the Reserve Bank allowed higher cut-off yields in the primary Treasury Bill market, there was devolvement in every Treasury Bill auction on the Reserve Bank during the month on account of inversion of the short-term curve.

Table 15: Average Treasury Bill Cut-off Yields During 2000-01

(Per cent)

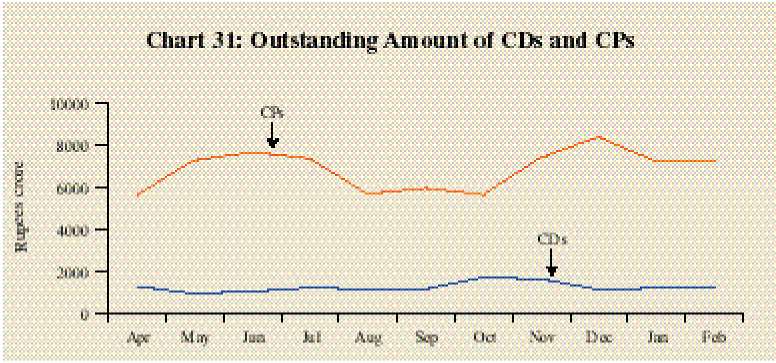
	14-day Treasury Bills	91-day Treasury Bills	182-day Treasury Bills	364-day Treasury Bills
1	2	3	4	5
2000-01				
April	6.78	8.05	8.53	9.27
May	7.43	8.23	8.67	9.15
June	8.09	8.91	9.23	9.24
July	7.56	8.86	9.17	9.77
August	10.39	9.97	10.27	10.82
September	8.48	10.17	10.42	10.85
October	9.00	9.67	10.11	10.45
November	8.09	9.08	9.74	10.15
December	7.93	8.90	9.53	10.02
January	8.80	8.85	9.44	9.55
February	8.02	8.53	9.26	9.13
March	7.56	8.23	8.69	8.81

The improved market sentiment and the accompanying decline in repo and call rates during September 2000 was reflected in the bidding amounts exceeding the notified amounts in the Treasury Bill auctions with little or no devolvement on the Reserve Bank and only a slight increase in cut-off yields. With market clearing yields being offered in the auctions in October and November 2000 the cut-off yields reflected the movement in call rates, liquidity conditions and improved price expectations associated with IMD flows. With a view to offering the market increased amount of short-term paper, the notified amount of 364-day Treasury Bills was increased from Rs.500 crore for each auction to Rs.750 crore for the rest of 2000-01 from December onwards. The comfortable medium term outlook was reflected in the declining yields in respect of all Treasury Bills during December 2000 and January 2001 This resulted in flattening the yield curve at the shorter end. Yields of all Treasury Bills declined in February-March 2001 in response to monetary easing (Chart 30).



Other Money Market Instruments

The commercial paper (CP) market slowly started picking up amidst easy liquidity conditions and the outstanding amount of CPs progressively increased from Rs.5,634 crore on April 15 to Rs.7,627 crore on June 30, 2000 with rates of discount easing from a range of 9.58-12.25 per cent to 9.25-11.75 per cent (Chart 31). However, the CP market remained subdued during July-October 2000. The outstanding amount declined to Rs.5,574 crore on October 15, 2000 and the rates of discount hardened due to firming up of interest rates consequent upon monetary tightening measures announced on July 21. Thereafter, as the interest rate situation turned easy with a decline in the cut-off repo rates and softening of call rates, the rates of discount declined and the outstanding amount increased to Rs.8,343 crore on December 31, 2000 but decreased to Rs.7,246 crore on February 28, 2001. Amidst generally comfortable liquidity conditions during 2000-01 (up to February 2001), the outstanding amount of CDs remained low.



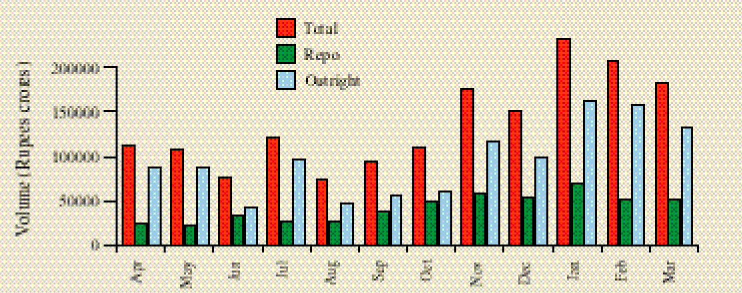
Government Securities Market

During 2000-01, the developments in Government securities market were largely influenced by the size of the Government borrowing programme, foreign exchange market conditions and market expectations of declining yields in the wake of reduction in administered interest rates on small savings and provident funds, and the Bank Rate cut in February 2001. The yield curve shifted upwards and became steeper in the first half of the year, reflecting a greater preference for shorter maturity paper. The yield curve flattened from November 2000 with the inflow of IMD proceeds and the restoration of stability in the foreign exchange market.

The easy liquidity conditions of April 2000 allowed for an overwhelming response to the commencement of the market borrowing programme of the Central Government. The first auction of Rs. 5,000 crore was absorbed at the cut-off yield-to-maturity at 10.26 per cent. The market sentiment turned unfavourable in May with pressures building up in the foreign exchange market. The yields firmed up with expectations of monetary tightening in response to the exchange market developments. Unfavourable market conditions continued in July and August and the Reserve Bank undertook substantial devolvements and private placements during this period in order to assuage market pressures and smoothen the yield curve. Sentiment improved with the IMD inflows and the market absorption became substantial at Rs. 34,625 crore out of a mobilisation of Rs.36,000 crore between September 2000 and March 2001. Interest in longer term paper revived with rate cut expectations and new issuances of muturities beyond 10 years.

Secondary market activity during 2000-01 tracked the sentiment in the liquidity conditions in the primary segment both in terms of yield movements and turnover (Chart 32). In tandem with the easing of call rates during April-mid-May 2000, the government securities market witnessed a small rally and the yield curve shifted downwards, tilting more at the short-end, as the issuance of long tenor securities by the Reserve Bank somewhat contained the price increase at the long end. As the liquidity conditions tightened and foreign exchange market uncertainties surfaced, the yield curve shifted up with shorter maturity paper displaying a relatively higher than proportionate increase. There was some easing of yields during the first half of July 2000 on account of inflows of coupon payments and redemptions of government securities as well as private placement of Government securities with the Reserve Bank.

Chart 32: Secondary Market Turnover in Government Securities (2000-01)



The gains in Government security prices, however, petered off during the second half of July and August. Yields again crept upwards in face of uncertainties in the foreign exchange market, the impact of monetary measures to counter these movements and the absorbing of liquidity through repos in the second half of July and August. The illiquidity of longer maturity paper prompted the Reserve Bank to offer to PDs, on a temporary basis, switches from three medium to long dated Government securities to 364-day treasury-bills. The higher returns in the repo, call money and the foreign exchange markets encouraged participants to divert their funds away from dated Government securities.

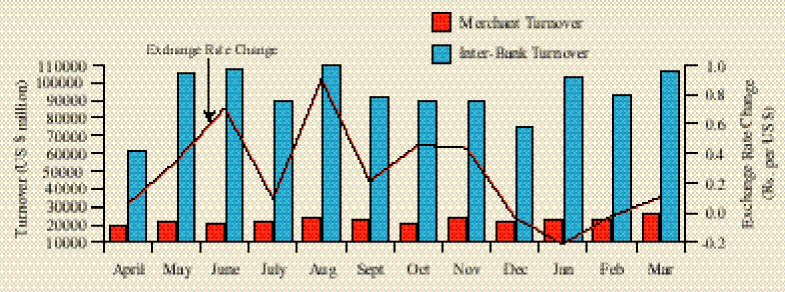
As the foreign currency market stabilised, the cut-off repo rates were progressively brought down during September-October 2000 and interest in the government securities market improved. Yields at the short and medium ends declined. As the proceeds of IMDs entered the system, the exchange market stabilised and activity picked up for the first time in 2000-01 at the longer end of the maturity spectrum. The yields of the longer dated maturities came down in the face of a bullish rally in Government securities. The aggressive auctioning of government securities could arrest this rally temporarily. In December, the rally resumed at the long end with improved sentiment on account of a stable rupee, declining oil prices and expectations of cut in international interest rates. The two-stage cut in the U.S. interest rates by 100 basis points provided the backdrop for a sharp rally in the secondary market for gilts in January 2001. It also fuelled market expectations of an interest rate cut in India to restore the pre-July 2000 position. Reduction in the Bank Rate and CRR by 50 basis points each partly met the market expectations. The Government's resolve to contain the fiscal deficit as also to address structural issues related to administered interest rates on small savings enabled the Reserve Bank to further reduce the Bank Rate by 50 basis points on March 3, 2001. Yields did not fall any further after the second Bank Rate cut, indicating that this reduction had already been discounted. In March 2001, the market remained somewhat volatile for a very brief period on year-end considerations viz. profit booking and reluctance to take fresh positions as also the developments in the capital market.

Foreign Exchange Market

Developments in the foreign exchange market during 2000-01 alternated between conditions of excess supply during April 2000, excess demand conditions on account of higher oil imports and reduced capital flows during mid-May to early November and the return to normalcy thereafter in response to improved supply of foreign exchange led by funds mobilised under India Millennium Deposits (IMDs) and the associated turnaround in market sentiment.

Activity in the inter-bank segment of the market reflected these alternating phases, with heightened inter-bank turnover during periods of market volatility (Chart 33).

Chart 33: Merchant and Inter-bank Turnover and the Changes in the Exchange Rate : 2000-01



As both market sentiment and liquidity improved the forward premia eased across all maturities during October-December 2000 after rising during May-September 2000. From January 2001 onwards forward premia firmed up reflecting interest rate cuts in the US. The forward premia generally tracked the behaviour of the call money rates (Chart 34).

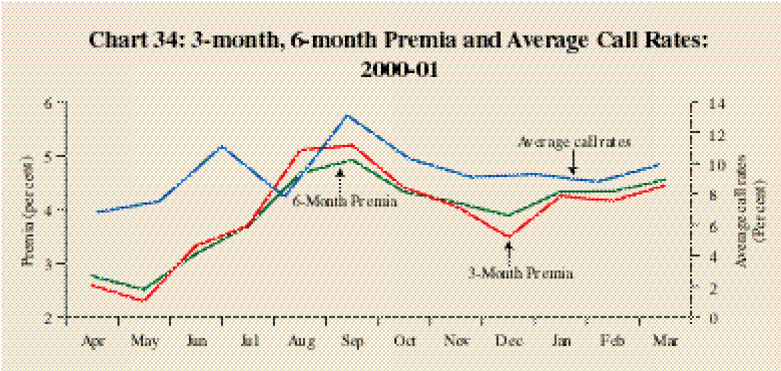


Chart 34: 3-month, 6-month Premia and Average Call Rates: 2000-01

The strengthening of the US dollar vis-a-vis the major international currencies was mirrored in the movements of the rupee vis-a-vis these international currencies. In July 2000, although the rupee depreciated by 0.2 per cent against the US dollar, it appreciated against the Euro (by 0.6 per cent), and the Japanese Yen (by 1.3 per cent). From November 2000 onwards, the rupee depreciated against the Euro and the Pound sterling. Over the year as a whole, while the rupee depreciated by 6.5 per cent and 0.9 per cent vis-a-vis the US dollar and the Euro, it appreciated by 6.2 per cent and 2.3 per cent against the Japanese Yen and the British Pound (Chart 35).

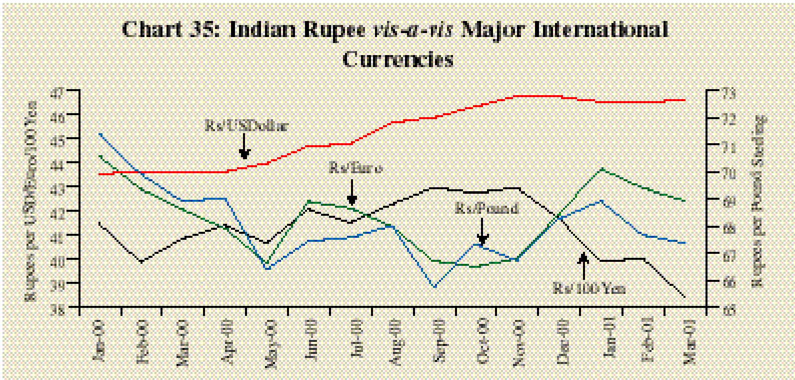


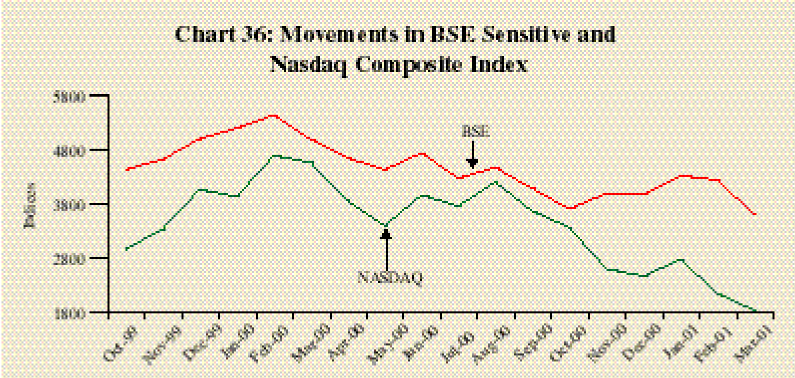
Chart 35: Indian Rupee *vis-a-vis* Major International Currencies

The primary objective of the Reserve Bank in regard to the management of the exchange rate continues to be the maintenance of orderly conditions in the foreign exchange market, meeting temporary supply-demand gaps which may arise due to uncertainties or other reasons, and curbing destabilising and self-fulfilling speculative activities. To this end, as in the past, the Reserve Bank continued to monitor closely the developments in the financial markets at home and abroad, and carefully coordinated its market operations with appropriate monetary, administrative and other measures as was considered necessary from time to time.

Capital Market

Equity Market

The stock market remained generally subdued during 2000-01. The decline in the BSE Sensitive Index (Sensex) reflected large sell-offs in global equity markets particularly in 'new economy' stocks on the NASDAQ, slowdown in Foreign Institutional Investors (FIIs) inflows, deceleration in industrial growth and the increase in international oil prices (Chart 36).



Towards the end of February 2001, the stock market turned buoyant in response to the Union Budget for 2001-02, with the BSE Sensex gaining 4.4 per cent on February 28, 2001 the day of the presentation of the Budget. Market optimism was, however, interrupted during the first week of March 2001 due to the sharp decline in the NASDAQ and certain adverse developments including apprehensions of payment difficulties. The Securities and Exchange Board of India (SEBI) undertook several measures to restore orderly conditions in the stock exchanges including banning of short sales, imposition of additional deposit margins on net outstanding sales of all shares, restraining broker-directors from acting as directors on the Governing Board of the BSE. Settlements in various stock exchanges were completed smoothly with shortfalls of some brokers being met by drawing down the trade/settlement guarantee funds set up by the exchanges. The market responded positively to the measures initiated by the SEBI and stability was restored by the end of the month.

The Reserve Bank has also been monitoring conditions in other segments of the financial markets, which have remained unaffected by the disturbance in the capital market. In the foreign exchange market, there have been net inflows, particularly on account of investment in the stock market by the FIIs. Thus, despite temporary seizures in the capital market, international investor sentiment continued to be positive.

The BSE Sensex (Base: 1978-79 = 100), which stood at 5001.28 at end-March 2000 declined to touch a low of 3540.65 on March 13, 2001. The index recovered to close at 3604.38 as at end-March 2001. Nevertheless, it declined by 1396.90 points (27.93 per cent) over the end-March 2000 level. In terms of monthly averages, the Sensex, which stood at 5,261.77 in March 2000, declined to touch 3807.64 by March 2001, registering a decline of 1454.13 points (27.64 per cent).

The market capitalisation at BSE declined by 21.54 per cent from Rs.9,12,842 crore as at end-March 2000 to Rs.7,16,173 crore as at end-February 2001. The Price/Earnings (P/E) ratio of BSE Sensex based scrips increased marginally from 21.60 as at end-March 2000 to 21.98 as at end-February 2001. The average daily turnover at BSE increased sharply from Rs.4050.64 crore in March 2000 to Rs.5071.36 crore in February 2001. The volatility in share prices as measured by coefficient of variation in respect of BSE Sensex increased to 4.77 per cent during March 2001 from 3.6 per cent during March 2000. Deliveries as a percentage of turnover which was 25.33 per cent during March 2000 declined sharply to 15.90 per cent during February 2001.

The new issue market (public issues) witnessed subdued activity during 2000-01 mainly due to decline in the resource mobilisation by the public sector. Overall resource mobilisation from the primary market declined by 16.4 per cent to Rs.6,439 crore from Rs.7,704 crore during 1999-2000 even as the number of issues floated in the public issues market increased markedly to 146 issues from 83 issues during the previous year (Chart 37). While resource mobilisation by the private sector decreased by 3.6 per cent to Rs.4,966 crore as compared with Rs.5,153 crore during 1999-2000, that by the public sector declined by 42.3 per cent to Rs.1,472 crore. The average size of the issue in the private sector came down to Rs.35 crore from Rs.65 crore primarily due to the marked increase in the small sized issues floated mainly by the information technology sector (80 issues for an aggregate amount of Rs.664 crore).

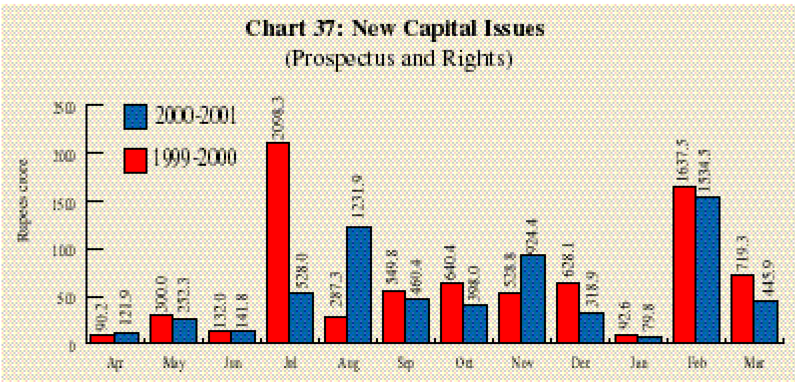


Chart 37: New Capital Issues
(Prospectus and Rights)

The private placement market (almost entirely dominated by debt issues) continued to be the primary route of resource mobilisation. Resources mobilised during April-December 2000 at Rs.46,241 crore witnessed an increase of 7.5 per cent as compared with 22.8 during April-December 1999.

The Euro issues market (in the form of ADRs, GDRs and FCCBs) witnessed increased activity during April 2000-February 2001. Eleven issues were floated during this period for an aggregate amount of Rs.3,581.67 crore (US $ 799.57 million) as compared with only five issues aggregating Rs.2,835.11 crore (US $ 650.60 million) during April 1999-February 2000.

According to the SEBI, net resource mobilisation by all mutual funds during April-February 2000-01 at Rs.10,942 crore declined sharply by 39.1 per cent as compared with Rs.17,966 crore mobilised during the corresponding period of the previous year. The net resource mobilisation by all mutual funds during 1999-2000 at Rs.18,969 crore was the highest ever mobilised in any single financial year mainly due to the tax incentives announced in the Union Budget for 1999-2000.

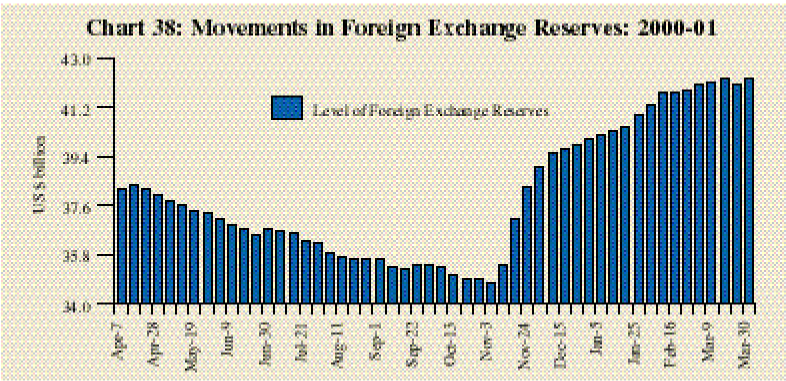
During April-February 2000-01, financial assistance sanctioned and disbursed by All India Financial Institutions (AIFIs) at Rs.97,658 crore and Rs.57,822 crore witnessed an increase of 12.8 per cent and 13.2 per cent, respectively, over the corresponding period of the previous year.

During April-February 1999-2000, sanctions and disbursements grew at marginally higher rates of 15.1 per cent and 16.2 per cent, respectively.

VI. The External Economy

Recent international economic developments have brought about a revision in the global economic outlook. Weakening of domestic demand and output in the US and emerging Asia and the absence of any perceptible improvement in economic activity in the Euro area and Japan have raised fears of a global slowdown. A positive development, however, was the moderation in oil prices from the peak in September 2000, although it is unclear at this stage whether the downturn in oil prices would continue. Therefore, projections of world output growth at 4.8 per cent in 2000 and 3.4 per cent in 2001 have to be tempered with downside risks mainly in the form of macroeconomic and financial imbalances among the major reserve currency areas, inflationary consequences of the hike in oil prices, volatility in equity markets and developments relating to the US economy. World trade is projected to increase by 12.3 per cent in 2000 and 7.4 per cent in 2001 (as against 5.3 per cent in the previous year) while net capital flows to emerging market economies are projected to decline sharply reflecting sizeable debt repayments and a large reduction in banks' external exposure, particularly to Asia.

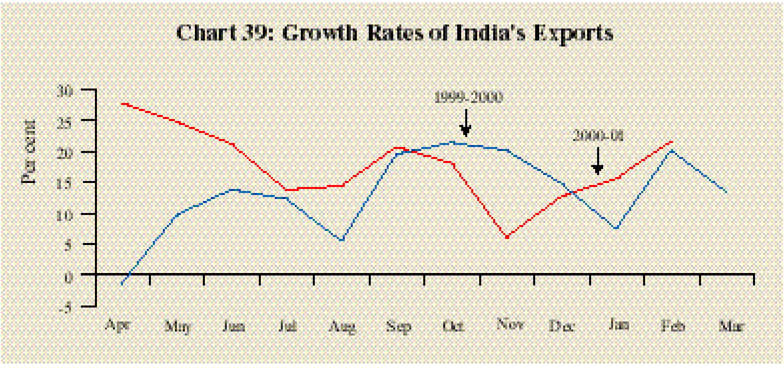
External sector developments in the Indian economy during 2000-01 were significantly influenced by high international crude prices and the global economic environment. Uncertainty surrounding the equity markets in India affected portfolio inflows. Therefore, despite a robust growth of merchandise exports, software and private remittances, the balance of payments (BoP) came under pressure during the first half of 2000-01. Funds mobilised by the State Bank of India (SBI) under India Millennium Deposits (IMDs) brought about a turnaround, rejuvenating capital inflows in general. Reserve losses during the first seven months of 2000-01 (US $ 3.1 billion) were more than offset by the accretion during November 2000-March 2001 resulting in an overall increase of US $ 4.2 billion in the level of international reserves during 2000-01 (Chart 38).



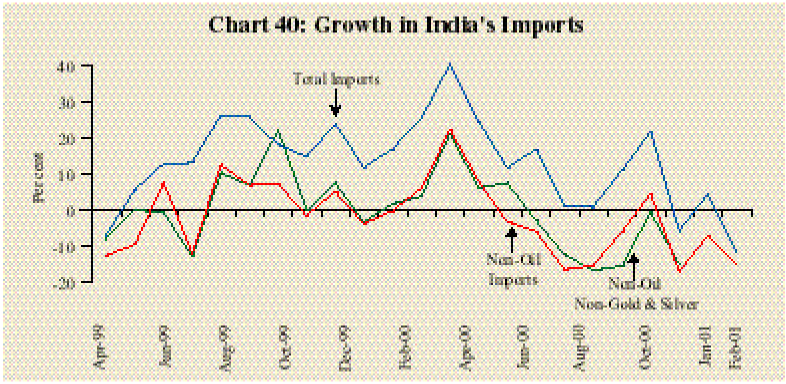
Merchandise Trade

According to the provisional data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), the trade deficit during April 2000-February 2001 narrowed to US $ 5.8 billion from US $ 8.7 billion during the corresponding period of the previous year, driven by strong export growth which offset the higher oil import bill.

The export recovery that started during 1999-2000 gained further momentum during the year as exports recorded an increase of 18.7 per cent during the first eleven months of 2000-01 on top of an increase of 11.1 per cent during the corresponding period of the previous year. The expansion in exports gathered pace in July-September, 2000; although this was interrupted by some moderation in November, 2000 the upturn in export growth resumed in December, 2000 (Chart 39). The increase in India's exports during 2000-01 was mostly on account of manufactured products, mainly engineering goods, leather and manufactures, chemicals and allied products and petroleum products. Exports to the USA, Japan and the UAE rose significantly during 2000-01.



India's imports also increased significantly during 2000-01 (April-February) mainly due to oil imports which surged by 65.9 per cent (Chart 40). International crude oil prices increased by 38 per cent and 63 per cent during 1999 and 2000, respectively. Non-oil imports, on the other hand, declined by 7.4 per cent. The fall in non-oil imports was mainly on account of the decline in the imports of gold and silver, bulk consumption goods and fertilisers. Excluding these three categories, non-oil imports during 2000-01 (April-December) declined by 0.1 per cent over the corresponding period of the previous year.



Current Account

The merchandise trade deficit, on BoP basis, was higher at US $ 13.2 billion during the first three quarters of 2000-01 than that of US $ 11.4 billion during the corresponding period of the 1999-2000. Invisible earnings continued to be an important source of support to the BoP. The surplus on the invisibles account rose from US $ 8.3 billion during the first nine months of fiscal

1999-2000 to US $ 9.2 billion during the first three quarters of 2000-01. Major sources of invisible inflows were software exports (an increase of US $ 1.7 billion to US $ 4.6 billion) and private transfers (an increase of US $ 0.9 billion to US $ 9.8 billion). These were partly offset by higher outgoes on account of travel and transportation (an increase of US $ 0.9 billion to US $ 4.4 billion) and investment income payments (an increase of US $ 0.5 billion to US $ 4.5 billion). In the face of a sizeable widening of the trade deficit, the increase in the invisible surplus helped to contain the current account deficit at US $ 4 billion during April-December 2000 as against US $ 3.1 billion during April-December 1999. It is expected that sustained growth in exports and invisible receipts would keep the current account deficit for 2000-01 at close to 1 per cent of GDP.

Capital Account

In the capital account, the shortfall in normal capital flows was supplemented by inflows of US $ 5.5 billion under India Millennium Deposits (IMDs) launched by the State Bank of India (SBI) during October-November 2000.

Foreign investment inflows stood at US $ 3.3 billion during April 2000 -February 2001 as against US $ 4.4 billion during April 1999 - February 2000 on account of uneven movements in FII flows. Foreign direct investment (FDI) inflows were higher at US $ 2.4 billion than those of US $ 1.9 billion during the same period of the previous year. Amounts raised under ADRs/GDRs of US $ 0.7 billion were broadly the same as during April 1999-February 2000. There was an inflow of US $ 0.1 billion on account of FIIs during April-February 2001 as against an inflow of US $ 1.8 billion during the corresponding period of 1999-2000. Net inflows under non-resident Indian (NRI) deposits of US $ 1.5 billion were also lower than those of US $ 2.0 billion during April 1999-February 2000, reflecting some switching effects related to IMDs. To the extent that these switches were out of FCNR(B) deposits held abroad, there were inflows into the country.

There was a net outflow of US $ 1.1 billion under medium and long-term loans (external assistance and commercial borrowings (excluding IMDs)) during April-December 2000 as against an inflow of US $ 0.4 billion during the corresponding period of 1999. Net flows by way of short-term credits, on the other hand, increased from US $ 0.2 billion during April-December 1999 to US $ 0.5 billion during April-December 2000 reflecting the need to finance higher oil imports.

Reserves

The foreign exchange reserves comprising foreign currency assets, gold and special drawing rights (SDRs) declined by US $ 3.1 billion from US $ 38.0 billion at end-March 2000 to US $ 34.9 billion by end-October 2000. From November, 2000 onwards, the drawdown was fully recouped as the level of reserves rose by US $ 7.3 billion to US $ 42.3 billion as at end-March 2001. The increase in reserves was led by the proceeds under IMDs, merchandise exports, software exports, private transfers and FDI inflows.

ADVANCE ESTIMATES 2000-01 AND QUICK ESTIMATES 1999-2000 OF NATIONAL INCOME: A REVIEW*

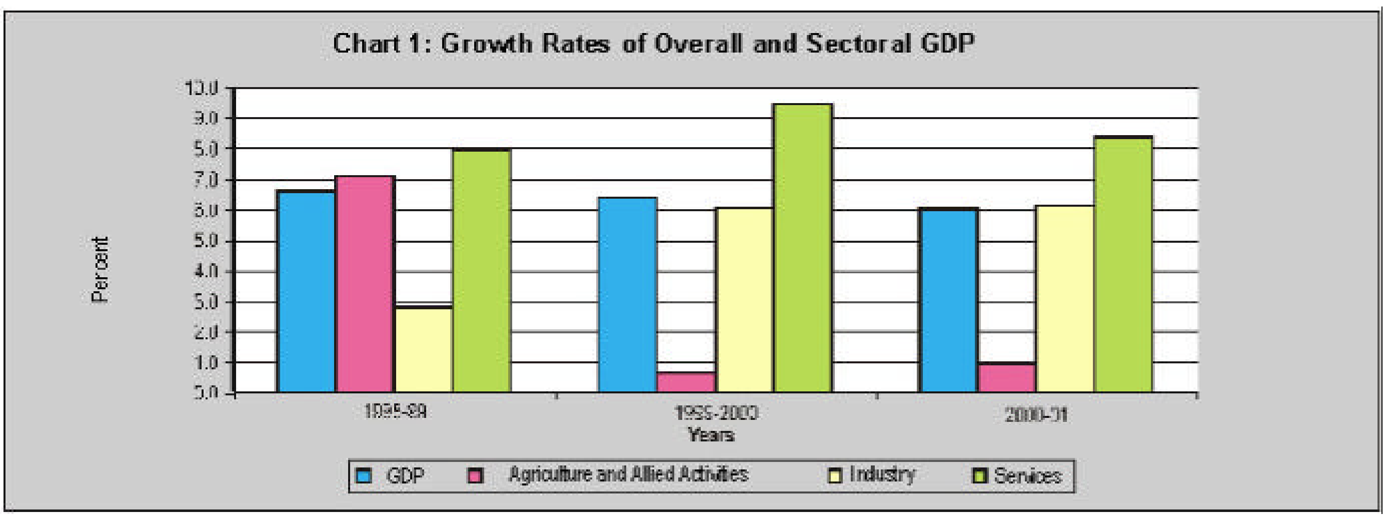
The Central Statistical Organisation (CSO) has released the 'Advance Estimates of National Income, 2000-01' on February 5, 2001 and 'Quick Estimates of National Income, Consumption Expenditure, Saving and Capital Formation, 1999-2000' on January 30, 2001 at both constant as well as current prices. These estimates provide revised numbers of various macro-economic aggregates for the year 2000-01, 1999-2000 and 1998-99. This article analyses the salient features of these estimates.

1. Gross Domestic Product

1.1 Growth of GDP

As per the Advance Estimates, the Gross Domestic Product (GDP) at factor cost at 1993-94 prices is estimated to show a growth rate of 6.0 per cent during 2000-01 as compared to a growth rate of 6.4 per cent during 1999-2000. The decline in the growth rate of GDP during 2000-01 has been primarily due to the relatively lower growth of the services sector. The industrial sector is expected to sustain its previous year's growth rate and the agriculture sector is expected to show a subdued performance for the second consecutive year (Chart 1 and Table 1).

As per the Quick Estimates, the real GDP recorded a growth rate of 6.4 per cent during 1999-2000 as against a growth rate of 6.6 per cent during 1998-99. The fall in growth rate during 1999-2000 was mainly due to steep fall

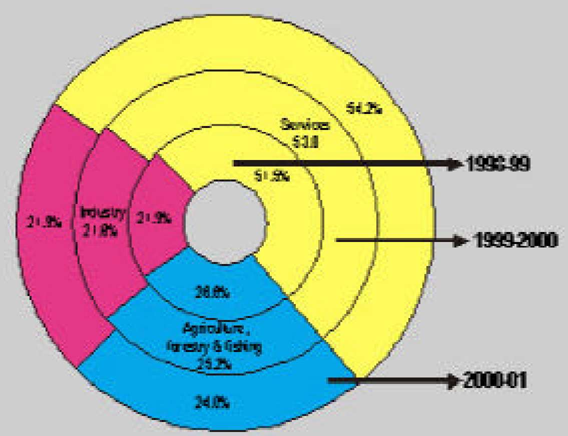


* Prepared in the Division of National Income, Savings and Flow of Funds of the Department of Economic Analysis and Policy.

in growth rate of agriculture. It may be noted that these estimates of GDP growth at 6.4 per cent during 1999-2000 remain the same as released earlier by CSO in June 2000. The growth rate for the year 1998-99 has, however, been revised downward to 6.6 per cent from its earlier estimate of 6.8 per cent.

At current prices, the GDP at factor cost is estimated to show a rate of growth of 11.4 per cent during 2000-01 as against 10.5 per cent during 1999-2000 (Table 3). The implicit GDP deflator calculated from the GDP at current and constant prices has shown an increase of 6.7 per cent during 1999-2000.

Chart 2: Sectoral Composition of Real GDP



1.2 Sectoral Composition and Growth of Real GDP

The share of services sector in real GDP increased to 54.2 per cent in 2000-01 from 53.0 per cent in 1999-2000 and 51.5 per cent during 1998-99. The share of agriculture sector declined steadily to 24.0 per cent during 2000-01 from 25.2 per cent in 1999-2000 and 26.6 per cent during 1998-99. The industrial sector maintained its share at 21.9 per cent during the period 1998-99 to 2000-01 with a marginal decline (i.e. 21.8 per cent) during 1999-2000 (Chart 2 and Table1).

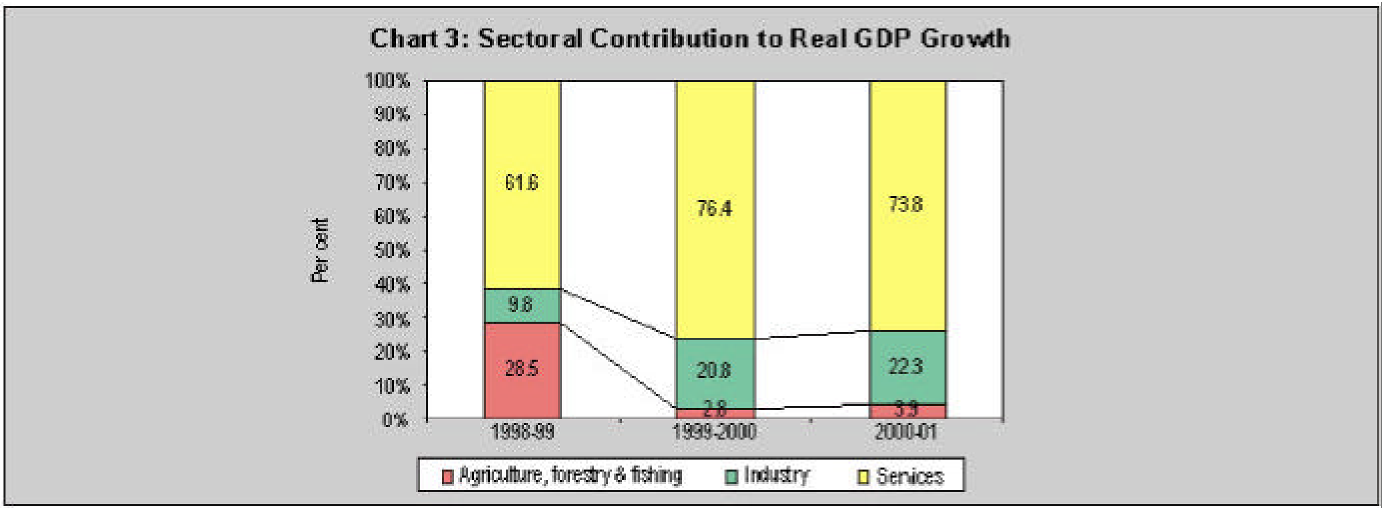
The growth rate of the services sector is estimated lower at 8.4 per cent in 2000-01 as compared to 9.4 per cent in 1999-2000. The fall in the rate of growth of the services sector is mainly due to decline in the growth of 'financing, insurance, real estate and business services' and 'community, social and personal services' sub-sectors. The growth rate of 'financing, insurance, real estate and business services' declined to 9.6 per cent in 2000-01 from 10.1 per cent in 1999-2000. Similarly, the growth rate of the 'community, social and personal services' declined sharply to 7.6 per cent during 2000-01 from 11.8 per cent in 1999-2000 mainly due to the effect of higher wages (arrears) drawn by the government employees during the previous years. The decelerated growth of these sub-sectors outweighed the improved growth performance of 'construction'. The 'construction' sector showed an improved growth of 8.7 per cent in 2000-01 as compared to 8.1 per cent in 1999-2000, while the 'trade, hotels, transport and communication' maintained a growth of 8.0 per cent in both the years. It may be noted that in contrast to the fall in growth, the share of services sector in real GDP has increased to 54.2 per cent in 2000-01 from 53.0 per cent in 1999-2000 (Table 1).

The 'agriculture and allied activities' recorded a growth of 0.9 per cent in 2000-01 as compared to 0.7 per cent in 1999-2000 (Table 1). As regards the industrial sector, it showed a growth of 6.1 per cent during 2000-01, which is the same as the rate of growth observed during the previous year. The growth rate of 'mining and quarrying' increased perceptibly to 4.5 per cent in 2000-01 from 1.7 per cent in 1999-2000, while that of 'electricity, gas and water supply' improved to 5.6 per cent from 5.2 per cent during the same period. The growth rate of manufacturing declined to 6.4 per cent in 2000-01 from 6.8 per cent in 1999-2000. The agriculture sector showed a subdued performance consecutively during the last two years.

As regards the growth performance during 1999-2000, the rate of growth of GDP during 1999-2000 has been primarily due to the high growth of industry and services sectors (Chart 1 and Table1). The industry recorded a perceptibly higher growth of 6.1 per cent in 1999-2000 as compared to the growth of 2.8 per cent in 1998-99. Such an increase in the growth rate of industry has been solely contributed by the sharp recovery in the growth of manufacturing which increased to 6.8 per cent in 1999-2000 from 2.5 per cent in 1998-99. The services sector recorded a higher growth of 9.4 per cent in 1999-2000 as compared to the growth of 8.0 per cent in 1998-99. The buoyancy in the services sector continued to improve during 1999-2000 mainly on account of the better growth of construction (8.1 per cent), 'transport, storage and communication' (8.3 per cent), 'financing, insurance, real estate and business services' (10.1 per cent) and 'community, social and personal services' (11.8 per cent). But the higher growth in the industry as well as the services sectors was negated by the poor performance of the agriculture sector. The 'agriculture and allied activities' has shown a distinctly lower growth of 0.7 per cent in 1999-2000 as compared to the growth of 7.1 per cent in the previous year.

1.3 Sectoral Contribution to the Growth of Real GDP

The contribution of each sector to the growth of overall GDP depends on the rate of

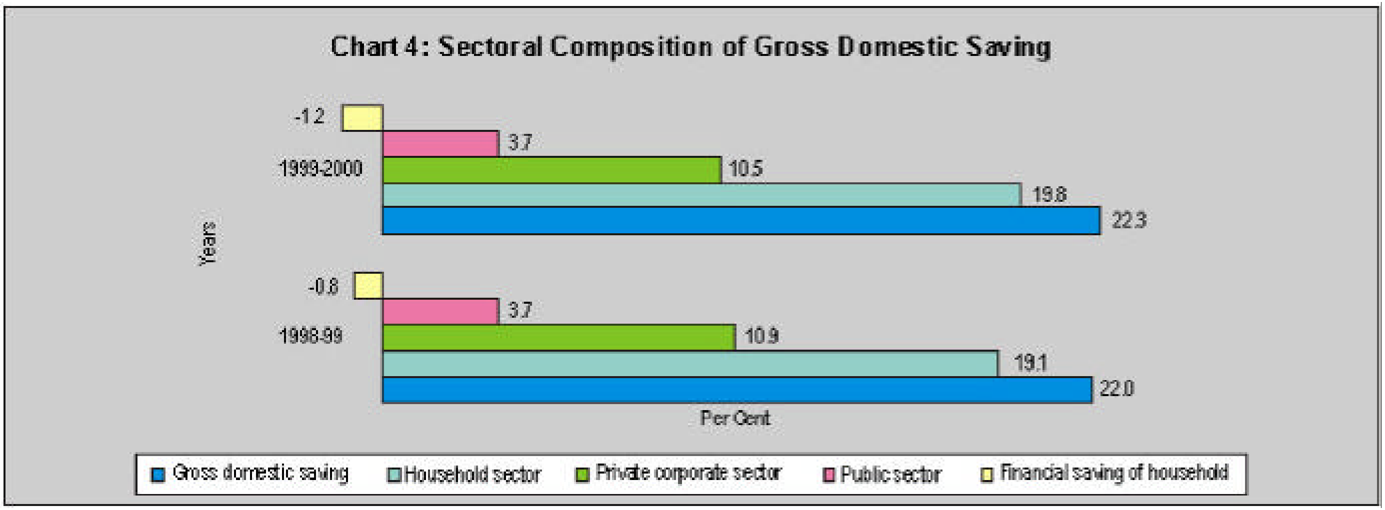


growth in the current year and its share in total GDP in the previous year; these are normalized by the growth of current year GDP. An analysis of the sector-wise contribution to the rate of growth of aggregate GDP shows that the contribution of the agriculture sector remained low for the second consecutive year. The contribution of the agriculture sector declined sharply from 28.5 per cent during 1998-99 to mere 2.8 per cent in 1999-2000 and improved marginally to 3.9 per cent in 2000-01. On the other hand, the contribution of the industrial sector improved steadily to 22.3 per cent in 2000-01 from 20.8 per cent in 1999-2000 and 9.8 per cent in 1998-99. The contribution of services sector to the growth of overall GDP has declined marginally to 73.8 per cent in 2000-01 from 76.4 per cent in 1999-2000, although it was higher than the contribution of 61.6 per cent in 1998-99 (Chart 3 and Table 1).

2. Saving, Capital Formation and Consumption Expenditure

2.1 Aggregate Saving

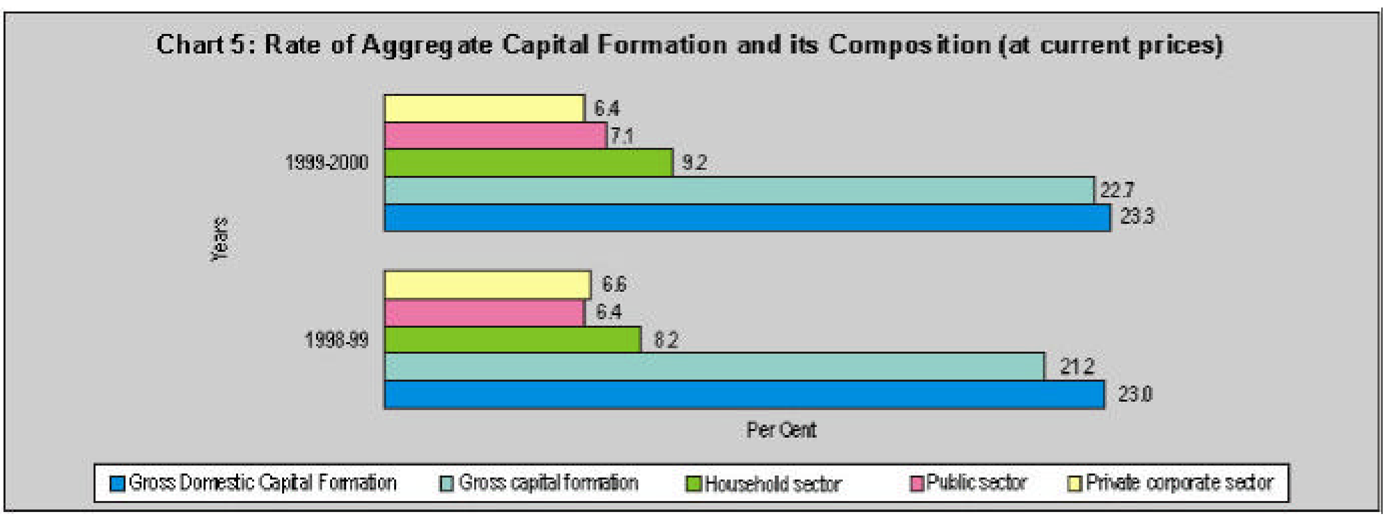
The rate of gross domestic saving (GDS) at current prices has increased to 22.3 per cent in 1999-2000 from 22.0 per cent in the previous year. The rise in the rate of GDS was on account of the improvement in the rate of household sector saving, as the rate of public sector saving showed a deterioration for the second consecutive year and that of private corporate sector saving remained unchanged. The rate of household saving increased to 19.8 per cent in 1999-2000 from 19.1 per cent in the previous year. The improvement in the rate of household sector saving was due to the increase in the rate of its saving in physical assets, offsetting the fall in the rate of saving in financial assets. The rate of household



sector saving in financial assets slipped to 10.5 per cent in 1999-2000 from 10.9 per cent in 1998-99, while that of its saving in physical assets increased to 9.2 per cent in 1999-2000 from 8.2 per cent in 1998-99. The rate of private corporate sector saving remained unchanged at 3.7 per cent during 1998-99 and 1999-2000. As regards public sector, it continued to show dis-saving and the rate of such dis-saving deteriorated to 1.2 per cent in 1999-2000 from 0.8 per cent in 1998-99. The ratio of errors and omissions to GDP at current market prices declined to 0.6 per cent in 1999-2000 from 1.9 per cent in 1998-99 (Chart 4 and Table 2).

2.2 Aggregate Capital Formation

The rate of capital formation moved in tandem with the rate of gross domestic saving. The rates of gross domestic capital formation (GDCF)* and gross capital formation (GCF) at current prices increased to 23.3 per cent and



* GDCF is GCF adjusted for errors and omissions.

22.7 per cent, respectively in 1999-2000 from 23.0 per cent and 21.2 per cent in 1998-99. The rate of private corporate sector capital formation declined to 6.4 per cent in 1999-2000 from 6.6 per cent in 1998-99. This decline was offset by the increase in the rate of capital formation of both household and public sectors. The rate of capital formation in the household sector increased to 9.2 per cent in 1999-2000 from 8.2 per cent in the previous year. The rate of capital formation in the public sector increased to 7.1 per cent in 1999-2000 from 6.4 per cent in 1998-99 (Chart5 and Table 2).

At constant prices, the rate of GDCF has shown a marginal increase to 26.0 per cent during 1999-2000 from 25.4 per cent in 1998-99. The rate of real GCF increased to 25.4 per cent in 1999-2000 from 23.4 per cent during 1998-99.

2.3 Saving-Investment Gap

The saving-investment (S-I) gap, measured by the difference between the rate of saving and the rate of investment, remained at -1.0 per cent both during 1999-2000 and 1998-99. The S-I gap of the household sector declined to 10.5 per cent in 1999-2000 from 10.9 per cent in 1998-99. The S-I gap for the private corporate sector improved to –2.7 per cent in 1999-2000 from –2.9 per cent in the previous year, while for the public sector it deteriorated to -8.2 per cent during 1999-2000 from –7.2 per cent in 1998-99 (Table 2).

2.4 Aggregate Consumption

The share of total consumption expenditure in nominal GDP at market prices recorded a marginal rise to 77.5 per cent in 1999-2000 from 76.9 per cent during 1998-99. The rise in aggregate consumption level was primarily due to the rise in the share of Government final consumption expenditure (GFCE) that overshadowed the fall in the share of private final consumption expenditure (PFCE). The share of GFCE increased to 12.9 per cent in 1999-2000 from 12.0 per cent during 1998-99. The share of PFCE at current prices declined to 64.7 per cent in 1999-2000 from 64.9 per cent during 1998-99 (Table 2).

3. Other Macro Aggregates

Among the other macro aggregates, the real gross national product (GNP) at factor cost recorded a growth of 6.1 per cent during 2000-01 as compared to that of 6.5 per cent recorded both during 1999-2000 and 1998-99. The real per capita income (per capita Net National Product at factor cost) is also estimated to register a lower growth rate of 4.4 per cent in 2000-01 as compared to a growth of 4.8 per cent recorded both during 1999-2000 and 1998-99 (Table 3).

TABLE 1: GROSS DOMESTIC PRODUCT AT FACTOR COST
(At 1993-94 prices)

(Per cent)

Sectors	Share in GDP			Growth Rate			Contribution to GDP Growth		
	1998-99@	1999-2000*	2000-01#	1998-99@	1999-2000*	2000-01#	1998-99@	1999-2000*	2000-01#
1. Agriculture, forestry & fishing	**26.6**	**25.2**	**24.0**	**7.1**	**0.7**	**0.9**	**28.5**	**2.8**	**3.9**
2. Industry	**21.9**	**21.8**	**21.9**	**2.8**	**6.1**	**6.1**	**9.8**	**20.8**	**22.3**
2.1 mining & quarrying	2.4	2.3	2.3	1.3	1.7	4.5	0.5	0.7	1.7
2.2 manufacturing	17.0	17.1	17.1	2.5	6.8	6.4	6.7	18.1	18.2
2.3 electricity, gas & water supply	2.5	2.5	2.4	6.4	5.2	5.6	2.4	2.0	2.3
3. Services	**51.5**	**53.0**	**54.2**	**8.0**	**9.4**	**8.4**	**61.6**	**76.4**	**73.8**
3.1 construction	5.0	5.1	5.2	6.1	8.1	8.7	4.7	6.4	7.4
3.2 trade, hotels, transport and communication	21.6	21.9	22.4	7.1	8.0	8.0	23.1	27.3	29.4
3.3 financing, insurance, real estate & business services	12.3	12.7	13.2	8.4	10.1	9.6	15.4	19.5	20.4
3.4 community, social & personal services	12.6	13.2	13.4	9.9	11.8	7.6	18.3	23.3	16.6
4. Gross domestic product at factor cost	**100.0**	**100.0**	**100.0**	**6.6**	**6.4**	**6.0**	**100.0**	**100.0**	**100.0**

Source : Central Statistical Organisation.

Note: The sub-totals may not add up to the totals, due to rounding-off.

@ Provisional Estimates

* Quick Estimates

Advance Estimates

TABLE 2 : GROSS DOMESTIC SAVING, INVESTMENT AND CONSUMPTION EXPENDITURE

(Amount in Rs. Crore)

Item	At Current Prices			
	Amount	Per cent of GDP (MP)	Amount	Per cent of GDP (MP)
	1998-99@	1998-99@	1999-00*	1999-00*
1. Household Saving	**336469**	**19.1**	**386913**	**19.8**
1.1 Financial Assets	192511	10.9	205898	10.5
1.2 Physical Assets	143958	8.2	181015	9.2
2. Private Corporate Sector Savings	**64608**	**3.7**	**71879**	**3.7**
3. Public Sector Saving	**-14345**	**-0.8**	**-23220**	**-1.2**
4. Gross Domestic Saving (1+2+3)	**386732**	**22.0**	**435572**	**22.3**
5. Net capital inflow	**18087**	**1.0**	**19656**	**1.0**
6. Gross Capital Formation	**372018**	**21.2**	**444423**	**22.7**
6.1 Household Sector	143958	8.2	181015	9.2
6.2 Private Corporate Sector	115991	6.6	125221	6.4
6.3 Public Sector	112069	6.4	138186	7.1
7. Errors and Omissions	**32801**	**1.9**	**10805**	**0.6**
8. Gross Domestic Capital Formation	**404819**	**23.0**	**455228**	**23.3**
9. Saving-Investment Gap (4-8)	**-18087**	**-1.0**	**-19656**	**-1.0**
9.1 Household Sector (1- 6.1)	192511	10.9	205898	10.5
9.2 Private Corporate Sector (2 - 6.2)	-51383	-2.9	-53342	-2.7
9.3 Public Sector (3 - 6.3)	-126414	-7.2	-161406	-8.2
10. Total Consumption Expenditure	**1352977**	**76.9**	**1516948**	**77.5**
10.1 Private Final Consumption Expenditure	1141207	64.9	1265432	64.7
10.2 Government Final Consumption Expenditure	211770	12.0	251516	12.9

Source : Central Statistical Organisation.

@ Provisional Estimates

* Quick Estimates

Note: GDP (MP) implies Gross Domestic Product at Market Prices.

TABLE 3: NATIONAL PRODUCT, CONSUMPTION EXPENDITURE, SAVING AND CAPITAL FORMATION

Item	*At Current Prices*			*At 1993-94 prices*		
	1998-99@	1999-00*	2000-01#	1998-99@	1999-00*	2000-01#
A. ESTIMATES AT AGGREGATE LEVEL						
1. NATIONAL PRODUCT (Rs. Crore)						
1.1 Gross national product (GNP) at factor cost	1601065	1771028	1972717	1071073	1140389	1209555
	16.3	*10.6*	*11.4*	*6.5*	*6.5*	*6.1*
1.2 National Product (NNP) at factor cost i.e., National Income	1434456	1590301	1776675	948982	1011224	1072906
	17.1	*10.9*	*11.7*	*6.5*	*6.6*	*6.1*
1.3 GNP at market prices	1743308	1941566	_	1169907	1255121	_
	15.5	*11.4*	_	*5.9*	*7.3*	_
1.4 NNP at market prices	1576699	1760839	_	1047816	1125956	_
	16.2	*11.7*	_	*5.9*	*7.5*	_
2. DOMESTIC PRODUCT (Rs. Crore)						
2.1 Gross domestic product (GDP) at factor cost	1616033	1786459	1989480	1083047	1151991	1221174
	16.3	*10.5*	*11.4*	*6.6*	*6.4*	*6.0*
2.2 Net domestic product (NDP) at factor cost	1449424	1605732	1793438	960956	1022826	1084525
	17.1	*10.8*	*11.7*	*6.6*	*6.4*	*6.0*
2.3 GDP at market prices	1758276	1956997	_	1181881	1266723	_
	15.5	*11.3*	_	*6.0*	*7.2*	_
2.4 NDP at market prices	1591667	1776270	_	1059790	1137558	_
	16.1	*11.6*	_	*6.0*	*7.3*	_
3. DISPOSABLE INCOME @@ (Rs. Crore)						
3.1 Net national disposable income	1619941	1813971	_	_	_	_
	15.6	*12.0*	_	_	_	_
3.2 Personal disposable income	1480283	1649228	_	_	_	_
	18.4	*11.4*	_	_	_	_
4. CONSUMPTION EXPENDITURE (RS. Crore)						
4.1 Private final consumption expenditure (PFCE)	1141207	1265432	_	751439	782064	_
	17.1	*10.9*	_	*7.2*	*4.1*	_
4.2 Government final consumption expenditure (GFCE)	211770	251516	_	138521	159235	_
	23.0	*18.8*	_	*11.7*	*15.0*	_
5. DOMESTIC SAVING @@						
5.1 Total (Rs. Crore)						
5.1.1 Gross	386732	435572	_	_	_	_
	8.0	*12.6*	_	_	_	_
5.1.2 Net	220123	254845	_	_	_	_
	6.8	*15.8*	_	_	_	_
5.2 Rates ** (per cent)						
5.2.1 Gross	22.0	22.3	_	_	_	_
5.2.2 Net	13.8	14.3	_	_	_	_
6. CAPITAL FORMATION						
6.1 Total (Rs. Crore)						
6.1.1 Gross	404819	455228	_	300715	329115	_
	6.4	*12.5*	_	*2.3*	*9.4*	_
6.1.2 Net	238210	274501	_	178624	199950	_
	4.2	*15.2*	_	*-0.2*	*11.9*	_
6.2 Rates ** (per cent)						
6.2.1 Gross	23.0	23.3	_	25.4	26.0	_
6.2.2 Net	15.0	15.5	_	16.9	17.6	_
B. ESTIMATES AT PER CAPITA LEVEL						
Population *** (in million)	975	991	1007	975	991	1007
	1.7	*1.6*	*1.6*	*1.7*	*1.6*	*1.6*
1. INCOME (Rs.)						
1.1 Per capita NNP at factor cost (per capita national income)	14712	16047	17643	9733	10204	10654
	15.2	*9.1*	*9.9*	*4.8*	*4.8*	*4.4*
1.2 Per capita personal disposable income	15182	16642	_	_	_	_
	16.5	*9.6*	_	_	_	_
2. CONSUMPTION EXPENDITURE (Rs.)						
Per capita PFCE in the domestic market	11705	12769	_	7707	7892	_
	15.2	*9.1*	_	*5.4*	*2.4*	_

Source: Central Statistical Organisation.
Note: Figures in italics indicate percentage change over the previous year

@ Provisional estimates
@@ The estimates are prepared only at current prices
# Advance Estimates
_ Not Available
* Quick Estimates
** As per cent of domestic product at market prices
*** Estimates for mid financial year (as on 1st October)

FINANCES OF FOREIGN DIRECT INVESTMENT COMPANIES, 1999-2000*

The financial performance of the foreign direct investment (FDI) companies[@] for the period 1997-98 to 1999-2000 is presented in this article based on the audited annual accounts of 334 selected companies which closed their accounts during the period April 1999 to March 2000[$]. In the case of companies, which either extended or shortened their accounting year, income, expenditure and appropriation account figures have been annualised. The balance sheet data, however, have been retained as presented in the annual accounts of the companies with the result that the data reported in balance sheets in such cases refer to varying periods. The analysis of the financial performance of FDI companies over the years is subject to these limitations.

Of the selected 334 companies, 274 companies are public limited companies and the remaining 60 companies are private limited companies. The selected companies are classified into 9 major country-groups and 7 major industry-groups. A company is classified in a country-group depending upon the origin of the largest FDI share in the company. The industry-group of the company is determined on the basis of the industry from which the company is reported to have earned more than 50 per cent of its total income. Industry-wise distribution of the selected companies across the major countries and major industries is presented in Table 1.

The data collected from the 334 selected companies indicated that foreign direct investments in India are predominantly from U.S.A., U.K., and Germany with tallies of 81, 73 and 43 companies respectively. Within major industry-group also, the investments came mostly from these three countries. The two industry-groups, 'Engineering' and 'Chemicals' dominated with 139 and 57 companies, respectively. In the case of 'Tea' industry, six out of the nine tea companies had investments from U.K.

*** Prepared in the Company Finances Division of the Department of Statistical Analysis and Computer Services.**

@ As per the Balance of Payments manual (5th edition, 1993; para 362) "Direct investment enterprise is an incorporated or unincorporated enterprise in which a direct investor, who is resident in another economy, owns 10 per cent or more of the ordinary shares or voting power (for an incorporate enterprise) or the equivalent (for an unincorporated enterprise)".

$ The previous study relates to finances of 321 companies during 1998-99 published in the February, 2001 issue of the Reserve Bank of India Bulletin.

Table 1: Industry X Country-wise Distribution of Selected FDI Companies, 1999-2000

(Number of Companies)

Country/ Industry-group	U.K.	U.S.A.	Ger-many	Swit-zerland	Japan	Sweden	Nether-lands	Mauri-tius	Others	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Engineering	27	33	25	18	14	4	6	1	11	139
2. Chemicals	12	13	11	3	3	2	4	2	7	57
3. Tea	6	-	-	-	-	1	1	-	1	9
4. Trading	1	4	-	1	1	-	1	2	4	14
5. All textiles	3	-	2	-	1	-	2	1	-	9
6. Rubber	2	2	-	-	-	-	-	-	-	4
7. Other industries	22	29	5	5	5	2	5	4	25	102
Total	**73**	**81**	**43**	**27**	**24**	**9**	**17**	**11**	**49**	**334**

Overall Performance

The financial results of the 334 FDI companies indicated an improvement in sales registering an increase of 9.9 per cent in 1999-2000 as compared to 8.1 per cent growth in the previous year while their manufacturing expenses increased by 9.5 per cent (6.9 per cent in 1998-99). Gross profits and profits after tax during the year increased substantially by 16.4 per cent and 17.3 per cent, respectively, as compared to their negative growth in the previous year. Profit margin (gross profits to sales) and return on shareholders' equity (profits after tax to net worth) at 11.9 per cent and 13.2 per cent, respectively, in 1999-2000 were marginally higher than their corresponding levels a year ago. The effective tax rate (tax provision to profits before tax) of 32.8 per cent for selected companies during 1999-2000 was higher as compared to the previous year. Total funds raised by these companies declined from Rs. 6,332 crore in 1998-99 to Rs. 5,937 crore in 1999-2000. As in the previous year, internal sources of funds accounted for nearly two-thirds of the total funds raised during 1999-2000. Among the industry groups, the sales performance of 'Engineering', 'Basic Industrial Chemicals' and 'Rubber' industries was good in 1999-2000.

A. Operational Results

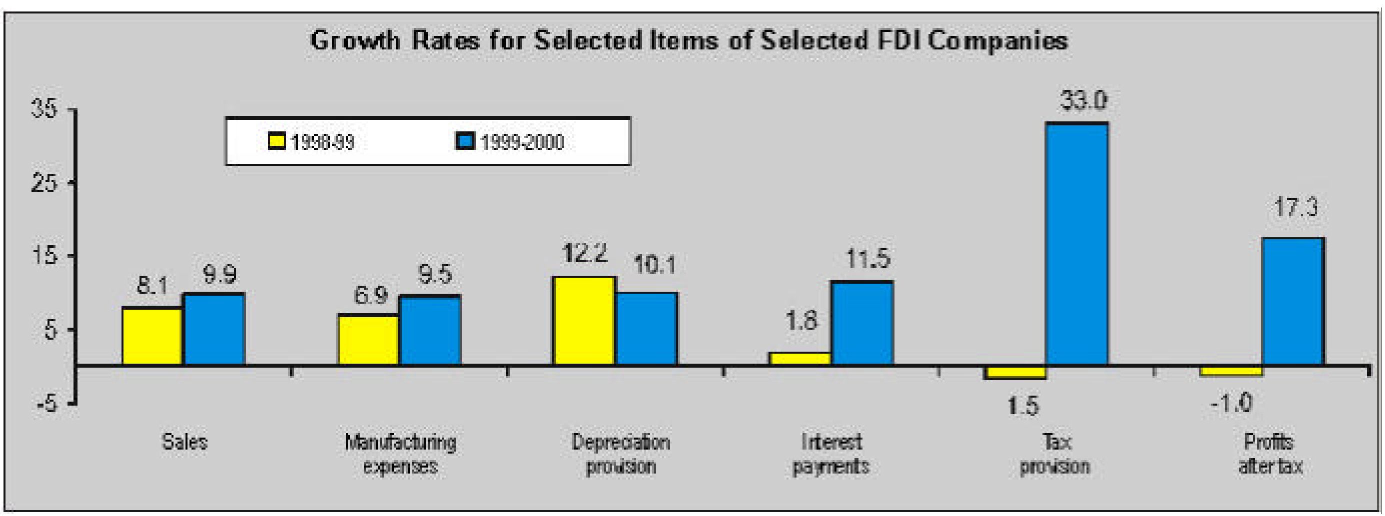
The sales of selected companies increased by 9.9 per cent to Rs. 65,598 crore in 1999-2000 (Statements 1 and 9). In tandem, on the expenditure side, manufacturing expenses and employees' remuneration increased by 9.5 per cent and 9.7 per cent during 1999-2000 as compared to 6.9 per cent and 8.3 per cent increase, respectively, in the previous year. The 10.1 per cent rise in depreciation provision during 1999-2000 was lower when compared to the increase of 12.2 per cent in the previous

Table 2: Growth Rates of Sales, Gross Profits and Net Profits of Selected FDI Companies, 1998-99 and 1999-2000

(Per cent)

Industry/ Country	Number of Companies	Sales		Gross Profits		Profits After Tax	
		1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000
Industry							
1. Engineering	139	1.6	11.7	–3.6	26.2	–0.8	48.6
Of which,							
(a) Motor vehicles	*20*	*2.6*	*23.4*	*–6.8*	*33.8*	*–6.1*	*54.4*
(b) Electrical machinery, apparatus, appliances, etc.	*38*	*5.2*	*3.7*	*26.2*	*25.5*	*165.0*	*44.0*
(c) Machinery other than transport and electricals	*63*	*–3.6*	*6.0*	*–7.9*	*3.2*	*–15.0*	*4.9*
(d) Ferrous/ non-ferrous metal products	*11*	*0.4*	*4.0*	*–63.9*	*199.3*	*–*	*&*
2. Chemicals	57	6.4	12.5	–21.1	–4.9	1.2	–5.9
Of which,							
(a) Basic industrial chemicals	*15*	*–3.2*	*21.6*	*–79.5*	*–63.9*	*–39.6*	*–16.2*
(b) Medicines and pharmaceutical preparations	*19*	*11.6*	*6.9*	*8.3*	*8.8*	*34.7*	*9.2*
3. Tea	9	5.2	–5.9	–5.0	–39.1	–5.4	–56.1
4. Trading	14	3.4	3.1	–23.4	25.7	9.5	21.4
5. All textiles	9	5.8	5.6	–24.0	–28.0	–61.0	191.7
6. Rubber and rubber products	4	–1.8	11.9	–12.7	6.7	–5.9	26.2
Country							
1. U.K.	73	10.4	10.9	5.8	16.8	12.7	24.2
2. U.S.A.	81	5.6	5.7	3.4	9.4	–3.5	14.2
3. Germany	43	10.6	7.3	–15.5	41.8	–12.5	12.3
4. Switzerland	27	0.7	9.1	–9.5	–1.6	–23.2	–11.3
5. Japan	24	14.1	32.0	18.7	20.5	21.0	31.3
6. Sweden	9	2.9	5.0	–62.8	145.6	–	#
7. Netherlands	17	3.8	2.7	20.7	2.6	32.0	4.5
8. Mauritius	11	3.5	3.7	–35.3	–26.7	–79.2	–
All Companies	**334**	**8.1**	**9.9**	**–3.2**	**16.4**	**–1.0**	**17.3**

– Numerator is negative or nil or negligible.
\# Denominator is negative or nil or negligible
& Both Numerator and Denominator are negative or nil or negligible.



year. Interest payments during the year registered an increase of 11.5 per cent as compared to 1.8 per cent rise in the previous year. There was an improvement in the profitability of these companies during 1999-2000 and their gross profits, profits before tax and post-tax profits increased by 16.4 per cent, 22.1 per cent and 17.3 per cent in contrast to the decline of 3.2 per cent, 1.2 per cent and 1.0 per cent, respectively, during the previous year.

Profit margin and return on shareholders' equity increased marginally from 11.2 per cent and 12.5 per cent in 1998-99 to 11.9 and 13.2 per cent in 1999-2000, respectively (Statement 5). The effective tax rate for selected companies was 32.8 per cent in 1999-2000 as compared to 30.1 per cent in 1998-99. Companies having major portion of FDI from U.K., U.S.A., Germany and Sweden increased their profit margin in 1999-2000. Industry-wise, 'Engineering' and 'Medicines and

Table 3: Profit Margin, Effective Tax Rate and Return on Equity of Selected FDI Companies, 1998-99 and 1999-2000

(Per cent)

Industry/ Country	Profit Margin		Effective Tax Rate		Return on Equity	
	1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000
Industry						
1. Engineering	9.1	10.3	35.3	32.4	9.0	12.0
Of which,						
(a) Motor vehicles	*10.2*	*11.1*	*29.1*	*30.5*	*11.5*	*14.6*
(b) Electrical machinery, apparatus, appliances, etc.	*6.8*	*8.2*	*32.5*	*26.2*	*7.5*	*10.5*
(c) Machinery other than transport and electricals	*13.1*	*12.8*	*34.4*	*33.5*	*13.4*	*12.7*
(d) Ferrous/ non-ferrous metal products	*3.7*	*10.8*	#	#	–	–
2. Chemicals	9.8	8.2	29.1	34.6	13.3	11.9
Of which,						
(a) Basic industrial chemicals	*2.6*	*0.8*	*25.2*	*42.6*	*4.8*	*4.0*
(b) Medicines and pharmaceutical preparations	*14.0*	*14.3*	*28.1*	*31.7*	*21.2*	*20.6*
3. Tea	18.5	12.0	35.5	45.9	9.3	4.1
4. Trading	4.8	5.8	24.6	26.8	6.0	6.9
5. All textiles	8.2	5.6	10.9	17.5	3.9	10.6
6. Rubber and rubber products	8.8	8.4	38.7	27.9	8.1	9.7
Country						
1. U.K.	15.6	16.5	33.7	36.3	16.2	17.7
2. U.S.A.	12.1	12.5	27.9	30.7	12.7	12.4
3. Germany	7.8	10.3	23.5	25.0	10.1	10.7
4. Switzerland	11.9	10.8	29.7	32.3	10.9	9.6
5. Japan	11.7	10.7	29.8	32.1	22.0	23.6
6. Sweden	4.3	10.0	#	38.4	–	7.9
7. Netherlands	8.2	8.2	33.1	36.2	12.9	12.0
8. Mauritius	8.5	6.0	24.4	#	2.1	–
All Companies	**11.2**	**11.9**	**30.1**	**32.8**	**12.5**	**13.2**

\# Denominator is negative or nil or negligible.
\- Numerator is negative or nil or negligible.

Pharmaceutical preparations' companies recorded higher profit margins of 10.3 per cent and 14.3 per cent in 1999-2000 as compared to 9.1 per cent and 14.0 per cent, respectively, in the previous year.

B. Foreign Business

The selected companies recorded a net outflow of Rs. 1,330 crore in foreign currencies during 1999-2000 as compared to an outflow of Rs. 1,486 crore during 1998-99 (Statements 16 to 18). Incidentally, companies having major portion of FDI from Mauritius registered net inflow of foreign exchange for all three years. The total foreign exchange earnings of the selected companies increased by 9.8 per cent in 1999-2000 in contrast to a decline of 5.4 per cent in the previous year. The total foreign currency expenditure by these companies increased by 6.3 per cent in 1999-2000 as compared to an increase of 8.5 per cent in the previous year.

Exports by the selected companies increased by 9.1 per cent during 1999-2000 as compared to an increase of 4.5 per cent in the previous year. The export intensity of sales (exports to sales) of 9.3 per cent for these companies during 1999-2000 was comparable to previous year's level (Table 4). Country-wise, the companies having major portion of FDI from Mauritius continued to register the highest export intensity of sales at 28.3 per cent in 1999-2000. Among the industry-groups, the export intensity of sales remained the highest for 'All Textiles' companies (43.8 per cent in 1999-2000). For 'Engineering' and 'Chemicals' companies, export intensity of sales was 7.3 per cent and 9.5 per cent in 1999-2000 as compared to 8.4 per cent and 8.9 per cent in 1998-99, respectively.

Imports by the selected companies declined by 0.3 per cent in 1999-2000 as against an increase of 5.0 per cent in the previous year. The imports to exports ratio for these companies worked out to 112.4 per cent in 1999-2000 as compared to 122.9 per cent in the previous year. The imports of 'Raw materials, components, etc.' accounted for more than half of the total imports by these companies for all the three years. Imports were higher than exports in 'Engineering', 'Chemicals', 'Trading' and 'Rubber' companies for all the three years.

Dividend Remittances

Dividend remittances of the selected 334 companies in foreign currencies decreased from Rs. 445 crore in 1998-99 to Rs. 433 crore in 1999-2000. It formed 4.8 per cent of total expenditure in foreign currencies in 1999-2000. Dividend remittances in foreign currencies for U.S.A., Germany, Switzerland and Japan country-groups were higher in 1999-2000 as compared to the previous year. Among the industry-groups, dividend remittances in foreign

Table 4: Growth in Exports and Imports, Imports to Exports and Export Intensity of Sales of Selected FDI Companies, 1998-99 and 1999-2000

(Per cent)

Industry/ Country	Growth in Exports		Growth in Imports		Imports to Exports		Export Intensity of Sales	
	1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000
Industry								
1. Engineering	9.5	-2.9	4.2	0.8	145.1	150.6	8.4	7.3
2. Chemicals	0.1	21.0	-6.7	12.0	160.0	148.0	8.9	9.5
3. Tea	22.1	-32.2	-49.8	-22.3	6.0	6.9	17.1	12.3
4. Trading	5.7	10.7	-8.6	-2.9	114.6	100.5	9.4	10.1
5. All textiles	7.6	1.7	-16.4	2.5	16.3	15.7	45.5	43.8
6. Rubber and rubber products	-43.0	-2.1	-16.3	11.7	128.4	139.9	7.1	6.5
Country								
1. U.K.	2.2	2.9	-0.1	11.0	66.1	71.3	10.7	9.9
2. U.S.A.	13.9	10.7	-0.6	3.2	121.4	113.1	8.6	9.0
3. Germany	-7.0	5.5	24.6	-22.3	208.3	153.4	7.8	7.7
4. Switzerland	2.8	30.5	16.7	1.8	173.5	135.4	10.4	12.4
5. Japan	-9.7	-10.8	26.6	11.7	219.9	275.3	6.8	4.6
6. Sweden	-0.6	-13.0	19.0	-14.5	250.1	245.8	7.2	6.0
7. Netherlands	10.6	-30.6	2.0	9.9	98.2	155.5	5.4	3.6
8. Mauritius	16.2	47.9	-63.2	-14.8	29.4	17.0	19.8	28.3
All Companies	**4.5**	**9.1**	**5.0**	**-0.3**	**122.9**	**112.4**	**9.4**	**9.3**

currencies were lower for 'Engineering' companies while these were higher for 'Chemicals' companies in 1999-2000 than in 1998-99.

C. Financing Pattern and Capital Structure

Financing Pattern

The total funds raised by the selected companies during 1999-2000 amounted to Rs. 5,937 crore as against Rs. 6,332 crore in 1998-99 (Statement 15). Internal sources continued to have a major share, accounting for nearly two-third in the total sources of funds in 1999-2000. Reserves and Surplus (35.6 per cent), Depreciation provisions (30.0 per cent) and Trade dues and other current liabilities (22.5 per cent) were the major sources of funds in 1999-2000.

Table 5: Financing Pattern of Selected FDI Companies, 1998-99 and 1999-2000

(Per cent)

Sources	1998-99	1999-2000
Internal sources	67.2	66.5
Paid-up capital (Internal)	1.3	1.7
Reserves and surplus	33.3	35.6
Provisions	32.6	29.3
External sources	32.8	33.5
Paid-up capital (External)	5.8	16.3
Borrowings	13.8	-5.7
Trade dues and other current liabilities	13.3	22.5
Others	–	0.3
Total	100.0	100.0

Capital Structure

Total liabilities/ assets (unadjusted) of the selected companies increased by 6.1 per cent to Rs. 70,820 crore in 1999-2000 (Statement 12). The changes in the financing pattern during 1999-2000 resulted in minor variations in the capital structure of the selected companies (Table 6). The share of 'Borrowings' in total liabilities declined from 31.2 per cent in 1998-99 to 28.9 per cent in 1998-99, while the share of 'Reserves and Surplus' in total liabilities increased from 34.8 per cent to 36.7 per cent over the same period.

Table 6: Composition of Liabilities of Selected FDI Companies, 1997-98 to 1999-2000

(Per cent)

Liabilities	1997-98	1998-99	1999-2000
1. Share capital	7.5	7.5	7.6
2. Reserves and surplus	33.8	34.8	36.7
3. Borrowings	32.0	31.2	28.9
4. Trade dues and other current liabilities	23.8	23.5	24.0
5. Others	2.9	3.1	2.8
Total	100.0	100.0	100.0

Debt to Equity

Debt to equity for the selected companies declined from 47.3 per cent in 1998-99 to 42.9 per cent in 1999-2000 (Statements 5 to 7).

Table 7: Debt to equity of Selected FDI Companies, 1997-98 to 1999-2000

(Per cent)

Industry / Country	Debt to Equity		
	1997-98	1998-99	1999-2000
Industry			
1. Engineering	51.6	53.1	43.8
2. Chemicals	36.3	33.7	28.6
3. Tea	6.1	9.2	9.2
4. Trading	142.5	175.5	189.3
5. All textiles	81.6	79.2	65.8
6. Rubber and rubber products	21.4	18.3	18.6
Country			
1. U.K.	39.2	34.2	23.2
2. U.S.A.	54.6	52.5	44.3
3. Germany	38.5	44.4	52.0
4. Switzerland	32.6	35.6	38.1
5. Japan	27.8	27.5	19.9
6. Sweden	56.8	68.7	57.7
7. Netherlands	40.4	47.3	40.8
8. Mauritius	114.3	137.7	157.7
All Companies	**47.6**	**47.3**	**42.9**

D. Utilization of Funds and Assets Structure

Utilization of Funds

The pattern of utilization of funds showed wide variations in 1999-2000 as compared to the previous year (Statement 15). 'Fixed asset formation' (50.7 per cent) remained the major use of total funds raised in 1999-2000 but its share declined by almost 9 percentage points when compared to the previous year. The share of other two major uses of funds, namely, 'Loans and advances and other debtor balances' (22.9 per cent) and investments (16.5 per cent) were higher than their share in total fund utilization during 1998-99.

Table 8: Funds Utilization by the Selected FDI Companies, 1998-99 and 1999-2000

(Per cent)

Uses of funds	1998-99	1999-2000
1. Gross fixed assets	59.6	50.7
2. Inventories	7.1	6.1
3. Loans and advances and other debtor balances	16.3	22.9
4. Investments	13.7	16.5
5. Cash and bank balances	0.6	0.4
6. Other assets	2.7	3.4
Total	100.0	100.0

Assets Structure

The changes in the utilization pattern of funds available with the companies were reflected in the composition of assets of the selected companies (Statement 12). 'Net fixed assets' (40.8 per cent), 'Loans and advances and other debtor balances'(28.2 per cent) and 'Inventories'(17.4 per cent) remained the three major components of total assets of the selected companies in 1999-2000. The current ratio (current assets to current liabilities) of the selected FDI companies remained at 1.4 during the period under review.

Table 9: Composition of Assets of Selected FDI Companies, 1997-98 to 1999-2000

(Per cent)

Assets	1997-98	1998-99	1999-2000
1. Net fixed assets	41.5	41.5	40.8
2. Inventories	18.5	18.0	17.4
3. Loans and advances and other debtor balances	28.2	27.9	28.2
4. Investments	5.8	6.7	7.7
5. Cash and bank balances	5.1	4.8	4.6
6. Others	0.9	1.1	1.3
Total	**100.0**	**100.0**	**100.0**

E. Performance of FDI companies - Public Limited Companies vs. Private Limited Companies

The growth and performance of the selected FDI companies classified into public limited companies and private limited companies may be glimpsed from Tables 10 and 11 (also Statements 4 and 8). The performance of selected public limited FDI companies in 1999-2000 was better than the selected private limited FDI companies. The growth rates in sales, gross profits and profit after tax at 9.9 per cent, 16.5 per cent and 17.4 per cent, respectively, during 1999-2000 for selected public limited FDI companies were higher than their corresponding growth in the previous year. However, the high growth in sales, gross profits and profit after tax of 17.3 per cent, 34.9 per cent and 38.9 per cent respectively during 1998-99 for the selected private limited FDI companies was followed by a subdued performance by them during 1999-2000 when they registered a growth of 9.4 per cent, -8.8 per cent and 4.0 per cent, respectively.

Table 10: Growth Rates of Sales Gross profits and Net profits of Selected FDI Companies - Public Limited Companies and Private Limited Companies, 1998-99 and 1999-2000

(Per cent)

Type of Companies	Number of Companies	Sales		Gross Profits		Profit after Tax	
		1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000
Public Limited Companies	274	8.1	9.9	–3.3	16.5	–1.2	17.4
Private Limited Companies	60	17.3	9.4	34.9	–8.8	38.9	4.0
All Selected Companies	334	8.1	9.9	–3.2	16.4	–1.0	17.3

Table 11: Profit Margin, Effective Tax Rate and Return on Equity of Selected FDI Companies - Public Limited Companies and Private Limited Companies, 1998-99 and 1999-2000

(Per cent)

Type of Companies	Number of Companies	Profit Margin		Effective Tax Rate		Return on Equity	
		1998-99	1999-2000	1998-99	1999-2000	1998-99	1999-2000
Public Limited Companies	274	11.2	11.9	30.1	32.8	12.5	13.2
Private Limited Companies	60	12.1	10.1	29.9	25.0	15.1	11.4
All Selected Companies	334	11.2	11.9	30.1	32.8	12.5	13.2

STATEMENT 1: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES, 1998-99 AND 1999-2000

(Per cent)

ITEMS	All Companies (334)	
	1998-99	1999-2000
1	2	3
1. Sales $	8.1	9.9
2. Value of production	6.8	10.2
3. Total Income	6.7	10.5
4. Manufacturing expenses	6.9	9.5
5. Remuneration to employees	8.3	9.7
6. Depreciation provision	12.2	10.1
7. Gross profits	– 3.2	16.4
8. Interest	1.8	11.5
9. Operating profits	– 5.5	18.8
10. Non-operating surplus/deficit	50.7	46.6
11. Profits before tax	– 1.2	22.1
12. Tax provision	– 1.5	33.0
13. Profits after tax	– 1.0	17.3
14. Dividend paid	10.6	34.2
15. Profits retained	– 6.5	7.9
16. Gross saving	1.9	9.0
17. (a) Gross value added	4.6	12.4
(b) Net value added	3.4	12.8
18. Net worth @	9.9	11.4
19. Total borrowings @	4.4	– 1.6
Of which, from banks @	*– 14.3*	*– 0.6*
20. Trade dues and other current liabilities @	5.7	8.5
21. (a) Gross fixed assets @	10.2	7.4
(b) Net fixed assets @	7.5	4.4
22. Inventories @	3.9	3.0
23. (a) Gross physical assets @	8.7	6.4
(b) Net physical assets @	6.4	4.0
24. (a) Total gross assets @	8.6	7.4
(b) Total net assets @	7.2	6.2
25. Total earnings in foreign currencies	– 5.4	9.8
Of which, Exports	*4.5*	*9.1*
26. Total expenditure in foreign currencies	8.5	6.3
Of which, Imports	*5.0*	*– 0.3*

Note : Figure in bracket represents the number of companies.
Rates of growth of all the items are adjusted for changes due to amalgamation of companies.

$ Net of 'rebates and discounts' and 'excise duty and cess'.

@ Adjusted for revaluation, etc.

– Numerator is negative or nil or negligible.

Denominator is negative or nil or negligible.

& Both numerator and denominator are negative or nil or neligible.

STATEMENT 2: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1998-99 AND 1999-2000

(Per cent)

	ITEM	U.K. (73)		U.S.A. (81)	
		1998-99	1999-2000	1998-99	1999-2000
	1	2	3	4	5
1	Sales $	10.4	10.9	5.6	5.7
2	Value of production	7.1	13.0	2.9	7.3
3	Total Income	7.2	13.4	2.5	7.8
4	Manufacturing expenses	4.5	11.4	– 1.3	7.9
5	Remuneration to employees	9.3	9.5	9.6	9.8
6	Depreciation provision	11.9	12.5	11.5	5.5
7	Gross profits	5.8	16.8	3.4	9.4
8	Interest	– 0.2	– 3.4	4.6	– 0.9
9	Operating profits	8.0	23.5	2.8	14.8
10	Non-operating surplus/deficit	151.6	125.1	– 68.3	118.7
11	Profits before tax	11.5	29.2	– 5.4	18.8
12	Tax provision	9.2	39.1	– 10.2	30.7
13	Profits after tax	12.7	24.2	– 3.5	14.2
14	Dividend paid	20.1	53.3	5.4	34.1
15	Profits retained	9.0	8.0	– 7.9	2.8
16	Gross saving	10.0	9.6	0.9	4.2
17	(a) Gross value added	9.7	13.6	7.4	9.0
	(b) Net value added	9.5	13.7	6.7	9.6
18	Net worth @	12.8	14.1	10.2	16.3
19	Total borrowings @	– 4.5	– 14.2	– 1.5	– 6.1
	Of which, from banks @	*0.6*	*– 17.0*	*– 29.0*	*– 1.8*
20	Trade dues and other current liabilities @	– 1.9	16.0	3.4	2.2
21	(a) Gross fixed assets @	11.4	8.8	7.9	7.8
	(b) Net fixed assets @	9.1	5.6	3.7	3.9
22	Inventories @	– 5.9	3.6	– 5.0	6.8
23	(a) Gross physical assets @	6.5	7.5	4.8	7.6
	(b) Net physical assets @	3.6	4.9	1.0	4.8
24	(a) Total gross assets @	6.3	7.5	6.6	7.1
	(b) Total net assets @	4.7	6.1	4.8	5.6
25	Total earnings in foreign currencies	– 9.7	3.4	8.4	18.9
	Of which, Exports	*2.2*	*2.9*	*13.9*	*10.7*
26	Total expenditure in foreign currencies	14.4	29.8	5.5	0.3
	Of which, Imports	*– 0.1*	*11.0*	*– 0.6*	*3.2*

For footnotes, please refer to Statement 1.

STATEMENT 2: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1998-99 AND 1999-2000 *(Contd.)*

(Per cent)

	ITEM	Germany (43)		Switzerland (27)	
		1998–99	1999–2000	1998–99	1999–2000
	1	6	7	8	9
1	Sales $	10.6	7.3	0.7	9.1
2	Value of production	11.4	6.5	2.9	6.5
3	Total Income	11.3	6.6	2.5	6.3
4	Manufacturing expenses	21.4	2.9	–	8.9
5	Remuneration to employees	8.8	10.5	13.4	6.5
6	Depreciation provision	14.3	6.0	20.9	22.5
7	Gross profits	– 15.5	41.8	– 9.5	– 1.6
8	Interest	– 4.0	54.7	49.2	18.3
9	Operating profits	– 21.3	33.6	– 22.1	– 9.8
10	Non-operating surplus/deficit	21.4	– 45.3	&	&
11	Profits before tax	– 14.0	14.5	– 21.1	– 7.9
12	Tax provision	– 18.4	21.8	– 15.7	–
13	Profits after tax	– 12.5	12.3	– 23.2	– 11.3
14	Dividend paid	– 1.4	8.8	6.8	7.0
15	Profits retained	– 18.8	14.6	– 31.4	– 19.1
16	Gross saving	– 0.5	9.1	– 15.0	– 0.6
17	(a) Gross value added	1.7	19.0	4.6	4.5
	(b) Net value added	– 1.2	22.6	2.6	2.0
18	Net worth @	7.5	6.9	9.9	0.1
19	Total borrowings @	10.5	8.0	14.1	9.7
	Of which, from banks @	*– 23.1*	*20.5*	*10.4*	*– 7.1*
20	Trade dues and other current liabilities @	4.6	2.8	4.7	– 1.9
21	(a) Gross fixed assets @	6.7	4.6	14.7	6.5
	(b) Net fixed assets @	3.0	0.5	13.7	2.8
22	Inventories @	17.1	4.7	15.3	– 1.9
23	(a) Gross physical assets @	8.9	4.6	14.9	4.5
	(b) Net physical assets @	7.0	1.8	14.2	1.4
24	(a) Total gross assets @	8.8	7.3	10.2	3.8
	(b) Total net assets @	7.5	6.0	9.1	1.9
25	Total earnings in foreign currencies	– 24.1	7.4	– 1.9	14.2
	Of which, Exports	*– 7.0*	*5.5*	*2.8*	*30.5*
26	Total expenditure in foreign currencies	19.7	– 13.9	15.7	2.9
	Of which, Imports	*24.6*	*– 22.3*	*16.7*	*1.8*

STATEMENT 2: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1998-99 AND 1999-2000 *(Contd.)*

(Per cent)

	ITEM	Japan (24)		Sweden (9)	
		1998-99	1999-2000	1998-99	1999-2000
	1	10	11	12	13
1	Sales $	14.1	32.0	2.9	5.0
2	Value of production	18.4	22.6	3.1	7.2
3	Total Income	18.7	22.4	2.5	7.2
4	Manufacturing expenses	19.5	21.4	6.5	6.8
5	Remuneration to employees	17.1	13.5	– 1.9	10.3
6	Depreciation provision	20.0	21.1	5.4	9.9
7	Gross profits	18.7	20.5	– 62.8	145.6
8	Interest	– 8.3	– 13.9	– 5.8	10.3
9	Operating profits	24.8	26.3	–	#
10	Non-operating surplus/deficit	–	#	&	#
11	Profits before tax	19.9	35.6	–	#
12	Tax provision	17.2	46.0	– 37.3	53.7
13	Profits after tax	21.0	31.3	–	#
14	Dividend paid	52.2	30.0	– 5.6	23.9
15	Profits retained	14.1	31.6	–	#
16	Gross saving	16.0	28.2	– 56.1	141.4
17	(a) Gross value added	18.5	17.5	– 21.8	33.9
	(b) Net value added	18.3	17.0	– 29.0	43.3
18	Net worth @	20.4	22.9	– 6.0	8.9
19	Total borrowings @	– 7.2	– 3.0	14.7	– 8.9
	Of which, from banks @	*– 19.1*	*– 27.4*	*1.0*	*14.5*
20	Trade dues and other current liabilities @	49.4	2.3	– 4.4	16.1
21	(a) Gross fixed assets @	15.8	10.7	10.9	8.0
	(b) Net fixed assets @	15.4	8.4	6.3	4.5
22	Inventories @	43.1	– 6.2	– 2.2	6.1
23	(a) Gross physical assets @	23.5	5.2	8.1	7.6
	(b) Net physical assets @	26.1	2.0	3.4	5.0
24	(a) Total gross assets @	22.5	9.5	5.8	4.9
	(b) Total net assets @	23.8	8.4	2.1	2.2
25	Total earnings in foreign currencies	– 14.5	– 10.8	2.1	– 11.5
	Of which, Exports	*– 9.7*	*– 10.8*	*– 0.6*	*– 13.0*
26	Total expenditure in foreign currencies	24.5	12.9	10.1	– 13.5
	Of which, Imports	*26.6*	*11.7*	*19.0*	*– 14.5*

STATEMENT 2: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1998-99 AND 1999-2000 *(Concld.)*

(Per cent)

	ITEM	Netherlands (17)		Mauritius (11)	
		1998-99	1999-2000	1998-99	1999-2000
	1	14	15	16	17
1	Sales $	3.8	2.7	3.5	3.7
2	Value of production	4.1	1.5	2.7	3.5
3	Total Income	3.4	2.4	1.6	3.2
4	Manufacturing expenses	4.6	0.5	8.7	6.2
5	Remuneration to employees	– 7.7	6.5	15.2	4.6
6	Depreciation provision	– 5.3	10.0	5.5	0.3
7	Gross profits	20.7	2.6	– 35.3	– 26.7
8	Interest	– 7.3	– 0.6	– 7.0	– 0.4
9	Operating profits	40.2	4.1	– 64.5	– 97.7
10	Non-operating surplus/deficit	–	#	–	&
11	Profits before tax	25.6	9.5	– 74.5	–
12	Tax provision	14.5	19.5	– 14.4	14.4
13	Profits after tax	32.0	4.5	– 79.2	–
14	Dividend paid	31.0	20.8	– 19.7	– 6.5
15	Profits retained	32.4	– 1.3	– 98.4	–
16	Gross saving	14.3	3.2	– 57.9	– 59.3
17	(a) Gross value added	2.6	5.0	– 21.3	– 12.3
	(b) Net value added	3.4	4.6	– 26.5	– 15.9
18	Net worth @	11.2	13.5	– 0.6	– 4.1
19	Total borrowings @	13.6	0.8	19.9	1.6
	Of which, from banks @	*0.6*	*6.4*	*24.3*	*– 18.5*
20	Trade dues and other current liabilities @	– 5.6	6.5	49.5	39.3
21	(a) Gross fixed assets @	8.3	2.5	20.6	15.0
	(b) Net fixed assets @	5.7	6.9	18.9	13.9
22	Inventories @	8.8	– 3.3	2.3	– 32.7
23	(a) Gross physical assets @	8.4	0.9	18.3	9.8
	(b) Net physical assets @	6.8	3.1	16.6	8.3
24	(a) Total gross assets @	7.5	5.2	17.2	7.1
	(b) Total net assets @	6.4	7.2	15.7	5.6
25	Total earnings in foreign currencies	19.9	– 18.8	8.7	29.7
	Of which, Exports	*10.6*	*– 30.6*	*16.2*	*47.9*
26	Total expenditure in foreign currencies	8.3	3.5	– 54.4	– 6.7
	Of which, Imports	*2.0*	*9.9*	*– 63.2*	*– 14.8*

STATEMENT 3: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1998-99 AND 1999-2000

(Per cent)

	ITEM	Engineering (139)		Chemicals (57)	
		1998-99	1999-2000	1998-99	1999-2000
	1	2	3	4	5
1.	Sales $	1.6	11.7	6.4	12.5
2.	Value of production	0.1	13.4	3.7	14.8
3.	Total Income	0.5	13.1	4.5	14.6
4.	Manufacturing expenses	– 1.8	14.5	2.9	17.7
5.	Remuneration to employees	2.7	8.9	10.6	9.8
6.	Depreciation provision	5.9	6.5	16.0	15.6
7.	Gross profits	– 3.6	26.2	– 21.1	– 4.9
8.	Interest	– 2.7	– 2.7	9.9	10.1
9.	Operating profits	– 4.3	50.0	– 32.7	– 14.2
10.	Non-operating surplus/deficit	12.5	– 14.7	#	36.0
11.	Profits before tax	– 2.5	42.1	– 3.3	2.0
12.	Tax provision	– 5.4	30.3	– 12.9	21.5
13.	Profits after tax	– 0.8	48.6	1.2	– 5.9
14.	Dividend paid	10.4	25.7	8.4	29.4
15.	Profits retained	– 6.6	62.6	– 3.2	– 30.0
16.	Gross saving	1.1	26.5	5.0	– 8.4
17.	(a) Gross value added	1.6	14.5	– 4.6	3.2
	(b) Net value added	0.7	16.2	– 7.6	0.9
18.	Net worth @	8.5	11.8	8.4	5.5
19.	Total borrowings @	– 1.8	– 2.7	4.0	– 5.6
	Of which, from banks @	*– 19.2*	*2.9*	*– 21.3*	*1.9*
20.	Trade dues and other current liabilities @	2.7	4.2	8.5	22.2
21.	(a) Gross fixed assets @	9.2	7.3	8.8	3.1
	(b) Net fixed assets @	5.0	3.7	6.6	– 1.6
22.	Inventories @	– 4.6	4.8	– 2.8	8.3
23.	(a) Gross physical assets @	5.7	6.8	6.0	4.2
	(b) Net physical assets @	1.6	4.1	3.6	1.3
24.	(a) Total gross assets @	5.9	6.6	8.6	7.0
	(b) Total net assets @	3.6	5.0	7.6	5.9
25.	Total earnings in foreign currencies	7.4	0.1	– 0.9	18.8
	Of which, Exports	*9.5*	*– 2.9*	*0.1*	*21.0*
26.	Total expenditure in foreign currencies	5.2	0.3	– 5.1	13.4
	Of which, Imports	*4.2*	*0.8*	*– 6.7*	*12.0*

For footnotes, please refer to Statement 1.

STATEMENT 3: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1998-99 AND 1999-2000 *(Contd.)*

(Per cent)

ITEM	Tea (9)		Trading (14)	
	1998-99	1999-2000	1998-99	1999-2000
1	6	7	8	9
1. Sales $	5.2	– 5.9	3.4	3.1
2. Value of production	4.3	– 6.3	– 1.1	4.9
3. Total Income	5.5	– 7.0	– 1.9	4.7
4. Manufacturing expenses	19.3	– 7.6	3.8	1.7
5. Remuneration to employees	9.4	7.7	– 23.2	10.1
6. Depreciation provision	– 19.2	5.8	– 61.1	23.9
7. Gross profits	– 5.0	– 39.1	– 23.4	25.7
8. Interest	32.2	– 10.9	– 73.5	– 11.8
9. Operating profits	– 10.7	– 45.5	12.7	32.0
10. Non-operating surplus/deficit	61.8	– 82.7	–	&
11. Profits before tax	– 8.4	– 47.7	5.2	25.1
12. Tax provision	– 13.3	– 32.2	– 6.0	36.6
13. Profits after tax	– 5.4	– 56.1	9.5	21.4
14. Dividend paid	– 1.4	– 15.4	4.5	102.9
15. Profits retained	– 7.8	– 82.4	10.2	10.8
16. Gross saving	– 11.6	– 55.8	– 21.0	13.6
17. (a) Gross value added	1.7	– 7.4	– 26.7	16.1
(b) Net value added	3.0	– 8.1	– 22.1	15.6
18. Net worth @	6.0	0.9	5.4	5.6
19. Total borrowings @	9.6	12.7	25.5	11.4
Of which, from banks @	*– 10.7*	*8.8*	*– 21.4*	*31.8*
20. Trade dues and other current liabilities @	9.7	3.2	36.8	43.5
21. (a) Gross fixed assets @	3.9	3.4	28.8	20.5
(b) Net fixed assets @	2.0	1.5	27.7	19.6
22. Inventories @	16.3	– 3.4	– 31.2	2.6
23. (a) Gross physical assets @	5.0	2.7	23.1	19.5
(b) Net physical assets @	3.8	0.8	21.9	18.6
24. (a) Total gross assets @	7.4	2.5	21.9	16.5
(b) Total net assets @	7.0	1.2	20.9	15.6
25. Total earnings in foreign currencies	21.9	– 29.8	2.2	13.8
Of which, Exports	*22.1*	*– 32.2*	*5.7*	*10.7*
26. Total expenditure in foreign currencies	– 15.0	– 7.4	– 6.5	8.7
Of which, Imports	*– 49.8*	*– 22.3*	*– 8.6*	*– 2.9*

STATEMENT 3: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1998-99 AND 1999-2000 *(Concld.)*

(Per cent)

	ITEM	All Textiles (9)		Rubber and Rubber Products (4)	
		1998-99	1999-2000	1998-99	1999-2000
	1	10	11	12	13
1.	Sales $	5.8	5.6	– 1.8	11.9
2.	Value of production	4.0	7.9	– 1.7	9.6
3.	Total Income	4.6	15.7	– 1.2	9.1
4.	Manufacturing expenses	7.7	7.7	– 1.3	10.8
5.	Remuneration to employees	9.3	4.9	6.9	6.0
6.	Depreciation provision	20.6	10.0	25.0	– 5.9
7.	Gross profits	– 24.0	– 28.0	– 12.7	6.7
8.	Interest	25.9	7.8	– 27.3	4.2
9.	Operating profits	– 67.5	–	1.9	8.6
10.	Non-operating surplus/deficit	&	#	4.8	– 17.0
11.	Profits before tax	– 63.1	215.2	2.0	7.4
12.	Tax provision	– 74.6	407.8	17.8	– 22.4
13.	Profits after tax	– 61.0	191.7	– 5.9	26.2
14.	Dividend paid	– 30.5	124.3	7.7	– 1.1
15.	Profits retained	– 71.9	251.6	– 12.9	43.6
16.	Gross saving	– 18.2	44.7	5.0	15.7
17.	(a) Gross value added	– 4.0	– 9.2	– 2.3	7.0
	(b) Net value added	– 10.6	– 16.2	– 5.5	9.0
18.	Net worth @	5.8	8.2	5.1	7.0
19.	Total borrowings @	9.7	– 6.1	– 11.5	47.4
	Of which, from banks @	*25.6*	*19.1*	*– 7.4*	*64.0*
20.	Trade dues and other current liabilities @	– 1.7	16.0	21.7	4.3
21.	(a) Gross fixed assets @	10.9	0.8	10.9	12.3
	(b) Net fixed assets @	6.1	– 6.8	10.3	9.3
22.	Inventories @	– 7.9	10.2	17.3	– 1.9
23.	(a) Gross physical assets @	7.5	2.2	12.5	8.6
	(b) Net physical assets @	2.9	– 3.3	12.8	5.2
24.	(a) Total gross assets @	9.0	5.3	7.6	12.6
	(b) Total net assets @	5.9	2.2	6.7	11.6
25.	Total earnings in foreign currencies	6.4	0.7	– 15.9	1.9
	Of which, Exports	*7.6*	*1.7*	*– 16.4*	*2.5*
26.	Total expenditure in foreign currencies	– 36.9	– 0.5	– 13.4	13.2
	Of which, Imports	*– 43.0*	*– 2.1*	*– 16.3*	*11.7*

STATEMENT 4: GROWTH RATES OF SELECTED ITEMS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - TYPE-WISE, 1998-99 AND 1999-2000

(Per cent)

ITEM	Public (274)		Private (60)	
	1998-99	1999-2000	1998-99	1999-2000
1	2	3	4	5
1. Sales $	8.1	9.9	17.3	9.4
2. Value of production	6.8	10.2	17.3	8.4
3. Total Income	6.6	10.6	16.6	8.8
4. Manufacturing expenses	6.9	9.5	13.3	7.3
5. Remuneration to employees	8.1	9.7	22.2	17.3
6. Depreciation provision	12.1	10.0	22.1	20.4
7. Gross profits	– 3.3	16.5	34.9	– 8.8
8. Interest	1.6	11.6	42.7	– 4.7
9. Operating profits	– 5.7	19.0	31.5	– 10.7
10. Non-operating surplus/deficit	51.1	46.0	&	#
11. Profits before tax	– 1.3	22.2	25.7	– 2.7
12. Tax provision	– 1.5	33.3	2.8	– 18.5
13. Profits after tax	– 1.2	17.4	38.9	4.0
14. Dividend paid	10.5	34.3	34.5	– 3.9
15. Profits retained	– 6.7	7.9	40.5	6.9
16. Gross saving	1.7	8.9	30.0	14.1
17. (a) Gross value added	4.5	12.4	25.2	12.1
(b) Net value added	3.3	12.8	25.7	10.9
18. Net worth @	9.9	11.2	17.4	37.2
19. Total borrowings @	4.3	– 1.7	22.5	9.8
Of which, from banks @	*– 14.6*	*– 0.4*	*19.4*	*– 23.4*
20. Trade dues and other current liabilities @	5.7	8.6	0.7	– 1.0
21. (a) Gross fixed assets @	10.1	7.3	16.3	25.2
(b) Net fixed assets @	7.5	4.3	11.6	24.9
22. Inventories @	3.9	3.0	12.6	5.4
23. (a) Gross physical assets @	8.6	6.3	15.5	21.2
(b) Net physical assets @	6.4	3.9	11.9	19.5
24. (a) Total gross assets @	8.6	7.4	15.3	17.0
(b) Total net assets @	7.2	6.2	13.3	15.2
25. Total earnings in foreign currencies	– 5.6	9.7	10.6	16.1
Of which, Exports	*4.2*	*9.0*	*24.5*	*17.6*
26. Total expenditure in foreign currencies	8.6	6.1	– 6.2	33.4
Of which, Imports	*5.1*	*– 0.5*	*– 8.9*	*34.6*

For footnotes, please refer to Statement 1.

STATEMENT 5: SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES, 1997-98 TO 1999-2000

(Per cent)

SELECTED FINANCIAL RATIOS	All Companies (334)		
	1997-98	1998-99	1999-2000
1	2	3	4
A. Capital structure ratios			
1. Net fixed assets to total net assets	41.5	41.5	40.8
2. Net worth to total net assets	41.3	42.2	44.2
3. Debt to equity	47.6	47.3	42.9
4. Debt to equity (equity adjusted for revaluation reserve)	50.3	49.5	44.5
5. Short term bank borrowings to inventories	51.4	42.7	38.4
6. Total outside liabilities to net worth	142.2	136.8	126.1
B. Liquidity ratios			
7. Current assets to current liabilities *	1.4	1.4	1.4
8. Quick assets to current liabilities	59.2	61.4	62.7
9. Current assets to total net assets	52.6	52.2	51.4
10. Sundry creditors to current assets	30.4	28.9	31.0
11. Sundry creditors to net working capital	116.7	103.3	106.8
C. Assets utilization and turnover ratios			
12. Sales to total net assets	88.6	89.5	92.6
13. Sales to gross fixed assets	148.9	146.4	149.8
14. Inventories to sales	20.9	20.1	18.8
15. Sundry debtors to sales	19.4	18.8	18.5
16. Exports to sales	9.7	9.4	9.3
17. Gross value added to gross fixed assets	38.1	36.2	37.9
18. Raw materials consumed to value of production	50.1	48.2	47.4
D. Sources and uses of funds ratios @			
19. Gross fixed assets formation to total uses of funds		59.6	50.7
20. Gross capital formation to total uses of funds		66.7	56.7
21. External sources of funds to total sources of funds		32.8	33.5
22. Increase in bank borrowings to total external sources		– 52.5	– 1.9
23. Gross savings to gross capital formation		105.5	144.3
E. Profitability and profit allocation ratios			
24. Gross profits to total net assets	11.1	10.0	11.0
25. Gross profits to sales	12.5	11.2	11.9
26. Profits after tax to net worth	13.8	12.5	13.2
27. Tax provision to profits before tax	30.2	30.1	32.8
28. Profits retained to profits after tax	67.9	64.1	59.0
29. Dividends to net worth	4.4	4.5	5.4
30. Ordinary dividends to ordinary paid-up capital	25.1	26.8	33.8

Note : Figure in bracket represents the number of companies.
@ Adjusted for revaluation, etc.
* Item B.7 is the actual ratio of current assets to current liabilities.
– Numerator is negative or nil or negligible.
Denominator is negative or nil or negligible.
& Both numerator and denominator are negative or nil or negligible.

STATEMENT 6: SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000

(Per cent)

SELECTED FINANCIAL RATIOS	U.K. (73)			U.S.A. (81)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
A. Capital structure ratios						
1. Net fixed assets to total net assets	33.7	34.9	34.7	37.8	37.3	36.7
2. Net worth to total net assets	44.2	47.4	50.9	40.2	42.2	46.5
3. Debt to equity	39.2	34.2	23.2	54.6	52.5	44.3
4. Debt to equity (equity adjusted for revaluation reserve)	43.0	36.7	24.6	56.9	54.3	45.5
5. Short term bank borrowings to inventories	47.8	51.7	42.2	37.7	28.9	31.2
6. Total outside liabilities to net worth	126.0	111.0	96.5	149.0	137.0	115.2
B. Liquidity ratios						
7. Current assets to current liabilities *	1.5	1.5	1.5	1.4	1.5	1.6
8. Quick assets to current liabilities	63.8	64.4	59.6	68.8	80.7	82.6
9. Current assets to total net assets	58.1	55.5	54.5	53.6	54.6	53.7
10. Sundry creditors to current assets	28.8	26.7	31.5	30.5	28.9	29.4
11. Sundry creditors to net working capital	84.9	75.6	96.6	103.5	82.6	75.4
C. Assets utilization and turnover ratios						
12. Sales to total net assets	88.0	93.2	97.5	89.0	89.8	90.0
13. Sales to gross fixed assets	176.9	176.8	180.2	165.7	162.1	159.0
14. Inventories to sales	22.2	18.9	17.7	19.3	17.3	17.5
15. Sundry debtors to sales	19.2	17.1	16.7	21.1	21.6	20.5
16. Exports to sales	11.6	10.7	9.9	8.0	8.6	9.0
17. Gross value added to gross fixed assets	51.2	50.8	53.1	41.9	41.7	42.1
18. Raw materials consumed to value of production	46.7	45.9	45.5	52.1	48.8	48.0
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		77.3	52.7		57.1	50.7
20. Gross capital formation to total uses of funds		61.6	59.9		45.7	63.2
21. External sources of funds to total sources of funds		–	13.8		13.4	25.9
22. Increase in bank borrowings to total external sources		#	– 160.9		– 326.6	– 6.2
23. Gross savings to gross capital formation		180.7	162.5		209.1	131.6
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	14.4	14.6	16.1	11.0	10.8	11.2
25. Gross profits to sales	16.3	15.6	16.5	12.3	12.1	12.5
26. Profits after tax to net worth	16.0	16.2	17.7	14.4	12.7	12.4
27. Tax provision to profits before tax	34.4	33.7	36.3	29.3	27.9	30.7
28. Profits retained to profits after tax	66.3	64.1	55.7	66.7	63.7	57.3
29. Dividends to net worth	5.4	5.8	7.8	4.8	4.6	5.3
30. Ordinary dividends to ordinary paid-up capital	35.0	41.1	57.7	22.4	22.6	27.4

For footnotes, please refer to Statement 5.

STATEMENT 6: SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 To 1999-2000 *(Contd.)*

(Per cent)

SELECTED FINANCIAL RATIOS	Germany (43)			Switzerland (27)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
A. Capital structure ratios						
1. Net fixed assets to total net assets	47.1	45.1	42.7	37.4	39.0	39.3
2. Net worth to total net assets	39.6	39.6	39.9	47.4	47.8	46.9
3. Debt to equity	38.5	44.4	52.0	32.6	35.6	38.1
4. Debt to equity (equity adjusted for revaluation reserve)	39.3	45.1	52.8	32.9	35.9	38.4
5. Short term bank borrowings to inventories	72.8	47.7	39.3	32.7	26.8	29.9
6. Total outside liabilities to net worth	152.3	152.5	150.5	110.9	109.4	113.2
B. Liquidity ratios						
7. Current assets to current liabilities *	1.1	1.2	1.3	1.6	1.7	1.6
8. Quick assets to current liabilities	43.5	43.6	51.2	85.2	91.1	89.3
9. Current assets to total net assets	49.3	50.5	50.5	60.2	58.5	57.6
10. Sundry creditors to current assets	32.3	30.3	29.9	32.5	33.3	34.1
11. Sundry creditors to net working capital	356.2	194.6	131.8	84.2	83.4	87.6
C. Assets utilization and turnover ratios						
12. Sales to total net assets	80.7	83.1	84.1	94.1	86.8	93.0
13. Sales to gross fixed assets	116.5	120.8	124.0	176.5	154.9	158.7
14. Inventories to sales	23.4	24.8	24.2	17.6	20.2	18.1
15. Sundry debtors to sales	19.3	18.0	19.5	28.4	30.4	27.5
16. Exports to sales	9.3	7.8	7.7	10.1	10.4	12.4
17. Gross value added to gross fixed assets	29.7	28.3	32.2	45.3	41.3	40.6
18. Raw materials consumed to value of production	41.1	37.4	34.1	53.8	50.9	51.8
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		43.0	35.3		68.7	84.1
20. Gross capital formation to total uses of funds		73.2	46.0		90.9	76.5
21. External sources of funds to total sources of funds		46.0	38.4		46.2	52.0
22. Increase in bank borrowings to total external sources		– 70.4	63.7		13.9	– 22.6
23. Gross savings to gross capital formation		89.8	173.1		68.8	196.5
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	8.2	6.5	8.7	12.5	10.4	10.0
25. Gross profits to sales	10.2	7.8	10.3	13.3	11.9	10.8
26. Profits after tax to net worth	12.5	10.1	10.7	15.5	10.9	9.6
27. Tax provision to profits before tax	24.8	23.5	25.0	27.8	29.7	32.3
28. Profits retained to profits after tax	64.1	59.5	60.8	78.3	69.9	63.7
29. Dividends to net worth	4.5	4.1	4.2	3.4	3.3	3.5
30. Ordinary dividends to ordinary paid-up capital	38.4	37.1	39.5	22.2	21.2	20.7

STATEMENT 6: SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Per cent)

SELECTED FINANCIAL RATIOS	Japan (24)			Sweden (9)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
A. Capital structure ratios						
1. Net fixed assets to total net assets	37.5	34.9	34.8	38.5	40.0	40.9
2. Net worth to total net assets	44.2	43.0	48.6	42.6	39.2	41.8
3. Debt to equity	27.8	27.5	19.9	56.8	68.7	57.7
4. Debt to equity (equity adjusted for revaluation reserve)	28.4	28.0	20.1	56.8	68.7	57.7
5. Short term bank borrowings to inventories	43.8	17.6	19.9	44.3	44.5	37.5
6. Total outside liabilities to net worth	126.2	132.7	105.7	134.6	155.0	139.3
B. Liquidity ratios						
7. Current assets to current liabilities *	1.3	1.3	1.3	1.8	1.7	1.7
8. Quick assets to current liabilities	49.7	45.4	49.7	97.1	90.3	88.9
9. Current assets to total net assets	56.8	58.6	54.2	59.7	57.8	57.3
10. Sundry creditors to current assets	25.0	23.9	30.6	13.9	13.9	15.9
11. Sundry creditors to net working capital	106.5	104.1	130.8	31.3	33.5	39.2
C. Assets utilization and turnover ratios						
12. Sales to total net assets	142.7	131.5	160.6	86.7	87.4	89.9
13. Sales to gross fixed assets	238.6	235.1	280.1	114.2	106.0	103.0
14. Inventories to sales	16.6	20.9	14.8	23.8	22.6	22.8
15. Sundry debtors to sales	11.4	10.9	9.7	27.5	25.4	26.4
16. Exports to sales	8.6	6.8	4.6	7.5	7.2	6.0
17. Gross value added to gross fixed assets	49.1	50.3	53.3	38.0	26.8	33.2
18. Raw materials consumed to value of production	58.5	58.9	60.3	41.5	42.7	42.8
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		34.3	53.6		105.6	88.4
20. Gross capital formation to total uses of funds		71.5	38.4		99.9	104.7
21. External sources of funds to total sources of funds		46.7	4.6		59.0	13.9
22. Increase in bank borrowings to total external sources		– 21.2	– 498.7		2.2	136.8
23. Gross savings to gross capital formation		68.2	323.0		47.0	111.9
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	16.1	15.4	17.2	10.3	3.7	9.0
25. Gross profits to sales	11.3	11.7	10.7	11.9	4.3	10.0
26. Profits after tax to net worth	21.9	22.0	23.6	8.7	–	7.9
27. Tax provision to profits before tax	30.5	29.8	32.1	37.7	#	38.4
28. Profits retained to profits after tax	81.8	77.1	77.3	64.3	&	55.4
29. Dividends to net worth	4.0	5.0	5.4	3.1	3.1	3.5
30. Ordinary dividends to ordinary paid-up capital	24.5	32.4	42.1	12.3	11.5	14.0

STATEMENT 6: SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Per cent)

SELECTED FINANCIAL RATIOS	Netherlands (17)			Mauritius (11)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	20	21	22	23	24	25
A. Capital structure ratios						
1. Net fixed assets to total net assets	35.0	34.4	34.1	72.5	74.5	80.4
2. Net worth to total net assets	36.9	38.3	40.3	36.2	31.0	28.1
3. Debt to equity	40.4	47.3	40.8	114.3	137.7	157.7
4. Debt to equity (equity adjusted for revaluation reserve)	51.1	57.5	47.8	120.9	145.0	165.5
5. Short term bank borrowings to inventories	38.1	31.9	34.5	72.2	91.9	110.4
6. Total outside liabilities to net worth	170.9	161.3	148.0	176.6	222.1	256.1
B. Liquidity ratios						
7. Current assets to current liabilities *	1.3	1.4	1.5	1.1	0.9	0.6
8. Quick assets to current liabilities	71.0	72.2	77.2	39.0	33.9	27.9
9. Current assets to total net assets	63.1	62.8	61.9	24.4	22.8	17.7
10. Sundry creditors to current assets	44.6	42.2	41.2	22.1	23.0	28.4
11. Sundry creditors to net working capital	176.4	137.7	131.0	286.3	#	#
C. Assets utilization and turnover ratios						
12. Sales to total net assets	137.4	134.7	129.5	56.9	50.9	50.0
13. Sales to gross fixed assets	262.5	251.6	251.9	70.7	60.6	54.6
14. Inventories to sales	14.2	14.9	14.0	20.5	20.2	13.1
15. Sundry debtors to sales	19.5	17.9	19.6	11.4	13.3	10.8
16. Exports to sales	5.1	5.4	3.6	17.6	19.8	28.3
17. Gross value added to gross fixed assets	56.4	53.5	54.8	13.4	8.8	6.7
18. Raw materials consumed to value of production	62.7	62.4	62.0	68.3	73.3	74.9
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		48.7	22.0		89.1	160.9
20. Gross capital formation to total uses of funds		67.8	11.1		90.6	117.9
21. External sources of funds to total sources of funds		23.8	64.3		87.6	88.9
22. Increase in bank borrowings to total external sources		2.3	12.4		14.9	– 28.4
23. Gross savings to gross capital formation		105.5	909.1		11.4	7.3
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	9.7	11.0	10.6	7.7	4.3	3.0
25. Gross profits to sales	7.0	8.2	8.2	13.6	8.5	6.0
26. Profits after tax to net worth	10.7	12.9	12.0	10.1	2.1	–
27. Tax provision to profits before tax	36.3	33.1	36.2	7.3	24.4	#
28. Profits retained to profits after tax	73.5	73.7	69.6	75.6	5.8	&
29. Dividends to net worth	2.8	3.4	3.6	2.5	2.0	2.0
30. Ordinary dividends to ordinary paid-up capital	14.7	18.6	21.8	6.5	5.1	4.5

STATEMENT 7 : SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000

(Per cent)

SELECTED FINANCIAL RATIOS	Engineering (139)			Chemicals (57)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
A. Capital structure ratios						
1. Net fixed assets to total net assets	36.0	36.4	35.9	43.1	42.3	39.3
2. Net worth to total net assets	37.8	39.5	42.0	47.5	47.5	47.3
3. Debt to equity	51.6	53.1	43.8	36.3	33.7	28.6
4. Debt to equity (equity adjusted for revaluation reserve)	53.3	54.7	44.8	38.0	34.6	29.2
5. Short term bank borrowings to inventories	44.3	35.8	38.5	48.1	39.4	37.9
6. Total outside liabilities to net worth	164.7	153.1	138.1	110.4	110.4	111.2
B. Liquidity ratios						
7. Current assets to current liabilities *	1.4	1.5	1.4	1.5	1.4	1.4
8. Quick assets to current liabilities	68.5	76.8	73.7	58.2	62.7	65.2
9. Current assets to total net assets	58.3	57.9	56.3	51.7	52.0	54.5
10. Sundry creditors to current assets	32.6	32.6	32.4	28.8	28.6	28.8
11. Sundry creditors to net working capital	119.0	102.1	107.4	90.2	95.2	96.4
C. Assets utilization and turnover ratios						
12. Sales to total net assets	98.4	96.5	102.8	100.6	100.1	106.5
13. Sales to gross fixed assets	170.5	158.6	165.1	157.3	155.4	169.7
14. Inventories to sales	19.8	18.5	17.4	19.6	17.9	17.3
15. Sundry debtors to sales	24.2	24.0	22.0	16.2	17.3	17.1
16. Exports to sales	7.8	8.4	7.3	9.4	8.9	9.5
17. Gross value added to gross fixed assets	40.9	38.0	40.6	38.0	33.7	33.7
18. Raw materials consumed to value of production	57.3	56.1	56.5	53.0	52.5	53.5
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		75.9	54.5		53.9	23.3
20. Gross capital formation to total uses of funds		63.1	65.0		48.5	40.7
21. External sources of funds to total sources of funds		17.0	24.5		28.3	38.4
22. Increase in bank borrowings to total external sources		– 185.1	13.0		– 87.0	5.2
23. Gross savings to gross capital formation		145.3	147.0		151.6	188.4
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	9.5	8.8	10.6	13.2	9.8	8.8
25. Gross profits to sales	9.6	9.1	10.3	13.2	9.8	8.2
26. Profits after tax to net worth	9.8	9.0	12.0	14.1	13.3	11.9
27. Tax provision to profits before tax	36.4	35.3	32.4	32.3	29.1	34.6
28. Profits retained to profits after tax	65.9	62.0	67.9	62.2	59.6	44.3
29. Dividends to net worth	3.4	3.4	3.9	5.3	5.4	6.6
30. Ordinary dividends to ordinary paid-up capital	18.3	19.1	23.4	30.7	31.8	40.7

For footnotes, please refer to Statement 5.

STATEMENT 7 : SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Per cent)

SELECTED FINANCIAL RATIOS	Tea (9)			Trading (14)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
A. Capital structure ratios						
1. Net fixed assets to total net assets	57.2	54.3	54.1	74.3	78.5	81.2
2. Net worth to total net assets	73.0	72.1	71.7	32.3	28.2	25.7
3. Debt to equity	6.1	9.2	9.2	142.5	175.5	189.3
4. Debt to equity (equity adjusted for revaluation reserve)	12.4	17.6	17.3	142.5	175.6	189.3
5. Short term bank borrowings to inventories	74.3	35.0	50.2	38.7	43.8	62.8
6. Total outside liabilities to net worth	37.0	38.7	39.5	209.4	254.9	288.4
B. Liquidity ratios						
7. Current assets to current liabilities *	1.5	1.8	1.8	1.1	0.9	0.7
8. Quick assets to current liabilities	58.8	53.6	53.0	62.2	60.3	41.1
9. Current assets to total net assets	34.9	37.9	38.4	24.5	20.7	17.9
10. Sundry creditors to current assets	27.3	26.2	19.5	31.2	19.6	37.8
11. Sundry creditors to net working capital	77.3	59.5	44.7	254.3	#	#
C. Assets utilization and turnover ratios						
12. Sales to total net assets	65.9	65.2	61.1	69.2	59.2	52.8
13. Sales to gross fixed assets	87.4	88.6	80.6	89.6	71.9	61.5
14. Inventories to sales	11.9	13.2	13.5	11.6	7.8	7.7
15. Sundry debtors to sales	8.3	8.5	8.8	14.6	15.6	13.2
16. Exports to sales	14.7	17.1	12.3	9.2	9.4	10.1
17. Gross value added to gross fixed assets	51.0	49.9	44.7	14.1	8.1	7.8
18. Raw materials consumed to value of production	5.8	8.8	6.0	75.5	79.9	78.0
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		33.3	86.6		98.4	98.6
20. Gross capital formation to total uses of funds		47.9	76.6		87.3	99.3
21. External sources of funds to total sources of funds		23.5	59.6		83.6	80.4
22. Increase in bank borrowings to total external sources		– 38.2	31.1		– 4.0	5.4
23. Gross savings to gross capital formation		148.0	115.1		11.7	12.8
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	13.5	12.0	7.3	4.4	2.8	3.1
25. Gross profits to sales	20.5	18.5	12.0	6.4	4.8	5.8
26. Profits after tax to net worth	10.3	9.3	4.1	5.8	6.0	6.9
27. Tax provision to profits before tax	37.5	35.5	45.9	27.5	24.6	26.8
28. Profits retained to profits after tax	62.4	60.8	24.4	88.0	88.5	80.8
29. Dividends to net worth	3.9	3.7	3.1	0.7	0.7	1.3
30. Ordinary dividends to ordinary paid-up capital	39.7	39.2	33.1	1.7	1.8	3.7

STATEMENT 7 : SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Per cent)

SELECTED FINANCIAL RATIOS	All Textiles (9)			Rubber and Rubber Products (4)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
A. Capital structure ratios						
1. Net fixed assets to total net assets	55.3	55.4	50.5	35.6	36.8	36.4
2. Net worth to total net assets	40.1	40.0	42.4	48.6	47.9	45.0
3. Debt to equity	81.6	79.2	65.8	21.4	18.3	18.6
4. Debt to equity (equity adjusted for revaluation reserve)	81.9	79.4	65.9	27.4	22.8	22.4
5. Short term bank borrowings to inventories	68.9	94.2	87.8	53.8	39.5	71.3
6. Total outside liabilities to net worth	149.4	149.7	135.9	105.8	109.0	122.3
B. Liquidity ratios						
7. Current assets to current liabilities *	1.5	1.4	1.4	1.6	1.4	1.4
8. Quick assets to current liabilities	54.5	62.5	54.9	82.2	75.2	74.0
9. Current assets to total net assets	39.8	40.0	40.3	62.0	61.0	61.7
10. Sundry creditors to current assets	19.5	17.2	17.4	35.4	43.4	30.8
11. Sundry creditors to net working capital	61.2	58.4	66.6	99.4	143.2	115.5
C. Assets utilization and turnover ratios						
12. Sales to total net assets	81.7	81.7	84.4	126.5	116.5	116.2
13. Sales to gross fixed assets	105.8	101.0	105.8	223.3	197.7	197.0
14. Inventories to sales	20.3	17.6	18.4	15.1	18.0	15.8
15. Sundry debtors to sales	14.0	17.2	16.3	23.2	25.0	26.6
16. Exports to sales	44.7	45.5	43.8	8.3	7.1	6.5
17. Gross value added to gross fixed assets	26.5	23.0	20.7	43.4	38.3	36.5
18. Raw materials consumed to value of production	52.1	55.1	53.0	63.4	63.8	64.4
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		76.8	10.0		66.8	47.6
20. Gross capital formation to total uses of funds		64.8	32.1		102.6	45.0
21. External sources of funds to total sources of funds		49.5	–		39.2	63.1
22. Increase in bank borrowings to total external sources		54.4	#		– 22.5	63.3
23. Gross savings to gross capital formation		86.8	394.2		60.8	91.0
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	9.3	6.7	4.7	12.6	10.3	9.8
25. Gross profits to sales	11.4	8.2	5.6	9.9	8.8	8.4
26. Profits after tax to net worth	10.7	3.9	10.6	9.0	8.1	9.7
27. Tax provision to profits before tax	15.7	10.9	17.5	33.5	38.7	27.9
28. Profits retained to profits after tax	73.6	52.9	63.8	66.0	61.1	69.5
29. Dividends to net worth	2.8	1.9	3.8	3.1	3.1	2.9
30. Ordinary dividends to ordinary paid-up capital	14.5	9.3	20.0	28.0	30.1	29.8

STATEMENT 8 : SELECTED FINANCIAL RATIOS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - TYPE-WISE, 1997-98 TO 1999-2000

(Per cent)

SELECTED FINANCIAL RATIOS	Public (274)			Private (60)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
A. Capital structure ratios						
1. Net fixed assets to total net assets	41.5	41.5	40.8	38.8	38.3	41.8
2. Net worth to total net assets	41.3	42.3	44.2	33.9	35.1	41.9
3. Debt to equity	47.7	47.5	43.1	23.2	18.0	16.7
4. Debt to equity (equity adjusted for revaluation reserve)	50.4	49.7	44.7	23.2	18.0	16.9
5. Short term bank borrowings to inventories	51.2	42.4	38.2	96.6	105.1	65.8
6. Total outside liabilities to net worth	141.9	136.6	126.0	195.3	185.0	138.7
B. Liquidity ratios						
7. Current assets to current liabilities *	1.4	1.4	1.4	1.0	1.0	1.1
8. Quick assets to current liabilities	59.2	61.5	62.8	55.2	56.3	59.8
9. Current assets to total net assets	52.5	52.1	51.4	59.6	60.0	56.1
10. Sundry creditors to current assets	30.4	29.0	31.0	27.4	24.2	22.9
11. Sundry creditors to net working capital	116.1	102.8	106.5	1041.2	773.4	235.5
C. Assets utilization and turnover ratios						
12. Sales to total net assets	88.6	89.4	92.6	93.3	96.6	91.2
13. Sales to gross fixed assets	148.8	146.3	149.8	164.5	166.0	143.7
14. Inventories to sales	20.9	20.1	18.9	15.8	15.2	14.6
15. Sundry debtors to sales	19.4	18.7	18.5	22.6	22.5	20.9
16. Exports to sales	9.7	9.3	9.2	19.6	20.8	22.4
17. Gross value added to gross fixed assets	38.0	36.1	37.8	54.4	58.6	52.0
18. Raw materials consumed to value of production	50.2	48.3	47.5	37.4	36.5	36.8
D. Sources and uses of funds ratios @						
19. Gross fixed assets formation to total uses of funds		59.6	50.4		51.2	71.9
20. Gross capital formation to total uses of funds		66.7	56.5		61.5	75.8
21. External sources of funds to total sources of funds		32.7	33.2		47.9	59.4
22. Increase in bank borrowings to total external sources		– 53.8	– 1.2		35.2	– 31.8
23. Gross savings to gross capital formation		105.6	145.8		86.5	62.5
E. Profitability and profit allocation ratios						
24. Gross profits to total net assets	11.1	10.0	11.0	9.8	11.7	9.2
25. Gross profits to sales	12.5	11.2	11.9	10.5	12.1	10.1
26. Profits after tax to net worth	13.8	12.5	13.2	12.8	15.1	11.4
27. Tax provision to profits before tax	30.2	30.1	32.8	36.6	29.9	25.0
28. Profits retained to profits after tax	67.9	64.1	58.9	72.9	73.7	75.7
29. Dividends to net worth	4.4	4.5	5.4	3.5	4.0	2.8
30. Ordinary dividends to ordinary paid-up capital	25.5	27.2	34.3	5.3	6.6	5.8

For footnotes, please refer to Statement 5.

STATEMENT 9 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES, 1997-98 TO 1999-2000

(Rs. lakh)

ITEM	All Companies (334)		
	1997-98	1998-99	1999-2000
1	2	3	4
INCOME AND VALUE OF PRODUCTION			
1. Sales $	55,221,72	59,710,19	65,597,66
2. Increase (+) or decrease (–) in stock	693,58	31,78	240,02
3. Value of production (1+2)	55,915,30	59,741,97	65,837,68
4. Other income	1,870,93	1,736,27	1,911,88
Of which, (a) Dividend	*180,96*	*179,64*	*218,99*
(b) Interest	*548,33*	*446,97*	*567,71*
(c) Rent	*111,26*	*142,81*	*107,58*
5. Non-operating surplus (+)/ deficit (–)	393,00	592,43	868,37
6. TOTAL (3+4+5)	**58,179,23**	**62,070,68**	**68,617,93**
EXPENDITURE AND APPROPRIATIONS			
7. Raw materials, components, etc., consumed	28,002,75	28,790,67	31,224,56
8. Stores and spares consumed	2,492,63	3,004,33	2,957,57
9. Power and fuel	1,829,17	1,900,11	2,798,12
10. Other manufacturing expenses	1,149,93	2,100,22	2,208,48
11. Salaries, wages and bonus	4,155,84	4,550,79	4,983,33
12. Provident fund	469,99	510,97	558,95
13. Employees' welfare expenses	846,74	862,85	959,48
14. Managerial remuneration	89,20	123,21	131,04
15. Royalty	613,75	249,06	342,26
16. Repairs to buildings	176,75	177,63	211,84
17. Repairs to machinery	517,56	551,37	552,91
18. Bad debts	192,56	152,02	196,00
19. Selling commission	744,89	334,02	360,76
20. Rent	525,07	602,71	656,93
21. Rates and taxes	296,60	302,61	443,19
22. Advertisement	1,042,50	1,198,97	1,354,33
23. Insurance	232,72	249,08	293,32
24. Research and development	201,34	270,88	287,11
25. Other expenses	5,287,31	6,588,67	6,927,69
26. Depreciation provision	1,956,52	2,194,94	2,416,29
27. Other provisions (other than tax and depreciation)	41,24	60,24	86,51
28. Gross profits	6,921,15	6,702,92	7,798,89
29. *Less:* Interest	2,216,06	2,256,32	2,516,74
30. Operating profits	4,705,09	4,446,61	5,282,15
31. Non-operating surplus(+)/ deficit(–)	393,00	592,43	868,37
32. Profits before tax	5,098,10	5,039,04	6,150,52
33. *Less:* Tax provision	1,540,50	1,517,02	2,018,00
34. Profits after tax	3,557,59	3,522,02	4,132,51
35. Dividends	1,142,46	1,263,50	1,695,34
(a) Ordinary	1,140,64	1,261,23	1,689,31
(b) Preference	1,82	2,27	6,03
36. Profits retained	2,415,13	2,258,53	2,437,17
37. TOTAL (7 TO 28 + 31)	**58,179,23**	**62,070,68**	**68,617,93**

Note : Figure in bracket represents the number of companies.
$ Net of 'rebates and discounts' and 'excise duty and cess'.
– Nil or negligible.

STATEMENT 10 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000

(Rs. lakh)

ITEM	U.K. (73)			U.S.A. (81)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
INCOME AND VALUE OF PRODUCTION						
1. Sales $	15,035,85	16,605,44	18,419,27	12,914,57	13,639,56	14,422,50
2. Increase(+) or decrease(–) in stock	268,17	– 210,51	103,04	247,35	– 96,43	116,02
3. Value of production (1+2)	15,304,02	16,394,94	18,522,31	13,161,92	13,543,12	14,538,52
4. Other income	535,91	526,34	528,36	401,11	461,38	505,49
Of which, (a) Dividends	*55,21*	*50,21*	*65,86*	*62,85*	*34,32*	*51,34*
(b) Interest	*232,16*	*177,27*	*206,46*	*110,43*	*127,15*	*161,72*
(c) Rent	*24,58*	*23,51*	*24,75*	*39,97*	*56,21*	*57,35*
5. Non-operating surplus(+)/ deficit(–)	46,10	115,99	261,12	137,52	43,54	95,21
6. TOTAL (3+4+5)	**15,886,03**	**17,037,26**	**19,311,79**	**13,700,56**	**14,048,05**	**15,139,22**
EXPENDITURE AND APPROPRIATIONS						
7. Raw materials, components, etc., consumed	7,142,06	7,517,64	8,426,57	6,857,25	6,609,95	6,978,14
8. Stores and spares consumed	643,66	663,50	637,81	368,05	433,95	478,13
9. Power and fuel	587,50	588,26	664,39	448,35	474,35	512,31
10. Other manufacturing expenses	310,30	304,34	379,19	204,17	254,26	417,51
11. Salaries, wages and bonus	1,217,97	1,352,84	1,477,68	972,51	1,062,57	1,176,95
12. Provident fund	160,23	178,75	202,74	95,65	115,75	120,20
13. Employees' welfare expenses	237,54	235,09	254,37	186,60	196,92	213,48
14. Managerial remuneration	27,05	30,63	34,89	24,32	19,40	24,31
15. Royalty	55,24	62,27	68,16	31,36	34,69	49,46
16. Repairs to buildings	64,96	64,74	87,55	41,16	39,21	38,15
17. Repairs to machinery	154,41	146,22	141,34	107,13	113,04	113,01
18. Bad debts	34,66	32,46	78,58	56,95	54,38	38,59
19. Selling commission	78,11	87,17	92,47	86,46	93,80	89,85
20. Rent	102,68	114,28	137,79	147,62	169,92	214,50
21. Rates and taxes	114,83	106,48	134,75	54,86	62,33	73,89
22. Advertisement	413,99	463,97	512,03	352,19	399,17	477,73
23. Insurance	61,05	64,72	107,19	45,58	49,19	48,06
24. Research and development	41,68	49,94	72,46	49,09	103,48	106,43
25. Other expenses	1,470,85	1,740,36	1,890,83	1,366,53	1,546,53	1,512,11
26. Depreciation provision	459,66	514,47	578,77	462,36	515,39	543,98
27. Other provisions (other than tax and depreciation)	5,82	5,63	38,12	14,75	11,88	18,33
28. Gross profits	2,455,69	2,597,52	3,032,98	1,590,10	1,644,36	1,798,87
29. *Less:* Interest	652,99	651,46	629,22	538,47	563,27	558,25
30. Operating profits	1,802,70	1,946,06	2,403,76	1,051,63	1,081,10	1,240,62
31. Non-operating surplus(+)/ deficit(–)	46,10	115,99	261,12	137,52	43,54	95,21
32. Profits before tax	1,848,80	2,062,05	2,664,89	1,189,16	1,124,63	1,335,83
33. *Less:* Tax provision	636,00	694,78	966,34	348,98	313,47	409,84
34. Profits after tax	1,212,80	1,367,27	1,698,54	840,18	811,16	925,99
35. Dividends	408,65	490,99	752,53	279,49	294,68	395,11
(a) Ordinary	408,65	490,22	750,44	278,11	293,96	394,49
(b) Preference	–	77	2,09	1,38	72	61
36. Profits retained	804,16	876,28	946,01	560,69	516,49	530,89
37. TOTAL (7 TO 28 + 31)	**15,886,03**	**17,037,26**	**19,311,79**	**13,700,56**	**14,048,05**	**15,139,22**

For footnotes, please refer to Statement 9.

STATEMENT 10 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ITEM	Germany (43)			Switzerland (27)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
INCOME AND VALUE OF PRODUCTION						
1. Sales $	11,350,68	12,557,22	13,475,61	2,756,64	2,774,99	3,028,57
2. Increase(+) or decrease(–) in stock	4,89	94,19	3,36	1,53	63,08	– 6,26
3. Value of production (1+2)	11,355,56	12,651,41	13,478,98	2,758,17	2,838,07	3,022,31
4. Other income	374,88	386,21	514,25	88,94	76,18	71,04
Of which, (a) Dividends	*33,04*	*67,25*	*64,30*	*7,32*	*2,25*	*1,71*
(b) Interest	*93,32*	*23,76*	*93,45*	*24,57*	*23,26*	*19,83*
(c) Rent	*37,32*	*51,00*	*17,72*	*5,74*	*2,66*	*2,98*
5. Non-operating surplus(+)/ deficit(–)	158,50	192,45	105,32	– 2,58	95	5,21
6. TOTAL (3+4+5)	**11,888,94**	**13,230,06**	**14,098,54**	**2,844,53**	**2,915,20**	**3,098,56**
EXPENDITURE AND APPROPRIATIONS						
7. Raw materials, components, etc., consumed	4,667,01	4,735,43	4,593,74	1,484,12	1,443,35	1,567,06
8. Stores and spares consumed	951,75	1,347,75	1,186,01	83,12	83,12	86,25
9. Power and fuel	172,52	187,19	781,01	119,90	159,28	185,72
10. Other manufacturing expenses	448,95	1,305,48	1,235,21	14,98	16,52	15,43
11. Salaries, wages and bonus	918,17	1,004,82	1,087,74	194,26	224,74	241,93
12. Provident fund	103,72	109,36	119,56	21,00	26,14	27,02
13. Employees' welfare expenses	186,53	200,77	246,16	52,48	52,62	54,18
14. Managerial remuneration	9,91	16,91	22,25	4,37	7,60	8,70
15. Royalty	473,03	89,05	101,95	9,85	11,12	9,93
16. Repairs to buildings	29,73	31,92	36,82	9,41	6,65	6,92
17. Repairs to machinery	122,34	145,12	165,42	21,09	19,71	19,26
18. Bad debts	54,11	23,33	28,99	11,78	15,55	14,00
19. Selling commission	483,65	75,43	87,73	30,05	20,37	27,09
20. Rent	130,18	145,31	149,43	30,15	32,85	26,45
21. Rates and taxes	57,30	74,38	112,45	7,99	8,01	8,46
22. Advertisement	85,58	112,38	137,46	10,79	17,36	21,68
23. Insurance	58,60	70,16	72,54	14,08	13,89	11,55
24. Research and development	52,07	57,53	56,32	27,35	24,20	13,97
25. Other expenses	1,011,87	1,667,93	1,710,50	256,10	304,54	307,38
26. Depreciation provision	550,93	629,86	667,55	77,22	93,36	114,33
27. Other provisions (other than tax and depreciation)	4,75	28,69	6,86	94	2,10	18
28. Gross profits	1,157,76	978,82	1,387,52	366,10	331,17	325,84
29. *Less:* Interest	392,55	376,76	582,99	64,46	96,14	113,76
30. Operating profits	765,21	602,06	804,53	301,65	235,03	212,09
31. Non-operating surplus(+)/ deficit(–)	158,50	192,45	105,32	– 2,58	95	5,21
32. Profits before tax	923,70	794,51	909,84	299,07	235,98	217,30
33. *Less:* Tax provision	228,88	186,84	227,62	83,22	70,13	70,12
34. Profits after tax	694,82	607,67	682,22	215,85	165,85	147,18
35. Dividends	249,27	245,87	267,46	46,77	49,93	53,42
(a) Ordinary	249,27	245,87	267,46	46,77	49,80	51,86
(b) Preference	–	–	–	–	13	1,56
36. Profits retained	445,56	361,80	414,76	169,08	115,91	93,76
37. TOTAL (7 TO 28 + 31)	**11,888,94**	**13,230,06**	**14,098,54**	**2,844,53**	**2,915,20**	**3,098,56**

STATEMENT 10 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ITEM	Japan (24)			Sweden (9)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
INCOME AND VALUE OF PRODUCTION						
1. Sales $	3,205,04	3,656,31	4,824,66	843,93	868,77	912,38
2. Increase(+) or decrease(–) in stock	56,43	205,24	– 88,85	– 10,84	– 10,21	7,62
3. Value of production (1+2)	3,261,47	3,861,55	4,735,81	833,09	858,56	919,99
4. Other income	47,61	80,45	55,49	37,32	31,13	28,65
Of which, (a) Dividends	*7,08*	*10,18*	*13,02*	*1,37*	*1,14*	*1,76*
(b) Interest	*23,59*	*29,44*	*21,51*	*13,51*	*11,61*	*9,34*
(c) Rent	*69*	*6,18*	*54*	*1,59*	*1,57*	*2,05*
5. Non-operating surplus(+)/ deficit(–)	17,86	6,90	43,85	28	2,69	7,59
6. TOTAL (3+4+5)	**3,326,94**	**3,948,90**	**4,835,15**	**870,69**	**892,38**	**956,23**
EXPENDITURE AND APPROPRIATIONS						
7. Raw materials, components, etc., consumed	1,908,31	2,275,65	2,853,91	345,44	366,88	393,93
8. Stores and spares consumed	166,79	173,96	256,26	55,94	57,51	57,34
9. Power and fuel	67,46	71,88	90,04	30,62	32,83	35,97
10. Other manufacturing expenses	78,39	133,01	22,42	2,43	5,27	6,92
11. Salaries, wages and bonus	157,50	180,17	208,36	97,60	93,35	93,70
12. Provident fund	13,79	17,66	20,14	14,82	12,72	12,94
13. Employees' welfare expenses	31,01	38,99	40,25	15,00	18,95	31,22
14. Managerial remuneration	9,51	11,96	20,10	3,36	1,41	1,16
15. Royalty	27,47	33,19	71,93	78	4,68	5,58
16. Repairs to buildings	5,61	7,99	10,11	1,70	4,24	5,47
17. Repairs to machinery	18,53	22,84	23,67	20,23	19,33	19,19
18. Bad debts	2,62	2,08	2,87	7,44	2,36	2,22
19. Selling commission	13,00	10,93	13,91	3,91	4,26	5,51
20. Rent	35,25	50,64	27,77	7,34	8,12	8,32
21. Rates and taxes	4,77	6,03	47,20	10,64	9,51	11,30
22. Advertisement	69,72	85,66	70,14	3,40	4,49	5,84
23. Insurance	13,99	11,69	9,48	4,33	4,33	4,32
24. Research and development	13,10	13,47	16,02	2,77	4,23	4,42
25. Other expenses	226,81	263,56	348,01	83,62	133,84	82,99
26. Depreciation provision	82,11	98,55	119,36	58,82	62,01	68,18
27. Other provisions (other than tax and depreciation)	1,49	2,66	1,78	13	2,18	81
28. Gross profits	361,86	429,42	517,57	100,08	37,18	91,32
29. *Less:* Interest	66,97	61,40	52,87	42,62	40,15	44,27
30. Operating profits	294,89	368,02	464,70	57,46	– 2,97	47,04
31. Non-operating surplus(+)/ deficit(–)	17,86	6,90	43,85	28	2,69	7,59
32. Profits before tax	312,74	374,92	508,54	57,74	– 28	54,63
33. *Less:* Tax provision	95,31	111,73	163,10	21,80	13,66	21,00
34. Profits after tax	217,43	263,18	345,44	35,95	– 13,94	33,63
35. Dividends	39,59	60,26	78,33	12,82	12,11	15,00
(a) Ordinary	39,59	60,26	78,33	12,82	12,11	15,00
(b) Preference	–	–	–	–	–	–
36. Profits retained	177,84	202,92	267,11	23,13	– 26,05	18,63
37. TOTAL (7 TO 28 + 31)	**3,326,94**	**3,948,90**	**4,835,15**	**870,69**	**892,38**	**956,23**

STATEMENT 10 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Rs. lakh)

ITEM	Netherlands (17)			Mauritius (11)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	20	21	22	23	24	25
INCOME AND VALUE OF PRODUCTION						
1. Sales $	4,065,34	4,220,49	4,332,49	1,837,40	1,901,03	1,970,61
2. Increase(+) or decrease(–) in stock	34,91	45,86	– 3	16,48	1,98	– 64
3. Value of production (1+2)	4,100,25	4,266,35	4,332,46	1,853,88	1,903,01	1,969,97
4. Other income	51,12	47,57	74,65	34,77	31,53	20,95
Of which, (a) Dividends	*4,73*	*6,65*	*9,83*	*15*	*19*	*1,58*
(b) Interest	*16,30*	*16,08*	*21,27*	*13,04*	*11,07*	*5,05*
(c) Rent	*94*	*1,29*	*1,75*	–	–	*2*
5. Non-operating surplus(+)/ deficit(–)	15,36	– 5,24	6,89	5,02	– 10,94	– 5,64
6. TOTAL (3+4+5)	**4,166,73**	**4,308,68**	**4,414,01**	**1,893,66**	**1,923,60**	**1,985,27**
EXPENDITURE AND APPROPRIATIONS						
7. Raw materials, components, etc., consumed	2,572,70	2,663,33	2,687,31	1,266,98	1,395,37	1,475,47
8. Stores and spares consumed	48,74	70,37	52,78	48,14	39,91	42,31
9. Power and fuel	91,23	97,69	108,40	54,00	49,66	62,32
10. Other manufacturing expenses	9,53	16,01	13,01	2,51	5,85	3,55
11. Salaries, wages and bonus	348,58	344,97	377,40	39,60	46,13	47,89
12. Provident fund	36,32	22,90	23,35	3,05	4,01	4,14
13. Employees' welfare expenses	99,01	78,92	75,01	6,24	6,16	6,88
14. Managerial remuneration	3,20	3,62	5,72	1,96	2,37	4,82
15. Royalty	2,68	3,71	3,90	20	–	23
16. Repairs to buildings	10,57	9,94	13,23	2,94	1,81	1,89
17. Repairs to machinery	23,28	30,79	23,71	9,27	8,90	11,36
18. Bad debts	10,02	15,27	7,88	2,22	1,29	8,36
19. Selling commission	6,48	5,86	7,22	17,58	12,50	12,31
20. Rent	43,37	50,10	56,17	4,77	5,61	4,99
21. Rates and taxes	20,59	17,84	27,04	4,80	3,27	4,55
22. Advertisement	74,58	79,46	81,88	9,31	9,59	9,58
23. Insurance	10,93	9,63	12,85	6,00	6,57	6,04
24. Research and development	11,50	13,48	12,77	6	17	40
25. Other expenses	351,80	358,96	380,41	102,20	113,48	104,75
26. Depreciation provision	79,17	74,95	82,44	57,32	60,47	60,67
27. Other provisions (other than tax and depreciation)	10,74	60	–	–	–	8
28. Gross profits	286,35	345,52	354,64	249,51	161,42	118,32
29. *Less:* Interest	117,58	108,94	108,30	126,64	117,82	117,31
30. Operating profits	168,77	236,58	246,34	122,87	43,59	1,01
31. Non-operating surplus(+)/ deficit(–)	15,36	– 5,24	6,89	5,02	– 10,94	– 5,64
32. Profits before tax	184,13	231,35	253,24	127,88	32,66	– 4,63
33. *Less:* Tax provision	66,91	76,59	91,55	9,32	7,98	9,13
34. Profits after tax	117,22	154,76	161,69	118,56	24,68	– 13,76
35. Dividends	31,03	40,64	49,12	28,95	23,23	21,73
(a) Ordinary	31,03	40,64	49,12	28,69	22,58	20,31
(b) Preference	–	–	–	26	65	1,42
36. Profits retained	86,20	114,11	112,57	89,61	1,44	– 35,49
37. TOTAL (7 TO 28 + 31)	**4,166,73**	**4,308,68**	**4,414,01**	**1,893,66**	**1,923,60**	**1,985,27**

STATEMENT 11 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – INDUSTRY-WISE, 1997-98 TO 1999-2000

(Rs. lakh)

ITEM	Engineering (139)			Chemicals (57)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
INCOME AND VALUE OF PRODUCTION						
1. Sales $	23,563,95	23,946,08	26,756,26	10,579,28	11,257,08	12,662,33
2. Increase(+) or decrease(–) in stock	165,33	– 198,02	183,15	165,09	– 110,79	134,07
3. Value of production (1+2)	23,729,28	23,748,07	26,939,40	10,744,37	11,146,29	12,796,40
4. Other income	624,38	705,62	772,30	595,18	409,12	371,01
Of which, (a) Dividends	*85,45*	*73,49*	*90,88*	*37,88*	*27,23*	*30,20*
(b) Interest	*225,79*	*209,65*	*227,96*	*65,90*	*84,13*	*85,35*
(c) Rent	*44,20*	*50,53*	*57,42*	*22,98*	*26,69*	*34,76*
5. Non-operating surplus(+)/ deficit(–)	148,14	166,60	142,13	29,03	325,11	442,06
6. TOTAL (3+4+5)	**24,501,80**	**24,620,29**	**27,853,83**	**11,368,58**	**11,880,53**	**13,609,48**
EXPENDITURE AND APPROPRIATIONS						
7. Raw materials, components, etc., consumed	13,600,70	13,311,22	15,220,39	5,697,71	5,847,11	6,847,16
8. Stores and spares consumed	725,85	710,02	839,15	423,31	458,66	466,11
9. Power and fuel	663,93	696,02	742,22	529,16	523,19	729,04
10. Other manufacturing expenses	198,84	192,47	265,89	119,95	135,78	154,34
11. Salaries, wages and bonus	1,954,31	2,020,04	2,200,47	648,69	720,58	775,70
12. Provident fund	210,83	234,92	242,03	86,44	97,96	105,65
13. Employees' welfare expenses	412,86	393,15	440,03	145,80	156,08	189,21
14. Managerial remuneration	40,84	39,13	54,65	16,55	47,33	29,09
15. Royalty	72,36	84,41	145,52	38,53	41,24	43,73
16. Repairs to buildings	74,08	72,05	96,96	29,42	30,21	32,63
17. Repairs to machinery	240,06	240,67	235,27	88,16	104,98	105,64
18. Bad debts	114,35	72,44	61,43	28,98	27,15	53,90
19. Selling commission	121,43	125,14	140,66	86,67	76,87	89,97
20. Rent	182,42	208,22	198,01	63,86	75,27	81,88
21. Rates and taxes	76,79	74,49	133,43	64,63	55,64	67,77
22. Advertisement	188,06	213,41	225,73	339,80	376,79	448,78
23. Insurance	86,85	83,30	79,25	55,20	57,70	62,73
24. Research and development	113,51	166,03	159,54	52,42	61,95	77,57
25. Other expenses	2,036,68	2,316,79	2,373,54	1,102,32	1,151,73	1,310,66
26. Depreciation provision	934,92	990,40	1,054,86	327,59	379,90	439,31
27. Other provisions (other than tax and depreciation)	34,33	20,71	40,95	2,87	30,99	12,40
28. Gross profits	2,269,66	2,188,66	2,761,72	1,391,48	1,098,32	1,044,15
29. *Less:* Interest	1,017,24	989,64	963,20	381,04	418,71	461,19
30. Operating profits	1,252,42	1,199,03	1,798,53	1,010,44	679,61	582,96
31. Non-operating surplus(+)/ deficit(–)	148,14	166,60	142,13	29,03	325,11	442,06
32. Profits before tax	1,400,56	1,365,63	1,940,65	1,039,48	1,004,73	1,025,02
33. *Less:* Tax provision	509,99	482,41	628,40	335,24	292,07	354,73
34. Profits after tax	890,57	883,22	1,312,25	704,24	712,65	670,29
35. Dividends	303,83	335,30	421,42	265,96	288,23	373,04
(a) Ordinary	302,46	334,46	420,50	265,66	287,58	371,95
(b) Preference	1,37	84	92	29	65	1,09
36. Profits retained	586,74	547,92	890,83	438,28	424,42	297,25
37. TOTAL (7 TO 28 + 31)	**24,501,80**	**24,620,29**	**27,853,83**	**11,368,58**	**11,880,53**	**13,609,48**

For footnotes, please refer to Statement 9.

STATEMENT 11 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – INDUSTRY–WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ITEM	Tea (9)			Trading (14)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
INCOME AND VALUE OF PRODUCTION						
1. Sales $	658,23	692,66	651,68	1,363,74	1,409,74	1,453,59
2. Increase(+) or decrease(–) in stock	10,76	4,94	2,08	29,06	– 31,60	– 8,30
3. Value of production (1+2)	668,99	697,61	653,76	1,392,80	1,378,14	1,445,29
4. Other income	10,24	16,75	15,56	20,58	11,48	14,97
Of which, (a) Dividends	*1,67*	*3,42*	*2,00*	*91*	*88*	*3,36*
(b) Interest	*4,55*	*8,26*	*8,86*	*3,15*	*3,74*	*5,03*
(c) Rent	*2*	*6*	*3*	–	–	*37*
5. Non-operating surplus(+)/ deficit(–)	3,93	6,35	1,10	1	– 3,80	– 8,71
6. TOTAL (3+4+5)	**683,16**	**720,71**	**670,42**	**1,413,39**	**1,385,83**	**1,451,55**
EXPENDITURE AND APPROPRIATIONS						
7. Raw materials, components, etc., consumed	39,09	61,26	39,29	1,051,16	1,101,56	1,126,66
8. Stores and spares consumed	64,95	62,31	65,02	11,77	10,43	3,15
9. Power and fuel	35,97	39,44	41,84	11,17	2,30	3,84
10. Other manufacturing expenses	2,80	7,43	11,41	58	82	52
11. Salaries, wages and bonus	171,84	189,08	197,74	82,96	62,01	67,81
12. Provident fund	21,04	25,91	31,93	4,62	5,19	5,52
13. Employees' welfare expenses	33,08	32,25	36,50	6,51	5,03	6,20
14. Managerial remuneration	1,09	1,96	1,73	1,33	1,94	2,38
15. Royalty						
16. Repairs to buildings	16,65	17,58	13,78	85	93	78
17. Repairs to machinery	9,65	9,97	10,12	2,22	43	75
18. Bad debts	9,25	3,03	3,11	6,02	2,03	2,22
19. Selling commission	10,28	9,96	8,79	5,48	4,05	8,21
20. Rent	5,44	6,35	6,68	11,18	11,48	13,79
21. Rates and taxes	2,90	3,07	2,94	1,54	1,90	4,05
22. Advertisement	7,09	6,14	5,36	15,32	19,86	27,16
23. Insurance	3,05	4,11	3,72	2,55	1,87	2,20
24. Research and development	44	43	3	63	2,47	3,13
25. Other expenses	86,08	86,26	88,35	84,61	78,02	85,35
26. Depreciation provision	23,18	18,73	19,81	25,29	9,83	12,18
27. Other provisions (other than tax and depreciation)	66	1,14	3,23	–	40	2
28. Gross profits	134,68	127,96	77,96	87,59	67,09	84,31
29. *Less:* Interest	17,98	23,78	21,20	36,67	9,71	8,56
30. Operating profits	116,70	104,18	56,76	50,92	57,38	75,74
31. Non-operating surplus(+)/ deficit(–)	3,93	6,35	1,10	1	– 3,80	– 8,71
32. Profits before tax	120,63	110,54	57,86	50,93	53,58	67,04
33. *Less:* Tax provision	45,23	39,19	26,56	14,02	13,17	17,99
34. Profits after tax	75,40	71,34	31,30	36,91	40,41	49,05
35. Dividends	28,38	27,99	23,68	4,44	4,64	9,41
(a) Ordinary	28,38	27,99	23,68	4,44	4,64	9,41
(b) Preference	–	–	–	–	–	–
36. Profits retained	47,02	43,35	7,62	32,47	35,77	39,64
37. TOTAL (7 TO 28 + 31)	**683,16**	**720,71**	**670,42**	**1,413,39**	**1,385,83**	**1,451,55**

STATEMENT 11 : COMBINED INCOME, EXPENDITURE AND APPROPRIATION ACCOUNTS – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – INDUSTRY–WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Rs. lakh)

ITEM	All Textiles (9)			Rubber and Rubber Products (4)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
INCOME AND VALUE OF PRODUCTION						
1. Sales $	1,043,68	1,104,43	1,166,74	763,23	749,40	838,90
2. Increase(+) or decrease(–) in stock	7,72	– 11,41	12,84	12,26	13,12	– 3,36
3. Value of production (1+2)	1,051,40	1,093,02	1,179,58	775,50	762,51	835,54
4. Other income	33,03	38,91	48,48	8,48	12,13	10,44
Of which, (a) Dividends	*5,02*	*6,21*	*9,04*	*41*	*52*	*1,00*
(b) Interest	*70*	*1,18*	*10,90*	*4,05*	*5,26*	*2,84*
(c) Rent	*7,42*	*7,55*	*4,76*	–	–	–
5. Non-operating surplus(+)/ deficit(–)	1,21	3,22	85,46	1,79	1,88	1,56
6. TOTAL (3+4+5)	**1,085,64**	**1,135,15**	**1,313,52**	**785,77**	**776,52**	**847,54**
EXPENDITURE AND APPROPRIATIONS						
7. Raw materials, components, etc., consumed	548,29	601,95	625,21	491,54	486,72	537,88
8. Stores and spares consumed	42,22	44,54	50,09	12,74	11,83	10,11
9. Power and fuel	76,61	72,56	72,84	34,99	31,50	37,62
10. Other manufacturing expenses	13,05	13,60	40,86	4,56	6,53	8,83
11. Salaries, wages and bonus	76,44	82,72	85,20	43,62	45,54	51,98
12. Provident fund	7,68	9,07	9,08	3,86	4,35	4,70
13. Employees' welfare expenses	10,32	11,47	14,00	9,77	11,31	8,22
14. Managerial remuneration	1,15	95	1,40	1,35	1,18	1,30
15. Royalty	–	–	–	2,06	1,20	1,21
16. Repairs to buildings	2,20	1,47	1,37	1,24	1,12	65
17. Repairs to machinery	8,04	5,42	4,64	15,26	15,54	14,05
18. Bad debts	1,31	3,04	26,97	8	–	1,36
19. Selling commission	14,78	17,01	18,45	2,47	2,07	1,70
20. Rent	4,26	4,13	4,00	2,86	2,78	3,82
21. Rates and taxes	92	1,00	1,10	2,78	3,15	4,69
22. Advertisement	4,93	3,76	5,55	6,93	6,87	7,04
23. Insurance	2,15	2,78	2,49	2,42	2,51	2,43
24. Research and development	89	97	1,09	94	57	1,10
25. Other expenses	93,14	97,46	99,71	53,00	54,09	58,21
26. Depreciation provision	55,74	67,20	73,94	15,64	19,56	18,40
27. Other provisions (other than tax and depreciation)	1,26	33	24,92	–	–	–
28. Gross profits	119,05	90,51	65,14	75,88	66,22	70,69
29. *Less:* Interest	55,45	69,83	75,30	37,95	27,57	28,73
30. Operating profits	63,60	20,67	– 10,16	37,93	38,65	41,96
31. Non-operating surplus(+)/ deficit(–)	1,21	3,22	85,46	1,79	1,88	1,56
32. Profits before tax	64,80	23,89	75,31	39,72	40,53	43,51
33. *Less:* Tax provision	10,20	2,60	13,18	13,30	15,67	12,15
34. Profits after tax	54,60	21,30	62,13	26,42	24,86	31,36
35. Dividends	14,42	10,02	22,48	8,99	9,68	9,57
(a) Ordinary	14,42	9,25	19,88	8,99	9,68	9,57
(b) Preference	–	77	2,61	–	–	–
36. Profits retained	40,19	11,27	39,64	17,43	15,18	21,80
37. TOTAL (7 TO 28 + 31)	**1,085,64**	**1,135,15**	**1,313,52**	**785,77**	**776,52**	**847,54**

STATEMENT 12 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES, 1997-98 TO 1999-2000

(Rs. lakh)

CAPITAL AND LIABILITIES	All Companies (334)		
	1997-98	1998-99	1999-2000
1	2	3	4
A. Share capital	**4,649,83**	**4,989,36**	**5,358,64**
1. Paid-up capital	4,649,81	4,989,08	5,358,36
(a) Ordinary	4,536,08	4,697,39	5,002,09
Of which, bonus	*1,440,77*	*1,521,20*	*1,619,41*
(b) Preference	113,73	291,70	356,27
2. Forfeited shares	2	28	28
B. Reserves and surplus	**21,090,28**	**23,187,83**	**25,961,69**
3. Capital reserve	8,049,43	8,007,18	8,598,15
Of which, premium on shares	*6,256,25*	*6,339,10*	*6,987,09*
4. Investment allowance reserve	107,24	96,63	73,37
5. Sinking funds	909,54	1,202,99	1,131,54
6. Other reserves	12,024,07	13,881,03	16,158,63
C. Borrowings	**19,926,27**	**20,799,81**	**20,462,81**
7. Debentures @	3,892,03	4,889,13	4,859,45
8. Loans and advances	14,828,77	14,587,40	14,459,94
(a) From banks	7,622,95	6,531,41	6,492,72
Of which, short-term borrowings	*5,938,83*	*5,122,16*	*4,740,14*
(b) From other Indian financial institutions	4,685,43	4,653,80	4,668,00
(c) From foreign institutional agencies	302,72	627,14	504,41
(d) From government and semi-government bodies	290,02	422,20	501,70
(e) From companies	287,09	264,47	349,79
(f) From others	1,640,58	2,088,37	1,943,32
9. Deferred payments	149,16	153,54	86,38
10. Public deposits	1,056,31	1,169,74	1,057,04
Of total borrowings, debt	*12,257,67*	*13,341,35*	*13,437,09*
D. Trade dues and other current liabilities	**14,844,99**	**15,685,47**	**17,021,39**
11. Sundry creditors	9,964,88	10,069,13	11,264,57
12. Acceptances	600,38	651,48	735,65
13. Liabilities to companies	93,51	107,02	77,59
14. Advances/ deposits from customers, agents, etc.	2,438,66	2,650,38	1,950,20
15. Interest accrued on loans	488,05	483,10	738,18
16. Others	1,259,51	1,724,37	2,255,20
E. Provisions	**1,821,32**	**2,060,11**	**2,015,22**
17. Taxation (net of advance of income-tax)	339,88	330,32	273,65
18. Dividends	1,018,48	1,043,59	1,052,08
19. Other current provisions	348,27	545,71	466,80
20. Non-current provisions	114,70	140,50	222,69
F. 21. Miscellaneous non-current liabilities	**2**	**–**	**–**
22. TOTAL	**62,332,71**	**66,722,58**	**70,819,76**

Note : Figure in bracket represents the number of companies.

@ Includes privately placed debentures.

– Nil or negligible.

STATEMENT 12 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES, 1997-98 TO 1999-2000 *(Concld.)*

(Rs. lakh)

ASSETS	All Companies (334)		
	1997-98	1998-99	1999-2000
1	2	3	4
G. Gross fixed assets	**37,088,21**	**40,788,26**	**43,792,11**
23. Land	1,135,97	1,285,58	1,363,11
24. Buildings	4,762,55	5,397,16	5,922,52
25. Plant and machinery	24,302,37	27,871,15	29,785,34
26. Capital work-in-progress	4,115,46	3,435,95	3,632,14
27. Furniture, fixtures and office equipments	1,410,18	1,620,41	1,892,23
28. Others	1,361,69	1,178,01	1,196,77
H. 29. Depreciation	**11,225,20**	**13,095,84**	**14,926,45**
I. 30. Net fixed assets	**25,863,01**	**27,692,42**	**28,865,66**
J. Inventories	**11,546,83**	**11,997,36**	**12,356,61**
31. Raw materials, components, etc.	3,865,85	3,824,40	3,774,05
32. Finished goods	3,622,58	3,356,49	3,768,93
33. Work-in-progress	1,752,82	2,050,68	1,878,29
34. Stores and spares	1,143,21	1,191,79	1,197,06
35. Others	1,162,37	1,574,00	1,738,29
K. Loans and advances and other debtor balances	**17,580,15**	**18,609,29**	**19,963,74**
36. Sundry debtors	10,702,54	11,196,28	12,142,09
37. Loans and advances	4,979,08	5,388,17	5,693,14
a) To subsidiaries and companies under the same management	271,20	226,29	355,14
b) Others	4,707,88	5,161,88	5,338,01
38. Interest accrued on loans and advances	53,47	56,28	54,38
39. Deposits/ balances with government/ others	1,413,08	1,669,40	1,623,85
40. Others	431,98	299,16	450,27
L. Investments	**3,592,52**	**4,460,66**	**5,437,16**
(Of which, quoted investments)	*462,51*	*991,58*	*828,42*
41. Foreign	50,54	34,15	51,40
42. Indian	3,541,97	4,426,51	5,385,76
a) Government/ semi-government securities	106,78	291,86	264,97
b) Securities of Financial Institutions	512,18	783,76	1,069,85
c) Industrial securities	1,586,95	1,470,89	1,487,62
d) Shares and debentures of subsidiaries	1,283,24	1,813,58	2,489,76
e) Others	52,83	66,43	73,56
M. 43. Advance of income-tax (net of tax provision)	**–**	**–**	**–**
N. Other assets	**580,88**	**752,56**	**957,87**
44. Immovable property	4,14	4,27	3,96
45. Intangible assets	574,75	746,24	953,84
46. Miscellaneous non-current assets	2,00	2,05	7
O. Cash and bank balances	**3,169,34**	**3,210,29**	**3,238,72**
47. Fixed deposits with banks	1,276,47	1,228,92	1,221,45
48. Other bank balances	1,488,08	1,446,81	1,470,60
49. Cash in hand	404,79	534,56	546,68
50. TOTAL	***62,332,71***	***66,722,58***	***70,819,76***

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000

(Rs. lakh)

CAPITAL AND LIABILITIES	U.K. (73)			U.S.A. (81)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
A. Share capital	**1,166,67**	**1,236,97**	**1,347,23**	**1,267,59**	**1,371,32**	**1,522,49**
1. Paid-up capital	1,166,67	1,236,72	1,346,98	1,267,59	1,371,32	1,522,49
(a) Ordinary	1,166,36	1,192,59	1,301,37	1,243,49	1,299,22	1,437,70
Of which, bonus	*631,76*	*648,32*	*723,70*	*378,33*	*385,59*	*389,59*
(b) Preference	31	44,13	45,61	24,10	72,10	84,79
2. Forfeited shares	–	25	25	–	–	–
B. Reserves and surplus	**6,393,26**	**7,206,25**	**8,269,02**	**4,560,06**	**5,037,38**	**5,922,88**
3. Capital reserve	2,313,61	2,269,16	2,493,53	1,758,69	1,740,00	2,108,90
Of which, premium on shares	*1,523,43*	*1,570,91*	*1,816,37*	*1,464,31*	*1,454,00*	*1,838,09*
4. Investment allowance reserve	44,59	37,32	33,20	24,13	20,62	14,96
5. Sinking funds	310,54	348,50	240,15	192,35	261,32	251,70
6. Other reserves	3,724,51	4,551,27	5,502,15	2,584,90	3,015,44	3,547,31
C. Borrowings	**4,971,16**	**4,747,88**	**4,074,03**	**4,773,50**	**4,702,82**	**4,415,35**
7. Debentures @	1,153,01	1,100,43	841,06	859,32	1,012,01	974,04
8. Loans and advances	3,484,17	3,298,15	2,889,84	3,708,96	3,443,18	3,234,90
(a) From banks	2,033,21	2,046,07	1,698,61	1,631,05	1,158,03	1,137,15
Of which, short-term borrowings	*1,594,77*	*1,624,10*	*1,373,28*	*937,33*	*683,58*	*787,76*
(b) From other Indian financial institutions	955,99	888,71	616,41	1,285,83	1,316,05	1,427,35
(c) From foreign institutional agencies	37,91	66,84	25,03	84,50	233,68	225,50
(d) From government and semi-government bodies	41,10	46,26	69,08	50,71	77,60	113,27
(e) From companies	24,86	26,63	49,68	115,69	39,05	81,99
(f) From others	391,09	223,63	431,03	541,19	618,77	249,64
9. Deferred payments	15,09	18,02	6,42	27,74	24,32	26,15
10. Public deposits	318,89	331,28	336,71	177,47	223,31	180,27
Of total borrowings, debt	*2,960,47*	*2,883,59*	*2,227,13*	*3,180,56*	*3,361,94*	*3,296,40*
D. Trade dues and other current liabilities	**3,876,45**	**3,802,11**	**4,411,40**	**3,485,03**	**3,603,48**	**3,683,85**
11. Sundry creditors	2,853,09	2,645,01	3,237,22	2,372,36	2,400,96	2,529,74
12. Acceptances	55,89	85,67	149,04	283,30	283,84	293,09
13. Liabilities to companies	59,72	8,69	7,14	5,34	54,65	15,48
14. Advances/ deposits from customers, agents, etc.	535,06	576,77	231,97	232,16	253,12	254,35
15. Interest accrued on loans	90,13	112,84	151,40	175,84	114,58	115,91
16. Others	282,56	373,14	634,62	416,04	496,34	475,27
E. Provisions	**679,17**	**819,91**	**790,78**	**422,33**	**471,14**	**478,03**
17. Taxation (net of advance of income-tax)	260,32	279,48	220,00	9,51	–	–
18. Dividends	343,93	347,19	378,51	271,11	258,87	263,73
19. Other current provisions	68,45	103,16	83,64	120,76	187,18	179,03
20. Non-current provisions	6,47	90,07	108,63	20,95	25,08	35,27
F. 21. Miscellaneous non-current liabilities	**–**	**–**	**–**	**2**	**–**	**–**
22. TOTAL	**17,086,72**	**17,813,13**	**18,892,46**	**14,508,54**	**15,186,14**	**16,022,60**

For footnotes, please refer to Statement 12.

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ASSETS	U.K. (73)			U.S.A. (81)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
G. Gross fixed assets	**8,500,98**	**9,394,60**	**10,220,03**	**7,795,89**	**8,412,95**	**9,067,99**
23. Land	424,49	518,15	530,55	202,96	231,11	245,78
24. Buildings	1,333,10	1,477,67	1,696,13	956,98	1,088,06	1,178,58
25. Plant and machinery	5,516,41	6,278,00	6,748,46	5,677,54	6,042,08	6,582,69
26. Capital work-in-progress	516,36	428,28	457,17	445,16	450,39	489,49
27. Furniture, fixtures and office equipments	371,83	459,72	554,96	306,71	364,08	389,88
28. Others	338,79	232,79	232,76	206,53	237,23	181,57
H. 29. Depreciation	**2,734,82**	**3,186,08**	**3,672,46**	**2,317,62**	**2,746,43**	**3,192,05**
I. 30. Net fixed assets	**5,766,16**	**6,208,52**	**6,547,58**	**5,478,27**	**5,666,52**	**5,875,94**
J. Inventories	**3,336,18**	**3,140,25**	**3,252,97**	**2,489,21**	**2,365,62**	**2,527,07**
31. Raw materials, components, etc.	1,480,53	1,467,86	1,520,32	844,26	815,05	819,81
32. Finished goods	1,191,70	1,008,65	1,071,75	835,46	756,13	872,70
33. Work-in-progress	318,07	290,61	330,55	446,11	429,00	428,45
34. Stores and spares	284,64	297,36	278,36	196,08	200,02	238,34
35. Others	61,24	75,76	51,98	167,31	165,42	167,77
K. Loans and advances and other debtor balances	**5,291,57**	**5,480,21**	**5,980,43**	**4,243,90**	**4,495,56**	**4,686,95**
36. Sundry debtors	2,894,22	2,842,87	3,076,72	2,729,18	2,941,86	2,961,37
37. Loans and advances	1,604,15	1,630,40	1,858,33	1,154,45	1,176,63	1,293,74
a) To subsidiaries and companies under the same management	124,55	91,36	137,11	61,64	96,65	107,35
b) Others	1,479,60	1,539,05	1,721,22	1,092,81	1,079,98	1,186,38
38. Interest accrued on loans and advances	27,74	17,85	17,24	17,15	19,31	24,00
39. Deposits/ balances with government/ others	715,32	938,94	927,85	280,16	291,48	341,85
40. Others	50,14	50,15	100,28	62,96	66,28	65,99
L. Investments	**1,556,81**	**1,986,62**	**2,147,75**	**1,022,18**	**1,241,31**	**1,457,91**
(Of which, quoted investments)	*222,71*	*368,43*	*240,30*	*117,50*	*405,94*	*386,42*
41. Foreign	10,11	1,18	1,28	35,91	29,82	20,16
42. Indian	1,546,70	1,985,44	2,146,47	986,27	1,211,49	1,437,74
a) Government/ semi-government securities	39,24	85,99	95,14	1,45	189,42	164,75
b) Securities of Financial Institutions	101,04	281,71	291,59	152,74	157,76	230,48
c) Industrial securities	572,41	463,42	338,07	503,96	501,35	511,89
d) Shares and debentures of subsidiaries	790,01	1,144,16	1,393,13	324,03	349,98	495,32
e) Others	44,00	10,16	28,55	4,10	12,97	35,30
M. 43. Advance of income-tax (net of tax provision)	**–**	**–**	**–**	**–**	**25,91**	**15,95**
N. Other assets	**65,61**	**91,34**	**144,40**	**353,42**	**386,47**	**474,05**
44. Immovable property	2	3,56	37	4,11	28	1,99
45. Intangible assets	63,82	87,20	144,02	349,23	386,18	472,06
46. Miscellaneous non-current assets	1,77	58	–	8	1	–
O. Cash and bank balances	**1,070,39**	**906,19**	**819,34**	**921,57**	**1,004,75**	**984,73**
47. Fixed deposits with banks	508,34	361,33	347,72	402,05	454,00	473,23
48. Other bank balances	443,39	415,13	360,74	385,88	338,87	343,18
49. Cash in hand	118,66	129,73	110,88	133,64	211,88	168,32
50. TOTAL	**17,086,72**	**17,813,13**	**18,892,46**	**14,508,54**	**15,186,14**	**16,022,60**

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

CAPITAL AND LIABILITIES	Germany (43)			Switzerland (27)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
A. Share capital	**706,94**	**777,49**	**791,57**	**211,10**	**246,90**	**272,95**
1. Paid-up capital	706,93	777,49	791,56	211,10	246,90	272,95
(a) Ordinary	649,93	663,48	677,56	211,10	234,68	250,65
Of which, bonus	*172,70*	*185,36*	*185,36*	*61,47*	*76,40*	*91,68*
(b) Preference	57,01	114,01	114,01	–	12,22	22,30
2. Forfeited shares	–	–	–	–	–	–
B. Reserves and surplus	**4,866,78**	**5,210,26**	**5,605,38**	**1,178,12**	**1,279,80**	**1,255,00**
3. Capital reserve	2,255,62	2,245,69	2,226,08	243,74	243,17	232,92
Of which, premium on shares	*2,111,20*	*2,105,57*	*2,094,83*	*226,37*	*226,87*	*216,97*
4. Investment allowance reserve	8,89	8,04	7,54	84	84	52
5. Sinking funds	202,03	363,74	364,48	20,71	30,08	35,98
6. Other reserves	2,400,24	2,592,78	3,007,28	912,83	1,005,70	985,57
C. Borrowings	**4,387,67**	**4,849,75**	**5,235,99**	**681,32**	**777,08**	**852,35**
7. Debentures @	1,030,08	1,596,61	1,796,08	73,31	101,61	117,47
8. Loans and advances	3,045,44	2,939,64	3,193,65	586,71	645,23	714,20
(a) From banks	2,115,05	1,626,06	1,958,72	207,25	228,73	212,42
Of which, short-term borrowings	*1,936,42*	*1,483,81*	*1,280,66*	*158,56*	*149,81*	*164,51*
(b) From other Indian financial institutions	482,20	371,22	410,92	289,49	303,07	367,25
(c) From foreign institutional agencies	–	46,53	12,40	3,79	–	1,09
(d) From government and semi-government bodies	144,88	188,30	183,17	16,18	30,24	27,95
(e) From companies	36,17	68,49	90,83	3,25	13,31	4,53
(f) From others	267,14	639,03	537,61	66,74	69,89	100,95
9. Deferred payments	47,11	36,39	33,83	2,86	5,84	3,02
10. Public deposits	265,04	277,10	212,44	18,44	24,40	17,66
Of total borrowings, debt	*2,147,93*	*2,658,51*	*3,326,89*	*452,77*	*544,07*	*582,37*
D. Trade dues and other current liabilities	**3,657,65**	**3,827,09**	**3,936,10**	**791,32**	**828,69**	**813,10**
11. Sundry creditors	2,237,59	2,312,06	2,424,63	573,17	623,07	639,28
12. Acceptances	90,09	74,02	89,04	14,09	13,83	13,87
13. Liabilities to companies	2,65	2,76	15,50	5,24	23	47
14. Advances/ deposits from customers, agents, etc.	1,143,11	1,170,67	978,68	155,60	136,94	89,15
15. Interest accrued on loans	94,16	98,98	124,36	4,03	5,89	8,59
16. Others	90,06	168,61	303,88	39,19	48,73	61,74
E. Provisions	**443,41**	**453,38**	**456,57**	**68,19**	**64,62**	**64,19**
17. Taxation (net of advance of income-tax)	75,81	67,02	70,11	8,38	–	–
18. Dividends	231,20	232,47	229,03	46,13	48,83	48,12
19. Other current provisions	97,57	135,80	114,78	10,17	12,60	15,82
20. Non-current provisions	38,83	18,08	42,66	3,50	3,18	24
F. 21. Miscellaneous non-current liabilities	**–**	**–**	**–**	**–**	**–**	**–**
22. TOTAL	**14,062,45**	**15,117,96**	**16,025,60**	**2,930,04**	**3,197,08**	**3,257,59**

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ASSETS	Germany (43)			Switzerland (27)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
G. Gross fixed assets	**9,742,66**	**10,392,00**	**10,869,56**	**1,561,58**	**1,791,50**	**1,907,85**
23. Land	205,75	216,76	238,37	28,23	32,95	31,38
24. Buildings	1,242,62	1,456,69	1,591,04	155,61	179,95	226,63
25. Plant and machinery	5,904,52	7,163,05	7,663,05	1,056,66	1,307,58	1,378,86
26. Capital work-in-progress	1,416,97	701,94	415,93	214,35	148,19	107,97
27. Furniture, fixtures and office equipments	378,24	390,78	446,54	60,15	59,37	83,17
28. Others	594,56	462,77	514,64	46,59	63,45	79,85
H. 29. Depreciation	**3,118,84**	**3,571,94**	**4,021,36**	**465,50**	**545,20**	**626,50**
I. 30. Net fixed assets	**6,623,81**	**6,820,06**	**6,848,20**	**1,096,08**	**1,246,30**	**1,281,35**
J. Inventories	**2,658,41**	**3,113,80**	**3,259,21**	**485,40**	**559,72**	**549,28**
31. Raw materials, components, etc.	551,95	513,80	500,46	143,09	151,69	147,15
32. Finished goods	583,69	523,58	669,83	146,94	189,03	186,51
33. Work-in-progress	446,96	601,25	458,37	137,00	157,98	154,24
34. Stores and spares	318,46	362,72	316,03	43,88	40,84	41,50
35. Others	757,36	1,112,46	1,314,52	14,49	20,18	19,89
K. Loans and advances and other debtor balances	**3,721,18**	**3,970,33**	**4,266,59**	**1,138,55**	**1,118,32**	**1,122,16**
36. Sundry debtors	2,188,41	2,257,12	2,629,84	782,62	842,83	834,20
37. Loans and advances	1,217,94	1,474,91	1,460,23	251,79	213,57	221,01
a) To subsidiaries and companies under the same management	7,15	8,34	95,12	36,85	1,14	1
b) Others	1,210,79	1,466,57	1,365,11	214,94	212,42	221,00
38. Interest accrued on loans and advances	1,62	5,39	2,33	1,48	4,55	3,55
39. Deposits/ balances with government/ others	156,73	202,45	137,50	94,25	49,12	52,58
40. Others	156,48	30,47	36,69	8,40	8,25	10,82
L. Investments	**531,82**	**680,25**	**1,043,58**	**67,07**	**65,89**	**94,10**
(Of which, quoted investments)	*50,90*	*113,12*	*72,20*	*12,70*	*10,03*	*18,92*
41. Foreign	35	35	17,91	1,36	1,49	1,36
42. Indian	531,47	679,91	1,025,68	65,70	64,40	92,73
a) Government/ semi-government securities	55,72	8,13	90	85	5	1,00
b) Securities of Financial Institutions	131,96	214,25	199,47	18,99	12,54	35,55
c) Industrial securities	237,52	229,12	344,24	42,26	45,36	48,42
d) Shares and debentures of subsidiaries	103,48	225,43	478,34	3,45	6,09	7,45
e) Others	2,79	2,98	2,73	15	36	31
M. 43. Advance of income-tax (net of tax provision)	**–**	**–**	**–**	**–**	**12,02**	**15,45**
N. Other assets	**27,58**	**88,77**	**107,50**	**14,24**	**24,51**	**24,10**
44. Immovable property	–	–	–	–	–	–
45. Intangible assets	27,44	88,77	107,50	14,24	24,51	24,10
46. Miscellaneous non-current assets	15	–	–	–	–	–
O. Cash and bank balances	**499,64**	**444,74**	**500,52**	**128,71**	**170,32**	**171,15**
47. Fixed deposits with banks	139,04	75,38	96,22	57,85	83,17	55,14
48. Other bank balances	340,08	322,94	322,33	57,36	68,56	81,96
49. Cash in hand	20,52	46,42	81,97	13,50	18,60	34,05
50. TOTAL	**14,062,45**	**15,117,96**	**16,025,60**	**2,930,04**	**3,197,08**	**3,257,59**

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

CAPITAL AND LIABILITIES	Japan (24)			Sweden (9)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
A. Share capital	**161,47**	**190,53**	**197,21**	**104,08**	**104,96**	**107,41**
1. Paid-up capital	161,47	190,53	197,21	104,08	104,96	107,41
(a) Ordinary	161,47	186,13	186,19	104,08	104,96	107,41
Of which, bonus	*27,39*	*56,40*	*56,40*	*40,70*	*40,70*	*40,70*
(b) Preference	–	4,40	11,02	–	–	–
2. Forfeited shares	–	–	–	–	–	–
B. Reserves and surplus	**831,00**	**1,003,98**	**1,263,56**	**310,71**	**284,76**	**316,92**
3. Capital reserve	180,14	179,31	171,87	38,89	38,91	54,50
Of which, premium on shares	*155,75*	*155,77*	*155,77*	*35,25*	*35,28*	*50,87*
4. Investment allowance reserve	4,05	3,48	6,02	9,05	9,05	3,79
5. Sinking funds	15,09	13,78	9,13	30,47	30,89	35,63
6. Other reserves	631,72	807,41	1,076,54	232,31	205,91	223,00
C. Borrowings	**543,35**	**504,29**	**489,41**	**355,82**	**408,22**	**372,07**
7. Debentures @	29,53	34,98	19,68	60,08	112,63	115,00
8. Loans and advances	459,06	415,60	414,85	245,36	248,66	219,73
(a) From banks	320,20	259,12	188,23	96,13	97,13	111,25
Of which, short-term borrowings	*233,92*	*134,61*	*142,22*	*88,78*	*87,31*	*78,11*
(b) From other Indian financial institutions	71,50	42,56	34,33	48,65	35,74	25,44
(c) From foreign institutional agencies	6,44	11,67	47,43	66,47	58,77	29,75
(d) From government and semi-government bodies	27,11	61,41	88,86	2,83	3,78	4,35
(e) From companies	14,25	–	15,00	2,50	3,00	–
(f) From others	19,56	40,84	41,00	28,79	50,24	48,94
9. Deferred payments	47	2,82	8,11	4,48	2,98	–
10. Public deposits	54,29	50,89	46,77	45,90	43,95	37,34
Of total borrowings, debt	*275,63*	*328,84*	*291,18*	*235,75*	*267,67*	*245,01*
D. Trade dues and other current liabilities	**663,93**	**991,65**	**1,014,06**	**185,03**	**176,90**	**205,33**
11. Sundry creditors	319,49	388,40	498,62	80,86	79,82	92,82
12. Acceptances	69,00	90,37	33,51	15,35	16,18	18,11
13. Liabilities to companies	5,08	19,70	15,64	–	–	2,10
14. Advances/ deposits from customers, agents, etc.	157,88	343,57	223,71	17,35	14,74	14,25
15. Interest accrued on loans	13,14	13,30	34,37	11,28	11,66	8,56
16. Others	99,35	136,31	208,21	60,18	54,51	69,49
E. Provisions	**45,55**	**89,23**	**40,66**	**17,38**	**19,06**	**13,72**
17. Taxation (net of advance of income-tax)	1,86	40	–	–	–	–
18. Dividends	36,48	60,26	26,54	12,28	12,11	8,88
19. Other current provisions	6,01	26,94	9,87	5,07	6,92	3,98
20. Non-current provisions	1,20	1,63	4,25	3	3	86
F. 21. Miscellaneous non-current liabilities	**–**	**–**	**–**	**–**	**–**	**–**
22. TOTAL	**2,245,31**	**2,779,68**	**3,004,91**	**973,03**	**993,90**	**1,015,45**

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ASSETS	Japan (24)			Sweden (9)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
G. Gross fixed assets	**1,343,24**	**1,555,25**	**1,722,28**	**739,15**	**819,96**	**885,50**
23. Land	31,74	39,25	41,39	7,25	7,28	15,01
24. Buildings	204,21	253,76	272,05	57,39	66,35	68,47
25. Plant and machinery	923,12	1,086,21	1,248,52	597,16	668,43	728,00
26. Capital work-in-progress	76,07	49,58	22,67	54,76	52,88	44,47
27. Furniture, fixtures and office equipments	56,74	76,68	99,36	17,25	19,30	23,42
28. Others	51,37	49,77	38,30	5,34	5,72	6,14
H. 29. Depreciation	**501,29**	**584,50**	**677,50**	**364,87**	**422,07**	**469,75**
I. 30. Net fixed assets	**841,95**	**970,75**	**1,044,78**	**374,28**	**397,89**	**415,74**
J. Inventories	**533,63**	**763,42**	**716,04**	**200,54**	**196,21**	**208,26**
31. Raw materials, components, etc.	201,95	215,21	248,80	46,21	50,63	56,07
32. Finished goods	110,83	134,21	150,29	87,96	80,74	79,98
33. Work-in-progress	147,41	329,27	224,35	35,26	32,27	40,64
34. Stores and spares	47,80	52,68	72,54	26,80	26,51	23,03
35. Others	25,64	32,05	20,07	4,31	6,07	8,53
K. Loans and advances and other debtor balances	**621,50**	**693,09**	**754,71**	**289,88**	**283,57**	**301,51**
36. Sundry debtors	364,36	398,14	468,27	232,19	220,44	241,01
37. Loans and advances	162,23	187,03	186,33	45,70	50,21	44,82
a) To subsidiaries and companies under the same management	14,91	6,87	5,35	–	21	22
b) Others	147,33	180,16	180,98	45,70	50,00	44,60
38. Interest accrued on loans and advances	1,00	2,98	2,52	1,21	1,11	93
39. Deposits/ balances with government/ others	46,60	57,51	49,18	10,50	5,58	7,32
40. Others	47,30	47,43	48,40	27	6,23	7,42
L. Investments	**118,24**	**167,38**	**305,57**	**12,16**	**13,67**	**16,29**
(Of which, quoted investments)	*6,92*	*13,41*	*9,33*	*2,11*	*14*	*4,24*
41. Foreign	–	–	–	–	–	–
42. Indian	118,24	167,38	305,57	12,16	13,67	16,29
a) Government/ semi-government securities	2,49	2,49	2,48	28	27	28
b) Securities of Financial Institutions	50,81	63,43	222,90	8,37	7,14	7,47
c) Industrial securities	54,70	51,01	69,86	2,17	4,91	8,50
d) Shares and debentures of subsidiaries	9,71	11,77	8,54	1,30	1,30	–
e) Others	52	38,67	1,78	4	4	4
M. 43. Advance of income-tax (net of tax provision)	**–**	**–**	**6,73**	**9,83**	**11,35**	**6,48**
N. Other assets	**16,11**	**27,12**	**34,00**	**7,59**	**7,99**	**5,50**
44. Immovable property	–	43	–	–	–	–
45. Intangible assets	16,11	26,69	34,00	7,59	7,99	5,50
46. Miscellaneous non-current assets	–	–	–	–	–	–
O. Cash and bank balances	**113,88**	**157,92**	**143,08**	**78,74**	**83,21**	**61,68**
47. Fixed deposits with banks	26,90	63,69	30,61	8,20	7,39	25,96
48. Other bank balances	63,24	63,59	83,26	39,13	45,41	31,21
49. Cash in hand	23,74	30,64	29,21	31,40	30,41	4,51
50. TOTAL	**2,245,31**	**2,779,68**	**3,004,91**	**973,03**	**993,90**	**1,015,45**

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

CAPITAL AND LIABILITIES	Netherlands (17)			Mauritius (11)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	20	21	22	23	24	25
A. Share capital	**212,28**	**229,71**	**269,80**	**475,22**	**477,65**	**479,66**
1. Paid-up capital	212,27	229,70	269,79	475,21	477,64	479,65
(a) Ordinary	210,61	218,79	225,67	444,84	446,46	446,97
Of which, bonus	*40,07*	*40,07*	*40,07*	*8,02*	*8,02*	*8,02*
(b) Preference	1,67	10,92	44,12	30,38	31,18	32,68
2. Forfeited shares	1	1	1	1	1	1
B. Reserves and surplus	**879,70**	**969,24**	**1,079,01**	**692,91**	**682,84**	**627,31**
3. Capital reserve	401,01	389,06	385,74	388,95	391,73	391,61
Of which, premium on shares	*158,51*	*162,16*	*174,26*	*309,74*	*314,99*	*319,47*
4. Investment allowance reserve	11,59	11,59	6,99	–	–	–
5. Sinking funds	18,68	25,23	36,68	33,32	43,28	57,44
6. Other reserves	448,41	543,36	649,60	270,64	247,83	178,25
C. Borrowings	**737,79**	**837,81**	**844,81**	**1,679,27**	**2,014,03**	**2,046,79**
7. Debentures @	82,52	119,92	122,55	284,00	341,61	355,11
8. Loans and advances	512,32	546,54	549,44	1,351,29	1,611,12	1,687,05
(a) From banks	239,85	241,30	256,70	321,90	400,26	326,38
Of which, short-term borrowings	*220,22*	*200,34*	*209,55*	*271,40*	*353,31*	*285,79*
(b) From other Indian financial institutions	188,26	225,74	202,03	852,88	1,061,32	1,262,34
(c) From foreign institutional agencies	–	–	–	103,60	87,16	82,34
(d) From government and semi-government bodies	3,06	4,29	5,83	20	20	20
(e) From companies	2,28	8,65	9,53	47,27	48,77	3,14
(f) From others	78,86	66,55	75,36	25,44	13,40	12,66
9. Deferred payments	7,40	7,84	2,30	42,03	52,24	4,63
10. Public deposits	135,56	163,52	170,52	1,95	9,07	–
Of total borrowings, debt	*441,50*	*567,27*	*550,38*	*1,335,15*	*1,598,54*	*1,745,19*
D. Trade dues and other current liabilities	**1,049,18**	**990,85**	**1,055,45**	**368,39**	**550,81**	**767,05**
11. Sundry creditors	832,66	829,60	852,96	173,99	196,24	198,12
12. Acceptances	42,79	21,36	49,05	27,88	39,04	38,49
13. Liabilities to companies	14,54	15,25	14,69	7	–	–
14. Advances/ deposits from customers, agents, etc.	43,12	19,26	29,30	12,18	9,41	18,00
15. Interest accrued on loans	9,92	10,68	13,11	50,96	73,38	232,82
16. Others	106,15	94,70	96,33	103,32	232,76	279,63
E. Provisions	**79,57**	**104,80**	**96,02**	**14,91**	**12,99**	**21,41**
17. Taxation (net of advance of income-tax)	–	25,41	14,43	–	–	3,69
18. Dividends	29,97	36,02	48,09	11,28	8,57	7,09
19. Other current provisions	18,03	42,01	7,45	3,63	4,43	7,82
20. Non-current provisions	31,58	1,36	26,06	–	–	2,81
F. 21. Miscellaneous non-current liabilities	**–**	**–**	**–**	**–**	**–**	**–**
22. TOTAL	**2,958,53**	**3,132,42**	**3,345,09**	**3,230,71**	**3,738,33**	**3,942,21**

STATEMENT 13 : COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - COUNTRY-WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Rs. lakh)

ASSETS	Netherlands (17)			Mauritius (11)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	20	21	22	23	24	25
G. Gross fixed assets	**1,548,97**	**1,677,56**	**1,719,92**	**2,600,56**	**3,136,03**	**3,606,64**
23. Land	152,42	153,76	153,90	47,31	47,78	48,70
24. Buildings	221,21	242,65	242,82	227,67	242,09	238,16
25. Plant and machinery	1,007,18	1,107,22	1,074,47	1,275,17	1,350,79	1,356,56
26. Capital work-in-progress	54,50	49,38	118,84	995,25	1,436,42	1,894,69
27. Furniture, fixtures and office equipments	82,99	92,69	97,01	42,71	46,42	49,00
28. Others	30,68	31,86	32,89	12,45	12,52	19,53
H. 29. Depreciation	**514,41**	**599,63**	**579,41**	**258,44**	**350,79**	**438,45**
I. 30. Net fixed assets	**1,034,56**	**1,077,93**	**1,140,51**	**2,342,12**	**2,785,24**	**3,168,19**
J. Inventories	**577,37**	**627,90**	**606,99**	**375,92**	**384,60**	**258,87**
31. Raw materials, components, etc.	165,01	171,82	146,60	215,92	226,32	103,01
32. Finished goods	300,81	353,45	360,36	89,41	92,33	97,84
33. Work-in-progress	48,39	41,61	34,68	17,86	16,92	10,78
34. Stores and spares	41,89	38,95	41,08	35,08	40,36	38,98
35. Others	21,27	22,06	24,28	17,66	8,68	8,27
K. Loans and advances and other debtor balances	**1,086,28**	**1,108,11**	**1,214,51**	**336,17**	**388,61**	**347,93**
36. Sundry debtors	792,93	754,16	847,02	209,66	252,83	212,17
37. Loans and advances	226,77	266,76	280,60	106,37	113,07	92,02
a) To subsidiaries and companies under the same management	7,03	1,74	7,43	16,67	16,60	10
b) Others	219,74	265,02	273,17	89,70	96,48	91,92
38. Interest accrued on loans and advances	1,70	1,65	1,70	1,30	2,40	1,11
39. Deposits/ balances with government/ others	47,24	67,10	51,00	13,40	13,12	15,77
40. Others	17,63	18,44	34,18	5,44	7,18	26,86
L. Investments	**73,15**	**92,61**	**134,81**	**86,39**	**91,10**	**68,69**
(Of which, quoted investments)	*20,74*	*11,90*	*13,15*	*10,54*	*10,54*	*9,97*
41. Foreign	1,13	1,17	1,08	12	–	9,47
42. Indian	72,02	91,44	133,72	86,27	91,10	59,22
a) Government/ semi-government securities	8	7	38	6,66	5,42	1
b) Securities of Financial Institutions	9,91	11,63	47,60	22,17	26,42	9,37
c) Industrial securities	50,39	54,32	50,48	38,53	36,43	12,46
d) Shares and debentures of subsidiaries	11,34	25,34	31,43	18,57	22,49	37,08
e) Others	30	8	3,83	34	34	30
M. 43. Advance of income-tax (net of tax provision)	**5,11**	**–**	**–**	**1,79**	**98**	**–**
N. Other assets	**6,11**	**6,66**	**12,08**	**24,53**	**18,91**	**17,78**
44. Immovable property	–	–	–	–	–	1,60
45. Intangible assets	6,11	5,20	12,08	24,53	18,91	16,18
46. Miscellaneous non-current assets	–	1,47	–	–	–	–
O. Cash and bank balances	**175,95**	**219,20**	**236,18**	**63,79**	**68,88**	**80,77**
47. Fixed deposits with banks	68,23	80,58	94,24	38,37	35,68	22,07
48. Other bank balances	72,19	98,11	61,33	21,40	29,76	55,64
49. Cash in hand	35,53	40,51	80,62	4,02	3,45	3,06
50. TOTAL	**2,958,53**	**3,132,42**	**3,345,09**	**3,230,71**	**3,738,33**	**3,942,21**

STATEMENT 14: COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000

(Rs. lakh)

	CAPITAL AND LIABILITIES	Engineering (139)			Chemicals (57)		
		1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
	1	2	3	4	5	6	7
A.	**Share capital**	**1,735,33**	**1,958,02**	**2,038,52**	**878,45**	**920,46**	**926,92**
	1. Paid-up capital	1,735,32	1,958,01	2,038,51	878,44	920,20	926,66
	(a) Ordinary	1,656,64	1,747,90	1,799,52	864,69	903,17	914,13
	Of which, bonus	*483,07*	*512,32*	*527,00*	*392,60*	*429,34*	*437,66*
	(b) Preference	78,68	210,11	238,99	13,75	17,03	12,53
	2. Forfeited shares	1	1	1	1	26	26
B.	**Reserves and surplus**	**7,314,85**	**7,840,64**	**8,891,97**	**4,120,75**	**4,424,01**	**4,702,87**
	3. Capital reserve	2,734,25	2,771,01	3,064,36	1,245,25	1,151,64	1,173,89
	Of which, premium on shares	*2,327,67*	*2,380,64*	*2,704,56*	*767,98*	*753,29*	*797,25*
	4. Investment allowance reserve	59,31	56,28	38,56	27,93	27,78	24,45
	5. Sinking funds	368,79	472,32	418,28	135,06	151,01	172,42
	6. Other reserves	4,152,50	4,541,03	5,370,78	2,712,50	3,093,58	3,332,10
C.	**Borrowings**	**7,794,37**	**7,651,57**	**7,444,55**	**3,086,37**	**3,210,71**	**3,030,62**
	7. Debentures@	1,581,68	2,071,15	1,889,87	469,06	553,57	464,17
	8. Loans and advances	5,766,84	5,095,47	5,137,36	2,269,32	2,280,56	2,278,53
	(a) From banks	2,735,40	2,208,97	2,273,81	1,263,10	994,36	1,013,61
	Of which, short-term borrowings	*2,061,37*	*1,590,85*	*1,794,13*	*999,93*	*795,87*	*828,93*
	(b) From other Indian financial institutions	1,670,02	1,641,15	1,593,57	474,43	463,51	410,54
	(c) From foreign institutional agencies	156,55	200,59	153,06	50,51	154,31	206,26
	(d) From government and semi-government bodies	138,17	189,15	247,34	13,22	39,21	55,28
	(e) From companies	165,52	71,00	112,59	54,18	70,05	107,70
	(f) From others	901,18	784,62	756,98	413,88	559,11	485,14
	9. Deferred payments	39,54	29,50	20,74	92,18	92,67	42,14
	10. Public deposits	406,30	455,46	396,58	255,81	283,92	245,77
	Of total borrowings, debt	*4,667,56*	*5,205,73*	*4,788,11*	*1,814,98*	*1,800,01*	*1,608,85*
D.	**Trade dues and other current liabilities**	**6,508,89**	**6,684,57**	**6,967,33**	**2,093,08**	**2,271,78**	**2,775,95**
	11. Sundry creditors	4,555,08	4,679,75	4,744,33	1,568,48	1,675,92	1,865,78
	12. Acceptances	410,90	417,79	451,96	148,22	179,05	210,98
	13. Liabilities to companies	28,75	85,51	46,31	1,04	2,76	5,46
	14. Advances/ deposits from customers, agents, etc.	684,62	544,33	545,61	127,13	105,82	90,59
	15. Interest accrued on loans	237,38	239,24	306,71	50,06	52,76	74,77
	16. Others	592,15	717,94	872,41	198,14	255,47	528,36
E.	**Provisions**	**601,01**	**668,38**	**686,19**	**337,88**	**416,22**	**455,71**
	17. Taxation (net of advance of income-tax)	–	–	–	55,82	72,64	68,19
	18. Dividend	305,03	286,73	315,83	218,71	269,57	217,51
	19. Other current provisions	200,73	349,56	296,37	60,88	65,41	68,71
	20. Non-current provisions	95,25	32,09	74,00	2,47	8,60	101,30
F.	**21. Miscellaneous non-current liabilities**	**2**	**–**	**–**	**–**	**–**	**–**
	22. TOTAL	**23,954,46**	**24,803,17**	**26,028,56**	**10,516,52**	**11,243,18**	**11,892,06**

For footnotes, please refer to Statement 12.

STATEMENT 14: COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

		Engineering (139)			Chemicals (57)		
	ASSETS	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
	1	2	3	4	5	6	7
G.	**Gross fixed assets**	**13,821,29**	**15,094,01**	**16,203,31**	**6,724,71**	**7,242,21**	**7,463,58**
	23. Land	247,50	281,93	301,30	136,78	104,15	103,61
	24. Buildings	1,772,24	1,962,64	2,085,02	924,26	1,056,06	1,123,18
	25. Plant and machinery	10,087,26	11,153,57	11,968,93	4,469,18	5,240,31	5,456,94
	26. Capital work-in-progress	764,44	707,73	752,42	777,73	318,22	211,32
	27. Furniture, fixtures and office equipments	537,64	554,33	661,44	286,38	376,72	410,27
	28. Others	412,21	433,80	434,20	130,39	146,75	158,26
H.	**29. Depreciation**	**5,190,72**	**6,054,87**	**6,853,91**	**2,187,20**	**2,481,92**	**2,790,37**
I.	**30. Net fixed assets**	**8,630,57**	**9,039,14**	**9,349,40**	**4,537,51**	**4,760,29**	**4,673,21**
J.	**Inventories**	**4,655,48**	**4,441,25**	**4,655,23**	**2,077,89**	**2,019,07**	**2,186,49**
	31. Raw materials, components, etc.	1,709,80	1,681,39	1,698,55	552,16	561,75	596,10
	32. Finished goods	1,372,37	1,231,14	1,386,41	963,70	849,85	971,89
	33. Work-in-progress	931,40	874,61	902,48	235,00	238,07	250,10
	34. Stores and spares	396,57	386,11	414,65	226,08	226,46	227,98
	35. Others	245,34	268,00	253,14	100,94	142,95	140,41
K.	**Loans and advances and other debtor balances**	**8,060,74**	**8,111,35**	**8,300,15**	**2,925,23**	**3,216,55**	**3,495,11**
	36. Sundry debtors	5,702,12	5,750,45	5,880,04	1,718,38	1,949,25	2,161,61
	37. Loans and advances	1,904,25	1,896,42	1,956,75	761,11	797,54	789,71
	a) To subsidiaries and companies under the same management	48,03	35,15	51,49	89,32	75,52	65,73
	b) Others	1,856,22	1,861,27	1,905,26	671,79	722,02	723,98
	38. Interest accrued on loans and advances	17,66	24,29	25,72	7,41	6,51	10,20
	39. Deposits/ balances with government/ others	335,83	338,12	294,73	296,25	349,49	346,20
	40. Others	100,88	102,06	142,91	142,08	113,75	187,40
L.	**Investments**	**1,268,28**	**1,526,05**	**1,933,60**	**424,60**	**509,91**	**668,94**
	(Of which, quoted investments)	*232,90*	*526,04*	*455,17*	*53,47*	*128,76*	*212,44*
	41. Foreign	38,68	31,47	1,50	18	18	27,24
	42. Indian	1,229,60	1,494,58	1,932,11	424,42	509,73	641,70
	a) Government/ semi-government securities	1,45	192,82	218,76	14,52	44,48	31,04
	b) Securities of Financial Institutions	256,60	258,66	509,39	72,57	103,87	180,73
	c) Industrial securities	683,02	634,89	665,25	246,99	200,07	203,89
	d) Shares and debentures of subsidiaries	285,22	356,25	500,76	58,29	160,36	215,17
	e) Others	3,31	51,96	37,94	32,05	94	10,87
M.	**43. Advance of income-tax (net of tax provision)**	**10,98**	**46,55**	**34,97**	**–**	**–**	**–**
N.	**Other assets**	**320,79**	**412,04**	**546,89**	**168,49**	**251,27**	**275,29**
	44. Immovable property	4,11	3,54	–	–	28	2,36
	45. Intangible assets	316,09	406,45	546,89	168,49	251,00	272,86
	46. Miscellaneous non-current assets	59	2,05	–	–	–	7
O.	**Cash and bank balances**	**1,007,62**	**1,226,80**	**1,208,31**	**382,80**	**486,10**	**593,02**
	47. Fixed deposits with banks	393,30	383,18	368,92	115,50	177,39	228,65
	48. Other bank balances	393,60	516,33	496,61	222,59	278,15	320,63
	49. Cash in hand	220,72	327,29	342,78	44,71	30,57	43,75
	50. TOTAL	**23,954,46**	**24,803,17**	**26,028,56**	**10,516,52**	**11,243,18**	**11,892,06**

STATEMENT 14: COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

		Tea (9)			Trading (14)		
	CAPITAL AND LIABILITIES	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
	1	8	9	10	11	12	13
A.	**Share capital**	**71,48**	**71,48**	**71,48**	**256,56**	**256,58**	**256,58**
	1. Paid-up capital	71,48	71,48	71,48	256,56	256,58	256,58
	(a) Ordinary	71,48	71,48	71,48	256,56	256,58	256,58
	Of which, bonus	*32,12*	*32,12*	*32,12*	*7,98*	*7,98*	*7,98*
	(b) Preference	–	–	–	–	–	–
	2. Forfeited shares	–	–	–	–	–	–
B.	**Reserves and surplus**	**657,97**	**694,24**	**693,70**	**380,16**	**414,47**	**452,10**
	3. Capital reserve	438,62	431,31	424,05	242,56	241,09	239,34
	Of which, premium on shares	*58,12*	*58,12*	*58,13*	*240,15*	*238,49*	*236,74*
	4. Investment allowance reserve	93	68	47	–	–	–
	5. Sinking funds	–	–	–	36,48	44,76	54,44
	6. Other reserves	218,42	262,24	269,17	101,12	128,62	158,32
C.	**Borrowings**	**106,72**	**116,95**	**131,82**	**1,023,57**	**1,284,15**	**1,430,86**
	7. Debentures@	10,00	–	–	287,32	327,81	339,00
	8. Loans and advances	94,20	112,24	124,21	729,73	945,82	1,085,10
	(a) From banks	73,82	65,96	71,74	70,10	55,06	72,59
	Of which, short-term borrowings	*58,26*	*31,96*	*44,20*	*61,51*	*47,92*	*70,49*
	(b) From other Indian financial institutions	15,70	31,41	34,95	551,64	764,00	992,12
	(c) From foreign institutional agencies	–	–	–	53,09	68,55	–
	(d) From government and semi-government bodies	44	37	21	32	–	1,41
	(e) From companies	–	–	5,00	47,06	48,95	5,76
	(f) From others	4,24	14,50	12,31	7,54	9,25	13,23
	9. Deferred payments	–	1	9	1,02	1,74	1,23
	10. Public deposits	2,51	4,70	7,53	5,49	8,78	5,53
	Of total borrowings, debt	*44,22*	*70,50*	*70,32*	*907,47*	*1,178,02*	*1,341,39*
D.	**Trade dues and other current liabilities**	**106,75**	**117,10**	**120,80**	**303,89**	**415,85**	**596,55**
	11. Sundry creditors	95,13	105,47	79,72	150,70	96,39	186,71
	12. Acceptances	10	–	–	–	10	–
	13. Liabilities to companies	8	11	13	2,30	5,71	6,47
	14. Advances/ deposits from customers, agents, etc.	2,33	6,69	2,24	27,59	21,51	44,08
	15. Interest accrued on loans	2,26	1,88	1,87	37,26	29,21	154,35
	16. Others	6,85	2,96	36,84	86,03	262,92	204,94
E.	**Provisions**	**56,24**	**62,21**	**49,64**	**5,77**	**10,31**	**16,26**
	17. Taxation (net of advance of income-tax)	34,52	37,19	26,48	–	35	7
	18. Dividend	21,14	24,34	21,22	1,97	2,17	6,53
	19. Other current provisions	55	66	1,03	2,07	6,28	6,75
	20. Non-current provisions	3	3	91	1,74	1,51	2,90
F.	**21. Miscellaneous non-current liabilities**	**–**	**–**	**–**	**–**	**–**	**–**
	22. TOTAL	**999,17**	**1,061,98**	**1,067,44**	**1,969,95**	**2,381,36**	**2,752,35**

STATEMENT 14: COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

		Tea (9)			Trading (14)		
	ASSETS	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
	1	8	9	10	11	12	13
G.	**Gross fixed assets**	**752,85**	**781,98**	**808,94**	**1,522,50**	**1,961,16**	**2,362,65**
	23. Land	183,09	299,20	300,56	13,20	13,31	15,04
	24. Buildings	192,81	202,10	213,51	116,13	121,04	127,04
	25. Plant and machinery	177,10	186,20	197,89	471,88	479,06	476,24
	26. Capital work-in-progress	4,38	8,21	6,24	876,73	1,295,99	1,681,73
	27. Furniture, fixtures and office equipments	8,57	9,37	12,36	30,06	34,02	36,22
	28. Others	186,90	76,90	78,39	14,49	17,73	26,37
H.	**29. Depreciation**	**180,84**	**205,56**	**231,24**	**59,37**	**92,88**	**129,04**
I.	**30. Net fixed assets**	**572,01**	**576,42**	**577,70**	**1,463,13**	**1,868,28**	**2,233,61**
J.	**Inventories**	**78,42**	**91,23**	**88,12**	**158,75**	**109,30**	**112,19**
	31. Raw materials, components, etc.	5,86	9,26	6,37	41,04	28,89	25,80
	32. Finished goods	43,80	48,64	50,12	77,10	52,60	42,53
	33. Work-in-progress	5	15	75	13,28	6,19	7,95
	34. Stores and spares	24,20	26,97	23,95	9,82	12,64	15,80
	35. Others	4,51	6,21	6,93	17,51	8,98	20,11
K.	**Loans and advances and other debtor balances**	**192,04**	**249,33**	**256,46**	**259,25**	**283,31**	**285,23**
	36. Sundry debtors	54,47	58,57	57,60	199,64	220,33	191,19
	37. Loans and advances	102,28	136,33	153,38	44,32	46,68	51,53
	a) To subsidiaries and companies under the same management	27,80	61,32	64,24	1,55	2,41	58
	b) Others	74,48	75,01	89,14	42,77	44,27	50,95
	38. Interest accrued on loans and advances	3,37	4,30	2,98	1	10	42
	39. Deposits/ balances with government/ others	30,86	47,86	42,03	14,68	15,74	21,22
	40. Others	1,06	2,27	47	60	46	20,87
L.	**Investments**	**93,80**	**86,18**	**89,11**	**9,34**	**8,69**	**14,90**
	(Of which, quoted investments)	*15,81*	*3,82*	*9,24*	*7*	*13*	*28*
	41. Foreign	–	–	–	1,13	1,17	1,48
	42. Indian	93,80	86,18	89,11	8,21	7,52	13,42
	a) Government/ semi-government securities	1	1	1	–	53	–
	b) Securities of Financial Institutions	7,43	4,94	20,08	37	10	6,24
	c) Industrial securities	64,08	58,80	48,94	4,68	6,28	1,82
	d) Shares and debentures of subsidiaries	20,62	20,75	18,46	3,06	51	2,74
	e) Others	1,66	1,68	1,62	10	10	2,62
M.	**43. Advance of income-tax (net of tax provision)**	**–**	**–**	**–**	**1,08**	**–**	**–**
N.	**Other assets**	**60**	**20**	**44**	**14,26**	**12,40**	**10,59**
	44. Immovable property	–	–	–	–	–	–
	45. Intangible assets	60	20	44	14,26	12,40	10,59
	46. Miscellaneous non-current assets	–	–	–	–	–	–
O.	**Cash and bank balances**	**62,29**	**58,62**	**55,62**	**64,12**	**99,37**	**95,83**
	47. Fixed deposits with banks	18,92	25,37	32,23	26,49	59,29	61,85
	48. Other bank balances	40,38	26,16	20,52	28,66	31,60	25,19
	49. Cash in hand	2,99	7,08	2,87	8,97	8,48	8,79
	50. TOTAL	**999,17**	**1,061,98**	**1,067,44**	**1,969,95**	**2,381,36**	**2,752,35**

STATEMENT 14: COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

	All Textiles (9)			Rubber and Rubber Products (4)		
CAPITAL AND LIABILITIES	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
A. Share capital	**99,20**	**116,20**	**121,20**	**32,15**	**32,15**	**32,15**
1. Paid-up capital	99,20	116,20	121,20	32,15	32,15	32,15
(a) Ordinary	99,20	99,20	99,20	32,15	32,15	32,15
Of which, bonus	*19,96*	*19,96*	*19,96*	*16,59*	*16,59*	*16,59*
(b) Preference	–	17,00	22,00	–	–	–
2. Forfeited shares	–	–	–	–	–	–
B. Reserves and surplus	**412,85**	**425,31**	**464,58**	**260,96**	**275,69**	**292,56**
3. Capital reserve	163,65	166,63	170,74	128,78	123,58	118,66
Of which, premium on shares	*142,86*	*142,81*	*142,55*	*63,39*	*63,39*	*63,39*
4. Investment allowance reserve	3,15	15	15	3,99	11	11
5. Sinking funds	26,16	34,34	45,02	1,33	1,67	2,00
6. Other reserves	219,89	224,20	248,67	126,85	150,33	171,78
C. Borrowings	**564,75**	**619,76**	**581,96**	**126,63**	**112,11**	**165,27**
7. Debentures@	43,40	73,57	73,04	4,00	4,00	3,00
8. Loans and advances	493,47	517,40	486,21	100,18	92,84	141,32
(a) From banks	146,70	184,29	219,53	66,24	61,32	100,56
Of which, short-term borrowings	*145,69*	*183,47*	*188,33*	*61,87*	*53,30*	*94,26*
(b) From other Indian financial institutions	333,42	312,90	242,52	31,77	29,15	30,08
(c) From foreign institutional agencies	–	–	–	–	–	–
(d) From government and semi-government bodies	12,31	12,73	15,71	–	–	–
(e) From companies	6	1,51	7,47	–	–	–
(f) From others	98	5,98	98	2,17	2,37	10,68
9. Deferred payments	12	52	2,35	–	–	–
10. Public deposits	27,76	28,28	20,37	22,45	15,27	20,95
Of total borrowings, debt	*418,03*	*428,81*	*385,18*	*62,59*	*56,43*	*60,33*
D. Trade dues and other current liabilities	**179,71**	**176,57**	**204,82**	**167,90**	**204,26**	**213,05**
11. Sundry creditors	98,91	92,87	97,02	132,36	170,38	137,19
12. Acceptances	3	–	–	12,09	8,30	39,47
13. Liabilities to companies	3,29	6	5	–	3	–
14. Advances/ deposits from customers, agents, etc.	44,64	44,80	54,77	15,39	17,66	25,04
15. Interest accrued on loans	8,61	10,55	11,40	3,13	2,69	3,48
16. Others	24,22	28,30	41,59	4,93	5,20	7,87
E. Provisions	**20,33**	**14,41**	**9,40**	**15,58**	**19,08**	**18,71**
17. Taxation (net of advance of income-tax)	4,55	1,97	2,27	–	–	–
18. Dividend	12,81	9,25	3,44	8,99	9,68	8,33
19. Other current provisions	2,91	2,49	3,44	6	3,84	6
20. Non-current provisions	6	71	24	6,53	5,56	10,32
F. 21. Miscellaneous non-current liabilities	**–**	**–**	**–**	**–**	**–**	**–**
22. TOTAL	**1,276,84**	**1,352,25**	**1,381,95**	**603,20**	**643,28**	**721,73**

STATEMENT 14: COMBINED BALANCE SHEET - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - INDUSTRY-WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Rs. lakh)

		All Textiles (9)			Rubber and Rubber Products (4)		
	ASSETS	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
	1	14	15	16	17	18	19
G.	**Gross fixed assets**	**986,19**	**1,093,41**	**1,102,41**	**341,84**	**379,04**	**425,83**
	23. Land	7,14	7,50	7,29	10,18	10,18	10,25
	24. Buildings	150,10	164,65	164,42	35,31	36,35	40,55
	25. Plant and machinery	766,12	868,87	878,63	267,51	280,34	346,75
	26. Capital work-in-progress	26,06	12,17	10,17	21,34	43,84	18,93
	27. Furniture, fixtures and office equipments	27,18	29,82	30,80	4,76	5,17	5,97
	28. Others	9,59	10,39	11,10	2,73	3,16	3,37
H.	**29. Depreciation**	**279,72**	**343,91**	**403,88**	**126,90**	**142,13**	**162,89**
I.	**30. Net fixed assets**	**706,48**	**749,50**	**698,53**	**214,94**	**236,90**	**262,94**
J.	**Inventories**	**211,55**	**194,75**	**214,56**	**114,96**	**134,87**	**132,25**
	31. Raw materials, components, etc.	93,57	87,83	88,96	31,57	36,29	33,96
	32. Finished goods	75,20	66,65	73,49	54,33	68,43	60,17
	33. Work-in-progress	28,28	25,42	31,42	8,21	7,23	12,13
	34. Stores and spares	14,47	14,83	20,60	20,85	22,92	25,99
	35. Others	4	2	9	–	–	–
K.	**Loans and advances and other debtor balances**	**254,44**	**296,60**	**306,76**	**235,07**	**236,35**	**290,72**
	36. Sundry debtors	146,60	189,56	190,24	177,45	187,69	223,57
	37. Loans and advances	82,10	77,21	95,71	49,25	42,12	57,28
	a) To subsidiaries and companies under the same management	12	10,43	1,03	1,34	44	7,22
	b) Others	81,98	66,78	94,68	47,91	41,67	50,06
	38. Interest accrued on loans and advances	46	51	40	11	–	3
	39. Deposits/ balances with government/ others	11,71	16,08	8,76	6,18	6,09	5,18
	40. Others	13,58	13,25	11,66	2,08	46	4,67
L.	**Investments**	**69,97**	**77,25**	**127,12**	**14,91**	**14,91**	**14,91**
	(Of which, quoted investments)	*13,28*	*28,86*	*16,77*	*2,15*	*2,15*	*2,15*
	41. Foreign	–	–	10	–	–	–
	42. Indian	69,97	77,25	127,01	14,91	14,91	14,91
	a) Government/ semi-government securities	1	1	3	–	–	–
	b) Securities of Financial Institutions	1,33	1,79	50,46	–	–	–
	c) Industrial securities	43,74	58,19	34,36	13,78	13,79	13,78
	d) Shares and debentures of subsidiaries	24,77	17,11	28,33	87	87	87
	e) Others	12	15	13,83	26	25	26
M.	**43. Advance of income-tax (net of tax provision)**	**–**	**–**	**–**	**3,56**	**3,22**	**4,20**
N.	**Other assets**	**5,28**	**14,13**	**16,59**	**1,32**	**1,18**	**88**
	44. Immovable property	2	2	1,60	–	–	–
	45. Intangible assets	5,26	14,10	14,99	1,32	1,18	88
	46. Miscellaneous non-current assets	–	–	–	–	–	–
O.	**Cash and bank balances**	**29,12**	**20,03**	**18,40**	**18,44**	**15,85**	**15,83**
	47. Fixed deposits with banks	88	75	2,05	1,02	2,14	30
	48. Other bank balances	24,85	17,21	14,22	16,67	12,95	14,55
	49. Cash in hand	3,40	2,07	2,13	74	76	97
	50. TOTAL	**1,276,84**	**1,352,25**	**1,381,95**	**603,20**	**643,28**	**721,73**

STATEMENT 15: SOURCES AND USES OF FUNDS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - 1998-99 AND 1999-2000

(Rs. lakh)

	All Companies (334)	
SOURCES OF FUNDS	1998-99	1999-2000
1	2	3
INTERNAL SOURCES	**4,252,81**	**3,950,09**
A. 1. Paid-up capital	**80,43**	**98,20**
B. Reserves and Surplus	**2,108,45**	**2,114,21**
2. Capital reserve	– 31,35	– 68,68
3. Investment allowance reserve	– 10,61	– 23,26
4. Sinking funds	293,46	– 71,45
5. Other reserves	1,856,95	2,277,60
C. Provisions	**2,063,92**	**1,737,68**
6. Depreciation	1,825,13	1,782,57
7. Taxation (net of advance of income tax)	– 9,56	– 56,67
8. Dividend	25,10	8,50
9. Other current provisions	197,44	– 78,91
10. Non-current provisions	25,80	82,19
EXTERNAL SOURCES	**2,079,51**	**1,987,03**
D. Paid-up capital	**364,49**	**968,80**
11. Net issues	259,09	271,07
12. Premium on shares	105,40	697,73
E. 13. Capital receipts	**1,02**	**19,31**
F. Borrowings	**873,54**	**– 337,00**
14. Debentures@	997,10	– 29,68
15. Loans and advances	– 241,37	– 127,46
(a) From banks	– 1,091,53	– 38,69
(b) From other Indian financial institutions	– 31,62	14,20
(c) From foreign institutional agencies	324,42	– 122,73
(d) From government and semi-government bodies	132,19	79,50
(e) From companies	– 22,62	85,32
(f) From others	447,79	– 145,06
16. Deferred payments	4,38	– 67,16
17. Public deposits	113,43	– 112,70
G. Trade dues and other current liabilities	**840,48**	**1,335,93**
18. Sundry creditors	104,25	1,195,44
19. Acceptances	51,10	84,17
20. Liabilities to companies	13,50	– 29,42
21. Advances/ deposits from customers, agents, etc.	211,73	– 700,19
22. Interest accrued on loans	– 4,95	255,08
23. Others	464,85	530,84
H. 24. Miscellaneous non-current liabilities	**– 2**	**–**
25. TOTAL	**6,332,32**	**5,937,11**

Note: This statement is derived from Statement 12. Figures have been adjusted for revaluation, etc., wherever necessary. Figure in bracket represents the number of companies.

@ Includes privately placed debentures.

– Nil or negligible.

STATEMENT 15: SOURCES AND USES OF FUNDS - SELECTED FOREIGN DIRECT INVESTMENT COMPANIES - 1998-99 AND 1999-2000 *(Concld.)*

(Rs. lakh)

USES OF FUNDS	All Companies (334)	
	1998-99	1999-2000
1	2	3
I. Gross fixed assets	**3,771,86**	**3,003,37**
26. Land	185,05	76,94
27. Buildings	664,34	525,47
28. Plant and machinery	3,575,43	1,914,20
29. Capital work-in-progress	– 679,51	196,18
30. Furniture, fixtures and office equipments	210,24	271,82
31. Others	– 183,68	18,76
J. Inventories	**450,54**	**359,25**
32. Raw materials, components, etc.	– 41,45	– 50,36
33. Finished goods	– 266,08	412,43
34. Work-in-progress	297,87	– 172,39
35. Stores and spares	48,57	5,28
36. Others	411,63	164,28
K. Loans and advances and other debtor balances	**1,029,14**	**1,354,45**
37. Sundry debtors	493,75	945,81
38. Loans and advances	409,09	304,97
a) To subsidiaries and companies under the same management	– 44,91	128,84
b) Others	454,00	176,13
39. Interest accrued on loans and advances	2,81	– 1,90
40. Deposits/ balances with government/ others	256,32	– 45,55
41. Others	– 132,83	151,12
L. 42. Investments	**868,14**	**976,50**
M. 43. Other assets	**171,68**	**205,30**
N. 44. Cash and bank balances	**40,95**	**28,44**
45. TOTAL	**6,332,32**	**5,927,31**

STATEMENT 16: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – 1997-98 TO 1999-2000

(Rs. lakh)

ITEM	All Companies (334)		
	1997-98	1998-99	1999-2000
1	2	3	4
RAW MATERIALS, STORES AND SPARES CONSUMED			
A. 1. Raw materials, components, etc. consumed	**28,002,75**	**28,790,67**	**31,224,56**
(a) Imported	4,864,01	5,764,78	5,466,60
(b) Indigeneous	23,138,74	23,025,90	25,757,95
B. 2. Stores and spares consumed	**2,492,63**	**3,004,33**	**2,957,57**
(a) Imported	116,72	185,39	266,12
(b) Indigeneous	2,375,92	2,818,94	2,691,45
EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES			
C. Earnings in foreign currencies (3+4)	**7,436,63**	**7,033,53**	**7,722,10**
3. Exports	5,370,12	5,610,10	6,119,39
4. Other than exports	2,066,51	1,423,43	1,602,71
Of which, (a) Interest	*23,46*	*25,71*	*22,96*
(b) Commission	*110,53*	*146,89*	*209,96*
D. Expenditure in foreign currencies (5+6)	**7,853,63**	**8,519,53**	**9,052,18**
5. Imports	6,565,72	6,893,34	6,875,96
(a) Raw materials, components, etc.	3,930,11	4,023,63	4,071,56
(b) Capital goods	1,099,18	789,06	767,50
(c) Stores and spares	1,184,30	1,600,94	1,286,29
(d) Others	352,13	479,71	750,62
6. Other than Imports	1,287,91	1,626,19	2,176,22
(a) Dividend	385,96	445,40	433,20
(b) Interest	87,29	131,95	109,68
(c) Travelling expenses	151,16	161,28	199,06
(d) Royalty	150,53	139,89	169,79
(e) Technical fees	47,34	85,75	57,32
(f) Professional and consultation fees	32,35	34,36	35,50
(g) Others	433,28	627,55	1,171,68
E. 7. Net inflow (+)/ outflow (–) of foreign currencies (C–D)	**– 417,00**	**– 1,486,00**	**– 1,330,08**

Note : This statement is prepared on the basis of information available in the notes to the accounts in the annual report of the companies, wherever available.
All the exports are on f.o.b. basis and all the imports are on c.i.f. basis.
Figure in bracket represents the number of companies.
– Nil or negligible.

STATEMENT 17: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000

(Rs. lakh)

ITEM	U.K. (73)			U.S.A. (81)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
RAW MATERIALS, STORES AND SPARES CONSUMED						
A. 1. Raw materials, components, etc. consumed	**7,142,06**	**7,517,64**	**8,426,57**	**6,857,25**	**6,609,95**	**6,978,14**
(a) Imported	952,38	1,134,48	1,116,99	1,291,46	1,352,99	1,062,30
(b) Indigeneous	6,189,69	6,383,16	7,309,58	5,565,79	5,256,95	5,915,84
B. 2. Stores and spares consumed	**643,66**	**663,50**	**637,81**	**368,05**	**433,95**	**478,13**
(a) Imported	52,99	39,10	61,38	17,77	66,51	125,13
(b) Indigeneous	590,67	624,40	576,43	350,28	367,44	353,00
EARNINGS/EXPENDITURE IN FOREIGN CURRENCIES						
C. Earnings in foreign currencies (3+4)	**2,492,69**	**2,251,59**	**2,328,98**	**1,397,41**	**1,515,49**	**1,802,45**
3. Exports	1,741,30	1,779,65	1,831,63	1,031,81	1,174,78	1,300,45
4. Other than exports	751,39	471,94	497,35	365,60	340,71	502,00
Of which, (a) Interest	*10,62*	*15,97*	*14,42*	*9,98*	*3,39*	*7,93*
(b) Commission	*40,94*	*35,16*	*7,51*	*6,04*	*15,68*	*11,15*
D. Expenditure in foreign currencies (5+6)	**1,614,31**	**1,845,99**	**2,396,19**	**1,677,98**	**1,770,88**	**1,776,28**
5. Imports	1,177,46	1,176,22	1,305,49	1,434,14	1,425,85	1,471,37
(a) Raw materials, components, etc.	785,50	908,34	933,27	960,41	889,24	925,10
(b) Capital goods	285,22	131,75	186,73	171,59	134,92	203,15
(c) Stores and spares	72,86	67,97	87,72	159,17	214,31	201,60
(d) Others	33,88	68,16	97,77	142,97	187,38	141,51
6. Other than Imports	436,84	669,77	1,090,70	243,84	345,03	304,91
(a) Dividend	160,72	216,89	205,74	84,22	91,14	100,21
(b) Interest	21,53	57,63	50,88	15,84	31,86	21,78
(c) Travelling expenses	48,66	57,16	77,05	26,43	16,80	25,51
(d) Royalty	27,64	31,08	37,08	34,77	31,29	39,05
(e) Technical fees	3,27	32,21	10,57	12,92	20,24	12,57
(f) Professional and consultation fees	11,24	4,15	16,10	12,37	15,32	9,34
(g) Others	163,78	270,65	693,27	57,28	138,37	96,46
E. 7. Net inflow (+)/ outflow (–) of foreign currencies (C–D)	**878,38**	**405,60**	**– 67,21**	**– 280,57**	**– 255,39**	**26,17**

For footnotes, please refer to Statement 16.

STATEMENT 17: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ITEM	Germany (43)			Switzerland (27)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
RAW MATERIALS, STORES AND SPARES CONSUMED						
A. 1. Raw materials, components, etc. consumed	**4,667,01**	**4,735,43**	**4,593,74**	**1,484,12**	**1,443,35**	**1,567,06**
(a) Imported	814,91	1,508,94	1,244,68	268,08	252,87	294,93
(b) Indigeneous	3,852,10	3,226,49	3,349,07	1,216,03	1,190,48	1,272,13
B. 2. Stores and spares consumed	**951,75**	**1,347,75**	**1,186,01**	**83,12**	**83,12**	**86,25**
(a) Imported	12,04	7,34	6,06	4,79	1,83	5,37
(b) Indigeneous	939,71	1,340,40	1,179,95	78,33	81,29	80,88
EARNINGS/EXPENDITURE IN FOREIGN CURRENCIES						
C. Earnings in foreign currencies (3+4)	**1,555,55**	**1,180,42**	**1,267,54**	**420,22**	**412,34**	**470,76**
3. Exports	1,053,89	979,95	1,033,78	279,70	287,45	375,06
4. Other than exports	501,66	200,47	233,75	140,52	124,88	95,71
Of which, (a) Interest	*2,79*	*6,15*	*24*	–	*6*	*8*
(b) Commission	*34,77*	*35,62*	*29,37*	*10,82*	*10,47*	*8,62*
D. Expenditure in foreign currencies (5+6)	**1,970,62**	**2,358,96**	**2,031,31**	**480,48**	**555,98**	**571,87**
5. Imports	1,637,84	2,041,06	1,585,66	427,50	498,76	507,94
(a) Raw materials, components, etc.	673,61	672,27	671,69	302,03	343,25	323,81
(b) Capital goods	208,68	195,96	141,48	65,97	59,56	28,28
(c) Stores and spares	690,75	1,077,42	659,36	18,26	20,73	19,49
(d) Others	64,80	95,42	113,12	41,25	75,22	136,36
6. Other than Imports	332,78	317,91	445,65	52,98	57,23	63,92
(a) Dividend	65,26	58,73	59,11	19,66	22,44	22,90
(b) Interest	11,75	11,29	7,89	1,77	2,97	1,72
(c) Travelling expenses	51,91	49,61	63,05	4,68	4,61	6,28
(d) Royalty	38,89	36,70	35,74	9,42	8,04	8,68
(e) Technical fees	4,41	8,57	9,48	2,92	4,22	4,53
(f) Professional and consultation fees	4,32	5,43	4,85	1,79	77	1,60
(g) Others	156,24	147,56	265,53	12,74	14,18	18,21
E. 7. Net inflow (+)/ outflow (–) of foreign currencies (C–D)	**– 415,06**	**– 1,178,54**	**– 763,77**	**– 60,27**	**– 143,65**	**– 101,10**

STATEMENT 17: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ITEM	Japan (24)			Sweden (9)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
RAW MATERIALS, STORES AND SPARES CONSUMED						
A. 1. Raw materials, components, etc. consumed	**1,908,31**	**2,275,65**	**2,853,91**	**345,44**	**366,88**	**393,93**
(a) Imported	465,43	538,11	675,39	77,65	85,99	95,37
(b) Indigeneous	1,442,88	1,737,54	2,178,52	267,78	280,89	298,57
B. 2. Stores and spares consumed	**166,79**	**173,96**	**256,26**	**55,94**	**57,51**	**57,34**
(a) Imported	5,98	9,19	8,79	11,39	9,05	11,12
(b) Indigeneous	160,81	164,77	247,46	44,55	48,46	46,22
EARNINGS/EXPENDITURE IN FOREIGN CURRENCIES						
C. Earnings in foreign currencies (3+4)	**340,24**	**290,91**	**259,48**	**69,97**	**71,43**	**63,22**
3. Exports	276,16	249,48	222,59	63,14	62,77	54,62
4. Other than exports	64,08	41,43	36,88	6,83	8,66	8,60
Of which, (a) Interest	*2*	*12*	*9*	–	*1*	*1*
(b) Commission	*19*	*4*	*23*	*6,67*	*8,51*	*8,55*
D. Expenditure in foreign currencies (5+6)	**489,42**	**609,12**	**687,62**	**160,13**	**176,23**	**152,39**
5. Imports	433,33	548,67	612,75	131,90	157,00	134,23
(a) Raw materials, components, etc.	277,76	301,68	293,89	47,42	61,05	65,71
(b) Capital goods	44,37	84,00	50,00	38,06	48,23	18,88
(c) Stores and spares	108,39	156,24	254,37	22,88	24,78	18,75
(d) Others	2,82	6,75	14,49	23,53	22,94	30,89
6. Other than Imports	56,09	60,45	74,88	28,23	19,23	18,16
(a) Dividend	7,84	10,42	13,77	10,64	6,12	4,77
(b) Interest	8,55	5,59	6,07	6,59	4,37	2,85
(c) Travelling expenses	4,65	4,31	4,20	73	84	80
(d) Royalty	26,15	17,89	35,31	1,43	4,36	5,20
(e) Technical fees	2,75	4,18	8,34	7,63	58	17
(f) Professional and consultation fees	1	2,90	–	28	5	15
(g) Others	6,14	15,17	7,19	94	2,90	4,23
E. 7. Net inflow (+)/ outflow (–) of foreign currencies (C–D)	**– 149,17**	**– 318,21**	**– 428,15**	**– 90,17**	**– 104,80**	**– 89,16**

STATEMENT 17: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – COUNTRY–WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Rs. lakh)

ITEM	Netherlands (17)			Mauritius (11)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	20	21	22	23	24	25
RAW MATERIALS, STORES AND SPARES CONSUMED						
A. 1. Raw materials, components, etc. consumed	**2,572,70**	**2,663,33**	**2,687,31**	**1,266,98**	**1,395,37**	**1,475,47**
(a) Imported	254,94	247,16	230,04	276,13	259,70	80,52
(b) Indigeneous	2,317,76	2,416,17	2,457,27	990,84	1,135,67	1,394,95
B. 2. Stores and spares consumed	**48,74**	**70,37**	**52,78**	**48,14**	**39,91**	**42,31**
(a) Imported	4,32	5,31	6,84	4,97	9,06	9,65
(b) Indigeneous	44,42	65,06	45,94	43,16	30,85	32,66
EARNINGS/EXPENDITURE IN FOREIGN CURRENCIES						
C. Earnings in foreign currencies (3+4)	**231,17**	**277,23**	**225,19**	**469,92**	**511,01**	**662,71**
3. Exports	205,76	227,65	157,90	324,19	376,58	557,03
4. Other than exports	25,41	49,57	67,29	145,73	134,43	105,68
Of which, (a) Interest	–	–	–	–	–	–
(b) Commission	*39*	*30,58*	*34,94*	–	–	*101,66*
D. Expenditure in foreign currencies (5+6)	**250,97**	**271,76**	**281,26**	**343,73**	**156,63**	**146,06**
5. Imports	219,15	223,48	245,58	300,96	110,80	94,45
(a) Raw materials, components, etc.	174,17	175,05	172,78	153,91	87,49	42,21
(b) Capital goods	32,58	30,04	51,34	132,37	14,47	41,95
(c) Stores and spares	12,40	18,40	21,40	14,33	8,84	8,82
(d) Others	–	–	6	35	–	1,47
6. Other than Imports	31,81	48,28	35,68	42,77	45,84	51,61
(a) Dividend	8,56	16,99	10,77	12,47	9,77	1,42
(b) Interest	5,85	2,05	1,90	4,38	7,06	4,88
(c) Travelling expenses	3,29	12,82	4,30	2,27	4,38	2,77
(d) Royalty	2,59	2,38	2,93	26	11	–
(e) Technical fees	45	4,15	3,46	11,70	10,53	7,15
(f) Professional and consultation fees	59	12	59	68	3	4
(g) Others	10,48	9,76	11,73	11,01	13,96	35,36
E. 7. Net inflow(+)/ outflow(–) of foreign currencies (C–D)	**– 19,80**	**5,47**	**– 56,08**	**126,19**	**354,38**	**516,65**

STATEMENT 18: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – INDUSTRY–WISE, 1997-98 TO 1999-2000

(Rs. lakh)

ITEM	Engineering (139)			Chemicals (57)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	2	3	4	5	6	7
RAW MATERIALS, STORES AND SPARES CONSUMED						
A. 1. Raw materials, components, etc. consumed	**13,600,70**	**13,311,22**	**15,220,39**	**5,697,71**	**5,847,11**	**6,847,16**
(a) Imported	2,409,57	2,511,75	2,330,61	1,226,61	1,022,51	1,547,78
(b) Indigeneous	11,191,12	10,799,47	12,889,78	4,471,10	4,824,60	5,299,38
B. 2. Stores and spares consumed	**725,85**	**710,02**	**839,15**	**423,31**	**458,66**	**466,11**
(a) Imported	58,19	53,08	72,01	7,86	40,94	35,44
(b) Indigeneous	667,66	656,94	767,14	415,45	417,72	430,67
EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES						
C. Earnings in foreign currencies (3+4)	**2,135,88**	**2,293,64**	**2,294,83**	**1,105,09**	**1,095,14**	**1,301,39**
3. Exports	1,845,74	2,021,18	1,963,24	996,73	997,35	1,206,36
4. Other than exports	290,14	272,46	331,59	108,37	97,80	95,03
Of which, (a) Interest	*10,10*	*11,41*	*10,29*	*1*	*27*	*19*
(b) Commission	*47,81*	*55,07*	*45,54*	*20,69*	*21,06*	*11,61*
D. Expenditure in foreign currencies (5+6)	**3,249,84**	**3,417,55**	**3,429,14**	**1,932,02**	**1,834,36**	**2,079,51**
5. Imports	2,815,97	2,933,02	2,957,59	1,710,47	1,595,34	1,785,99
(a) Raw materials, components, etc.	1,707,67	1,658,82	1,719,41	1,249,00	1,285,56	1,283,32
(b) Capital goods	413,30	439,71	390,81	294,49	77,08	34,66
(c) Stores and spares	581,52	671,55	688,45	20,86	17,20	21,49
(d) Others	113,48	162,94	158,91	146,12	215,50	446,52
6. Other than Imports	433,87	484,53	471,55	221,55	239,02	293,52
(a) Dividend	123,79	114,27	112,92	101,04	106,75	120,66
(b) Interest	54,85	56,50	44,45	19,89	19,89	20,54
(c) Travelling expenses	62,11	67,35	70,86	15,36	21,60	24,63
(d) Royalty	75,77	59,00	85,10	32,64	36,32	37,46
(e) Technical fees	21,76	56,99	25,95	1,61	9,02	16,24
(f) Professional and consultation fees	15,41	21,50	13,71	4,07	4,34	3,35
(g) Others	80,19	108,92	118,58	46,96	41,10	70,65
E. 7. Net inflow (+)/ outflow (–) of foreign currencies (C–D)	**– 1,113,96**	**– 1,123,91**	**– 1,134,31**	**– 826,92**	**– 739,22**	**– 778,12**

For footnotes, please refer to Statement 16.

STATEMENT 18: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – INDUSTRY–WISE, 1997-98 TO 1999-2000 *(Contd.)*

(Rs. lakh)

ITEM	Tea (9)			Trading (14)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	8	9	10	11	12	13
RAW MATERIALS, STORES AND SPARES CONSUMED						
A. 1. Raw materials, components, etc. consumed	**39,09**	**61,26**	**39,29**	**1,051,16**	**1,101,56**	**1,126,66**
(a) Imported	10,07	5,99	5,84	206,43	197,79	62,97
(b) Indigeneous	29,02	55,26	33,45	844,73	903,76	1,063,69
B. 2. Stores and spares consumed	**64,95**	**62,31**	**65,02**	**11,77**	**10,43**	**3,15**
(a) Imported	32	67	48	7,14	8,39	71
(b) Indigeneous	64,63	61,63	64,54	4,62	2,04	2,44
EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES						
C. Earnings in foreign currencies (3+4)	**100,02**	**121,92**	**85,60**	**146,86**	**150,07**	**170,72**
3. Exports	96,73	118,10	80,06	126,04	133,18	147,50
4. Other than exports	3,28	3,82	5,53	20,82	16,88	23,22
Of which, (a) Interest	–	*10*	*36*	–	–	–
(b) Commission	–	–	–	*6,79*	*4,10*	*4,54*
D. Expenditure in foreign currencies (5+6)	**29,82**	**25,34**	**23,46**	**173,80**	**162,46**	**176,61**
5. Imports	14,22	7,13	5,54	167,02	152,65	148,30
(a) Raw materials, components, etc.	2,91	3,31	2,61	117,44	111,84	71,20
(b) Capital goods	3,59	30	11	12,44	84	30,61
(c) Stores and spares	7,54	3,52	2,81	6,77	6,41	8,18
(d) Others	19	–	–	30,37	33,56	38,30
6. Other than Imports	15,60	18,21	17,92	6,78	9,81	28,31
(a) Dividend	9,71	12,30	13,44	1,24	1,30	1,24
(b) Interest	10	6	–	–	–	–
(c) Travelling expenses	47	54	44	98	96	1,24
(d) Royalty	–	–	–	–	–	–
(e) Technical fees	–	14	–	2,33	1,61	–
(f) Professional and consultation fees	–	49	–	14	3	34
(g) Others	5,32	4,67	4,03	2,09	5,92	25,50
E. 7. Net inflow (+)/ outflow (–) of foreign currencies (C–D)	**70,19**	**96,57**	**62,14**	**– 26,94**	**– 12,39**	**– 5,89**

STATEMENT 18: RAW MATERIALS, STORES AND SPARES CONSUMED, EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES – SELECTED FOREIGN DIRECT INVESTMENT COMPANIES – INDUSTRY–WISE, 1997-98 TO 1999-2000 *(Concld.)*

(Rs. lakh)

ITEM	All Textiles (9)			Rubber and Rubber Products (4)		
	1997-98	1998-99	1999-2000	1997-98	1998-99	1999-2000
1	14	15	16	17	18	19
RAW MATERIALS, STORES AND SPARES CONSUMED						
A. 1. Raw materials, components, etc. consumed	**548,29**	**601,95**	**625,21**	**491,54**	**486,72**	**537,88**
(a) Imported	42,29	38,30	47,89	106,46	66,46	75,00
(b) Indigeneous	506,00	563,65	577,32	385,08	420,26	462,88
B. 2. Stores and spares consumed	**42,22**	**44,54**	**50,09**	**12,74**	**11,83**	**10,11**
(a) Imported	4,58	8,57	6,96	2,54	96	90
(b) Indigeneous	37,64	35,97	43,13	10,20	10,87	9,21
EARNINGS/ EXPENDITURE IN FOREIGN CURRENCIES						
C. Earnings in foreign currencies (3+4)	**499,40**	**531,58**	**535,31**	**63,69**	**53,58**	**54,60**
3. Exports	466,84	502,19	510,95	63,48	53,08	54,40
4. Other than exports	32,56	29,39	24,36	20	50	20
Of which, (a) Interest	–	–	–	–	–	–
(b) Commission	*23,83*	*21,60*	–	–	–	–
D. Expenditure in foreign currencies (5+6)	**164,56**	**103,79**	**103,26**	**86,46**	**74,87**	**84,74**
5. Imports	143,72	81,90	80,22	81,40	68,14	76,09
(a) Raw materials, components, etc.	29,32	25,84	35,65	69,28	49,57	60,95
(b) Capital goods	92,50	31,32	14,64	9,23	14,05	11,76
(c) Stores and spares	5,21	9,61	6,47	2,90	4,51	3,38
(d) Others	16,68	15,13	23,46	–	–	–
6. Other than Imports	20,85	21,90	23,05	5,06	6,73	8,65
(a) Dividend	4,95	4,75	8,20	3,82	5,21	6,55
(b) Interest	5,70	5,89	1,86	–	–	–
(c) Travelling expenses	1,51	1,76	2,04	24	29	50
(d) Royalty	–	–	–	44	24	23
(e) Technical fees	–	–	–	19	–	11
(f) Professional and consultation fees	–	–	–	–	–	–
(g) Others	8,68	9,49	10,95	36	1,00	1,27
E. 7. Net inflow (+)/ outflow (–) of foreign currencies (C–D)	**334,84**	**427,79**	**432,05**	**– 22,78**	**– 21,29**	**– 30,14**

APPENDIX

Explanatory Notes to Various Statements

- The growth rates of all the items and data on sources and uses of funds are adjusted for changes due to amalgamation of companies. These are also adjusted for revaluation, etc., wherever necessary.

- Due to rounding off of the figures, the constituent items may not add up to the totals.

- ***Sales*** are net of 'rebates and discounts' and 'excise duty and cess'.

- ***Manufacturing expenses*** comprise (a) raw materials, components, etc. consumed, (b) stores and spares consumed, (c) power and fuel and (d) other manufacturing expenses.

- ***Raw materials, components, etc., consumed*** include purchases of traded goods in the case of trading companies and consumption of stores and provisions for hotels, restaurants and eating houses.

- ***Other manufacturing expenses*** include construction expenses of construction companies and operating expenses of shipping companies, etc.

- ***Remuneration to employees*** comprises (a) salaries, wages and bonus, (b) provident fund and (c) employees' welfare expenses.

- ***Non-operating surplus/deficit*** comprises (a) profit/loss on account of (i) sale of fixed assets, investments, etc., and (ii) revaluation/devaluation of foreign currencies, (b) provisions no longer required written back, (c) insurance claims realised and (d) income or expenditure relating to the previous years and such other items of non-current nature.

- ***Gross profits*** are net of depreciation provision but before interest.

- ***Gross saving*** is measured as the sum of retained profits and depreciation provision.

- ***Gross value added*** comprises (a) net value added and (b) depreciation provision.

- ***Net value added*** comprises (a) salaries, wages and bonus, (b) provident fund, (c) employees' welfare expenses, (d) managerial remuneration, (e) rent paid net of rent received, (f) interest paid net of interest received, (g) tax provision, (h) dividends paid net of dividends received and (i) retained profits net of non-operating surplus/deficit.

- ***Debt*** comprises (a) all borrowings from Govt. and semi-Govt. bodies, financial institutions other than banks, and from foreign institutional agencies, (b) borrowings from banks against mortgages and other long term securities, (c) borrowings from companies and others against mortgages and other long term securities, (d) debentures, deferred payment liabilities and public deposits.

- ***Equity or Net worth*** comprises (a) paid-up capital, (b) forfeited shares and (c) all reserves and surplus.

- ***Current assets*** comprise (a) inventories, (b) loans and advances and other debtor balances, (c) book value of quoted investments, (d) cash and bank balances and (e) advance of income-tax in excess of tax provision.

- ***Current liabilities*** comprise (a) short term borrowings from banks, (b) unsecured loans and other short term borrowings from companies and others, (c) trade dues and other current liabilities and (d) tax provision in excess of advance of income-tax and other current provisions.

- ***Quick assets*** comprise (a) sundry debtors, (b) book value of quoted investments and (c) cash and bank balances.

- ***Capital reserves*** include profits on sale of investments and fixed assets.

- ***Other reserves*** include profits retained in the form of various specific reserves and profit/ loss carried to balance sheet.

- ***Debentures*** include privately placed debentures with financial institutions.

INDIAN AGRICULTURE AND REFORM: CONCERNS, ISSUES AND AGENDA *

Y.V. REDDY

I am honoured by the fact that you have invited me to deliver the Presidential Address. When the organisers first spoke to me about this lecture, I humbly submitted to Professor Parthasarathy that, in the past, many eminent personalities like Governor Dr. Rangarajan, Professor G.S. Bhalla, Professor Vyas, Dr. K. Subba Rao and Professor Radhakrishna had delivered this address and so we should together explore an appropriate scholar for the purpose. But, Professor Parthasarathy insisted and said that I had no choice. I do realise now that there is some merit in the invitation in the sense that the Reserve Bank of India is perhaps the first central bank in the world to have taken interest in matters relating to agriculture and agricultural finance and it continues to do so. The Reserve Bank had conducted the first ever Rural Credit Survey in the world, promoted the National Bank for Agriculture and Rural Development (NABARD) and, is financing endowment chairs on the subject in universities. Apart from this, belonging to Andhra Pradesh and having worked in the Finance and Planning Department in the State of Andhra Pradesh for several years, I have naturally been taking significant interest in matters related to agriculture.

On hearing the annual report on the activities of the Society, one cannot but be impressed with the remarkable enthusiasm and commitment with which the Indian Society of Agricultural Marketing is able to carry on its endeavour. I think the work methods of this Society should be advocated as a role model for other similar academic societies to emulate. There is also a distinguishing feature of the Conference on Agricultural Marketing. Unlike some associations where thousands of people assemble for a gala-conference, the discussions in this conference seem to be conducted in a focused and purposeful way. Moreover, this must be one of the few societies, which does not restrict membership to only those who have specialized qualifications. The participation is allowed on the basis of the functions that one is performing, be it regulator, regulated or academia. Hence, by way of productivity or contribution to knowledge, the approach of this Society to the conduct of a conference is extremely desirable and I will certainly advocate this model. I am most grateful to the organisers for the honour conferred on me by choosing me as the Conference President for the year 2000.

Now on the subject itself, namely agricultural marketing, I went through the

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Dr. Reddy is thankful to Dr. Michael Patra and Dr. A. Prasad for their assistance.

conference papers carefully and I do not think that there would really be much value addition in my commenting on these valuable papers. I would, therefore, place before you some broad perspectives of what we in the Reserve Bank have been grappling with, as concerns and issues relating to agriculture.

Concerns

The most important aspect that has been referred to in the Reserve Bank of India Annual Report and in the Report on Currency and Finance of recent years is a serious concern that of late, real Gross Domestic Product (GDP) in agriculture and allied activities recorded absolute declines. The decline is of 1.3 per cent in the third and fourth quarters of 1999-2000. In 2000-01, the first quarter growth of real GDP originating from agriculture and allied activities of 1.7 per cent has increased to 1.9 per cent in the second quarter. In the third quarter, the lower growth of 1.2 per cent can still be considered significant when compared with the absolute decline of 1.1 per cent during the corresponding quarter of 1999-2000. The movements in the index of agricultural production suggest that this recent downturn is part of a longer-term trend. The annual trend growth rate of agricultural production has decelerated to 2.2 per cent in the 1990s from 3.1 per cent in the 1980s. The 1990s also witnessed considerable degree of variability of agricultural output with five years in the decade recording absolute declines in output.

Overall, it may be argued by some that the secular decline in output growth is not a matter of serious concern since structural transformation of the economy may imply that growth in agriculture would be less than that in non-agricultural sectors. Although the contribution of agriculture and allied activities to the GDP has declined from 35 per cent in the 1980s to 25 per cent in 1999-2000, more than two-third of the population continues to depend upon agriculture. Growth in sectors other than agriculture is not absorbing work force on a significant scale. Agricultural development has, therefore, rightly come to be regarded as an indicator of the quality of life at the grassroot level making it what may be called the peoples sector. The agricultural sector also makes a significant contribution to India’s exports, accounting for a little less than a fifth of total merchandise exports. Also, despite some degree of weather-proofing acquired by the economy in recent years, agriculture continues to play a critical role in determining the macroeconomic balances in our economy especially in generating private consumption demand.

It is no surprise therefore that considerable anxiety is being expressed in some quarters regarding the poor performance of agriculture in the ‘nineties indicating that the process of reforms has by-passed the agricultural sector. It is also argued that while there has been emphasis on trade, industry and the financial sector, attention of the reform in some sense has not percolated to the agricultural sector, although as will be explained later, terms of trade improved in favour of agriculture.

Observers who compare the performance of India and China feel that in the reform cycle in China, agricultural reforms had started in the early stage, which helped increase China's rate of growth of this sector and consequently the potential output of the economy as a whole, thereby placing it on a high growth path. In India, while financial sector reforms have been undertaken early in the reform cycle, the commentators feel that reforms in agriculture sector have not been as much in the forefront both in terms of sequencing and overall priority. This issue of appropriate priority for agriculture in our reform process needs to be explored further in view of the fact that the trends in recent years are clearly indicative of a possible long-term deceleration in agriculture.

Some studies have been undertaken in the Reserve Bank of India focussing on some of these issues. The internal research studies seem to indicate that there are two major areas, which are constraining the upward movement of output towards its potential for India. These relate to agricultural sector and physical infrastructure. These preliminary findings, which are yet to be confirmed, add weight to the argument already articulated in the recent Annual Reports that agriculture has to be on the top of the agenda of reforms in India.

In regard to the importance of agriculture in a broader socio-economic sense, all the three basic objectives of economic development of the country, namely, output growth, price stability and poverty alleviation are best served by growth of agriculture sector. It may sound ironic that agriculture is one sector where there is convergence of all the three main objectives of economic policy in India but we seem to have relegated the sector to the background in the process of economic reforms. In fact, there is a feeling that the economy may face slowdown if there is inadequate pickup in demand from rural areas and the depressed price conditions in agricultural commodities in the recent past have brought to fore the criticality of the agriculture sector in enabling Indian economy to maintain a respectable growth rate.

Issues

Eminent economists such as Professor Hanumantha Rao, Professor Vaidyanathan, Professor Vyas and Dr. Radhakrishna have been working on the problems of and prospects for agricultural growth and their contributions are well known. Hence only select issues relating to macro balances, public expenditure policies and credit flow are addressed here.

First issue relates to macro-economic balances. The overall saving-investment gap in India in the recent years has been between 1.0 and 1.4 per cent of GDP. This is very low, and it has tended to move down in the second half of the 1990s. This is contrary to the general impression that after liberalisation, increased dependence is being placed on foreign flows. It is, however, not so since the role of foreign savings has been reduced in the second half of the 1990s.

Further, it may be noted that the public sector saving-investment gap has increased. The objective of the reforms is that more investible resources should be released to the private sector. But the data, particularly the recent CSO data, indicates that the contrary has occurred. Earlier, government savings used to be negative and the public enterprises savings were positive, and between the government and public enterprises put together, the public sector as a whole showed marginal positive saving. Now, the government and the public sector as a whole are contributing negatively to savings. So, during the reforms, though it is popularly felt that more resources have been released to the private sector enable them to undertaking larger investments, the way the fiscal reform has been managed has resulted in a situation where the saving-investment gap is moving adverse to the private sector, and public sector (including Government) dissaving has in fact increased in recent years.

It can be observed that out of the gross domestic saving of 22 per cent, 19.8 per cent is household saving, 50-60 per cent of which is financial saving. Furthermore, about 80 per cent of the financial saving of household sector is absorbed by the public sector (*i.e.,* government and public enterprises) in India. Moreover, the continuing revenue deficits of the Centre and States indicate that much of the private financial savings absorbed by public sector is being used up for consumption and not investment.

The share of gross capital formation in agriculture as a proportion of total gross domestic capital formation has declined from 6.8 per cent in 1993-94 to 5.5 per cent in 1998-99. The decline in capital formation has been more pronounced in the public sector, reflecting the persistent and large revenue deficits. The share of agriculture and allied activities in total Plan outlay has declined from 6.1 per cent in the Sixth Plan period to an estimated 4.4 per cent in the Ninth Plan period. The share of irrigation and flood control in total outlay has also shrunk from 10.0 per cent to an estimated 6.5 per cent over the Plan periods.

Early correction of overall macro imbalances by improving fiscal management will help to release higher investible resources in the country, which would benefit agriculture also. But, this cannot be an excuse for not increasing public investments in agriculture.

Secondly, while public investment in agriculture is coming down, the subsidy bill accruing to agriculture is going up though the general impression is that all subsidies have been pruned in recent years. Budgetary subsidies for the agriculture sector have been increasing in nominal terms over the years. The increase is concentrated in input subsidies, though food subsidies are also incurred to maintain high levels of food stocks.

The share of fertilizer subsidies in the total explicit subsidies of the Central

Government steadily increased from 35 per cent in the 1980s to 42 per cent in the first half of the 1990s and further to 49.8 per cent in the second half. Fertilizer subsidy as a ratio to GDP fell from 0.8 per cent in 1990-91 to 0.7 per cent in 1999-00. In absolute terms, it rose from Rs.4,390 crore to Rs.13,463 crore during the same period. Though this subsidy is formally attributed to agriculture, in reality, most of it supports fertilizer manufacturing industry. States' power sector subsidies to agriculture have also recorded steady growth during the 1990s. Power sector subsidies to agriculture account for well over one per cent of GDP. Hidden subsidies provided by the States for agriculture increased from Rs.5,938 crore in 1991-92 to Rs.25,577 crore in 1999-2000. In comparison, in 1990-91, the Plan outlay of agriculture sector (including irrigation) was Rs.12,515 crore, which increased to Rs.33,858 crore during 1999-2000.

Therefore, the issue that arises here is that a conscious choice has to be made given the overall resource constraint, as to what would be good for agriculture at this juncture in our country – increase in subsidies or more investment. Although it is recognized that subsidies can be regarded as production equivalents, the question that has to be raised in the context of overall balance is whether it would be worthwhile shifting the total spending on subsidies to investment, especially in terms of contribution to agricultural employment and poverty alleviation. Thus, the trade-off between investment in agriculture and increase in subsidies should be an important item on the agenda.

The third issue relates to inadequate flow of credit to agriculture. This could be viewed in two different ways. One, the Reserve Bank has been taking a number of initiatives to ensure adequate credit to agriculture sector and recently the Capoor Committee had made a number of recommendations on issues relating to cooperative sector. Two, the issue may also be viewed in the broader perspective of institutional dynamics. There are broadly three categories of institutions which deliver credit to rural areas, *i.e.*, commercial banks, regional rural ranks (RRBs) and cooperative banks. Owing to accumulation of losses in the public sector banks on account of mounting NPAs, the flow of credit to rural areas by banks in recent years has not been up to the mark. There is also a marked change in the orientation of commercial banks, which are being subjected to greater competition from private and foreign banks. Some of the public sector commercial banks are sometimes adopting their competitors' strategies without recognising that their comparative advantage lies in rural and semi-urban areas. Sooner the public sector banks recognise the importance of rural economies better it is for their long-term commercial sustainability. The RRBs have been in the early years subjected to an interest rate regime that led inexorably to accumulated losses, which are continuing to constrain their operations even now. The rural co-operatives sector has not come up to expectations in large parts of the country and is heavily dependant on flow of finance from NABARD.

The issue, therefore, is what are the ideal instruments that would deliver adequate and timely agricultural credit. It is not necessary that the same institutions that have been responsible for providing agricultural credit for the last twenty years or so should continue to do so as they did in the past. The moment agriculture is accorded high priority, revamping the rural cooperatives also come on top of the agenda, which would require recapitalising them. More attention to the actual revamping process of RRBs would need to be bestowed.

The third item of the agenda will, therefore, be the appropriate institutional changes that are required to ensure necessary credit flow to agriculture. Clearly, there is a need to examine the issue of rural credit and rural credit delivery systems in an objective as well as transparent way and accord them priority in legislative actions and financial allocations.

Fourthly, as a result of reform measures, there are some commercial banks that are not able to reach the prescribed target of lending to agriculture. As per the current prescription, they are required to place funds to the extent of the shortfall with NABARD, which in turn, would place these funds with State Governments for investment in agriculture related activities, mainly rural infrastructure. An issue has been raised that such a process amounts to indirect borrowings from the banks by State Governments and that funds originally meant to be deployed for agriculture are diverted for public investment. Incidentally, it is worth noting that even after accounting for such Rural Infrastructure Development Fund (RIDF) allocations during the reform era, public investment in agriculture has slackened. Furthermore, the risk based rates of return on banks' investments in RIDF are better than similar returns by lending to agriculture, implying incentive incompatibility of RIDF with the main objective. Also, coverage of definition of priority sector lending has been broadened significantly in the recent years, thus overestimating credit flows to actual agricultural operations in recent years. It can, therefore, be argued that the RIDF should be refocused, if possible by diverting such funds to agricultural operations through revamped systems of RRBs and cooperatives. Incidentally, banks have been arguing that a constraint facing them with regard to deployment of agricultural credit is lack of viable credit products, implying lack of demand for credit. On the other hand, there exists an informal sector which provides agricultural credit at high interest rates, indicating that there is no demand constraint. The dichotomy between the formal and informal sectors could be explained by the lack of banks' capacity to reach potential borrowers, which in turn could be explained by attitudinal, procedural and institutional factors. In fact, the very purpose of deregulation of interest rates for this sector, which was expected to encourage banks to lend higher, does not seem to have served its purpose fully.

Fifthly, one of areas the Reserve Bank has taken a lot of interest in the recent past relates to micro-finance. A Committee was constituted under the leadership of NABARD for this purpose. Lending under micro-finance can be formal or informal. In Professor Ram Reddy Memorial Lecture delivered by the same author, it has been mentioned that the temptation to bureaucratise and regulate micro-finance must be resisted. This aspect is also being carefully looked into by the Reserve Bank.

Sixthly, another matter that has been engaging the attention of the policy makers for the past ten years relates to the huge food stocks, but the problem has exacerbated in recent years. There are several aspects that need to be carefully considered. The world food market and the market instruments by which food stocks are imported have changed in recent years. It is possible to buy options so that we can pay now merely for an option to import specific quantities at a price. Another issue relates to types of storage facilities that need improvement in public sector and the compelling requirement of creating private storage facilities. The cost and efficiency of operations of Food Corporation of India have also been a subject of scrutiny more recently by a study conducted in Administrative Staff College of India. The pattern of food consumption, food storage, food production and food trading in the world have changed. Therefore, our policy on what constitutes optimal food stocks would need to be revisited and this was raised in the RBI Annual Report last year. Of direct interest to the RBI is the monetary and fiscal implications of buffer stock operations. The Reserve Bank of India has requested the Administrative Staff College of India to study this issue separately and submit a technical report.

Seventhly, the issue of terms of trade is important. The terms of trade in agriculture in India is not dwelt upon except to recognise that the terms of trade have on the whole moved somewhat favourably to agriculture in recent years. Recently the global competitiveness of our agriculture sector has gained attention of policy-makers but the aspect of supply elasticities in our economy needs to be looked into. If public investment and market infrastructure in agriculture continue to be inadequate, there could be a serious problem of competitiveness and adequate supply response. No doubt, India is a large producer of several agricultural products. In terms of quantity of production, India is the top producer in the world in milk, and second largest in wheat and rice. We should, therefore, be concerned about improving quality while maintaining the lead in quantity. If the focus is on global agriculture, it is important to think of both quality and quantity of production. The issue is whether it is possible to create an environment where we can compete in terms of quality also.

Quality in global standards has several dimensions. Quality may mean rigid adherence to global environmental and health standards. It may also mean rigid adherence to delivery schedules, in terms of both quantity and quality, and timeliness. Global orientation would require a complete re-orientation of what may be called 'towards a more aggressive thinking', rather than 'defensive thinking', to create an enabling institutional environment to compete and survive. For example, it is not desirable to have highly segmented markets, although large quantities are available in the country. Certification of quality requires institutional arrangements within the country that carry credibility in both domestic and foreign markets. In this context, the institutional arrangements such as commodity exchange assumes importance and it is an area where we are still rooted in the past. A thorough review of adequacy of institutional arrangements in quality control, certification and trading in agriculture sector should be a national priority to take advantage of global opportunities. Indeed, with liberalisation of imports, even domestic markets would demand such institutional changes if our agriculture sector has to survive competition brought about trade liberalisation.

Eighth, another important aspect relates to the mindset on role of middlemen. In India the general attitude to trade especially in agriculture has been to favour elimination of middlemen or ensure that middlemen's functions are carried out by public sector or cooperatives in name, but public sector in reality. However, experience has shown that public sector as middleman also utilises other middlemen and in any case has not been cost effective. In a modern economy, it is inconceivable that the role of middlemen can be eliminated. This underscores the need to regulate the middlemen in order to make them more efficient, competitive and accountable. It is necessary to move to a situation where an efficient system of market intermediaries is created in agriculture sector. The related issue of mindset relates to futures-trading. There needs to be a mechanism for hedging risks. Again, this should be adequately regulated in a competitive environment so as to ward off unworthy speculation. This raises, among others, issues of financing trade, settlement mechanisms, ensuring that futures contracts are honoured, *etc.* The concept of nationwide multi-commodity exchange has been mooted in the country. A Committee was appointed, of which the RBI was a member, to work on these issues. The Report of the Committee is under consideration of the Government of India.

Ninth, farmers face uncertainties with regard to weather as well as price. The issue of uncertainty should be distinguished from the issue of commercial viability. Thus, advocating subsidised credit to tackle the problem of distress among farmers due to weather failure or depressed prices is not enough. The current regime of subsidies does not tackle the major problem of agriculture *viz.* uncertainty. Uncertainty of weather may be alleviated by insurance-mechanisms but unfortunately the experience so far, with what has essentially been insurance of credit to agriculture, has not been encouraging. Commercialisation of agriculture can progress only when institutional arrangements such as insurance penetrate deep within the agriculture sector.

In the financial world, it is recognised that there are certain uncertainties and hence financial participants are encouraged to devise mechanisms for hedging. Similarly, modern agriculture too will have to have a mechanism by which farmers are able to hedge risks. This is possible only if there are proper institutional mechanisms and incentives to hedge. The traditional approach of handling demand or supply side problems or problems of uncertainty directly and essentially by the Government in an a*d hoc* manner, can no longer serve the purpose.

Finally, the Reserve Bank of India recognises Self Regulatory Organisations (SROs) in the financial sector. The RBI encourages them to produce standard documentation for trading in repo market. However, genuine self regulatory organisations do not seem to have been nurtured in agriculture sector and in any case interaction between regulatory agencies and SROs has not taken roots in agriculture sector, though it has achieved some progress in the financial sector.

Agenda : Redefine Role of the Government

It is clear that improving the growth rate and competitiveness of agriculture is very critical at this juncture for a variety of reasons, including the lacklustre performance of agriculture in the recent past and specially the impact of liberalised trade-regime being announced. There is some merit in the argument that the reform process has bypassed agriculture so far and that this is best illustrated by the co-existence of segmented and overregulated domestic markets with liberalised export–import regime in agricultural commodities.

Briefly stated, issues of relevance are overall fiscal imbalances, declining and inadequate public investments in agriculture accompanied by increasing share of patently unproductive and distortionary subsidies. Serious deficiencies relate to the legal and institutional framework for flow of credit to agriculture, maintenance of huge food stocks with considerable fiscal and monetary implications, virtual non-existence of institutional mechanisms to promote assurance of quality and assured delivery in a nation-wide market, outdated attitudes to the role of so-called middlemen, insurance, hedging and finally overarching bureaucratisation with little attention to promotion of Self-Regulatory Organisations. In this background, the agenda for reforms virtually encompasses a thorough change in mindset and overhaul of legal and institutional mechanisms to enable a growing, healthy and efficient agriculture sector. In brief, the role of the Government in agriculture needs to be comprehensively and urgently redefined, perhaps somewhat along the following lines.

First, there is a need to define the

parameters of an optional pattern of utilisation of fiscal resources in agriculture and a medium term time-bound plan to transform the existing system of subsidies in favour of a few to a more desirable well spreadout public investment. In other words, incrementalism in policy-change should not be mistaken for a sequenced reform in deployment of public funds in agriculture.

Second, the distortions and outdated policy approaches to the deployment of credit to agriculture must be recognised and the institutional as well as instrument changes urgently needed should be spelt out, but this would need governmental intervention. In a deregulated financial sector, enabling environment and incentives are infinitely superior to directions or moral suasion.

Third, uncertainty in agricultural activities is admittedly more than in other activities and the institutional arrangements, whether in public domain or private initiative are non-existent. Commercialisation of agriculture and competition warrant mechanisms to meet uncertainties while enhancing productivity. Meeting uncertainty is different from subsidising non-viable operations, and putting in place an institutional framework for insurance, hedging and public resources to make such mechanisms initially viable are necessary as part of refocusing the mindset and resources of Government to the emerging challenges of current slowdown and future threat of global competition.

Fourth, public policy should turn immediate attention to trading and marketing aspects, with a clear admission of need to change mindset. For example, middlemen are inevitable and the issue is how to foster competition and assure regulation of such middlemen keeping in view the interest of producers as well as consumers. Certification and credible regulation of trade to ensure competition quality and transparency protects both producer and consumer far better than price and distribution controls, provided public distribution systems are oriented to be more focussed, selective and efficient. A national commodity exchange is but one element of reform. More but a different type of governmental intervention is needed in marketing and trade while genuine co-operatives like in diary sector need to be considered afresh.

Fifth, genuine self-regulatory organisations need to be founded and nurtured and experiences in other countries may not be irrelevant though our needs and cultural milieu are unique. A major challenge is to devise nationwide formats that can cater to nationally integrated markets while allowing for local variations and initiatives particularly at the state level.

To sum up, inadequate finance and outdated as well as inappropriate institutional framework are the twin problems and, of the two, institutional reforms are needed immediately requiring changes in mindset and redefining role of the Government.

DEVELOPMENTS IN MONETARY POLICY AND FINANCIAL MARKETS *

Y.V. REDDY

I am thankful to the organisers for their perseverance in getting me to Chennai. I am using this opportunity to share with you some explanations on the Monetary and Credit Policy for 2001-02 announced last week. This is the fifth Annual Policy of the Reserve Bank of India (RBI) that I have been associated with, and soon after every one of the fine statements, I had publicly articulated some explanations. The purpose has generally been to highlight elements of continuity, change and contextual relevance in each policy. However, on this occasion, a slightly different approach is adopted. To start with, there will be an assessment of the projections made in the policy statements since 1997-98 with reference to outcomes, giving some sort of monetary marksmanship, akin though not similar to fiscal marksmanship. This will be followed by a brief review of the progress in reforms in monetary policy and financial markets during the last five years. The features of the latest Monetary and Credit Policy would then be mentioned to lead to the tasks ahead. The tasks ahead, following from the recent policy statement are presented in four sections, *viz.*, for the Reserve Bank of India, for Government of India, for market participants and for technical work on some relevant areas of significance.

Projections and Outcomes : An Assessment

The monetary projections and underlying assumptions in regard to the macro-economy, reflecting the stance of policy, are contained in the annual statements, and revised, if considered necessary, in mid-year reviews. An analysis of projections and actual outturn since 1997-98 would help appreciate the realism as the overall macro management.

Broadly speaking, the following inferences can be drawn from such an analysis (see Table attached for details).

First, the outturn in regard to growth in Gross Domestic Product has been close to the projections indicated in the Policy Statement and/or mid-year review except in 1997-98, when it touched the lowest level at 5.0 per cent.

Second, the projected inflation has been out of alignment (*i.e.,* beyond one hundred basis points from the projection) only in respect of 1999-2000, when it peaked at 6.8 per cent.

Third, the growth in money supply has been consistently above the projected rate

* Address by Dr. Y.V. Reddy, Deputy Governor, Reserve Bank of India, at Madras Chamber of Commerce and Industry, at Chennai on April 24, 2001.
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except in 1999-2000, when it was at 14.6 per cent, below the projected level of 15.5-16.0 per cent.

Fourth, the deposit growth has been higher than projected in all the years except in 1999-2000 when the growth was a mere 13.9 per cent compared to the projected level of 16.5 per cent.

Fifth, the growth of non-food credit {including investments in PSU bonds, corporate debentures, Commercial Paper (CP), etc.} has generally been less than projected in all the years.

Sixth, in regard to interest rates, the general preference has been to bring down or soften interest rates while focussing on stability, though no specific rates were indicated. There has been a reduction every year, the range measured by Prime Lending Rates of public sector banks, having come down from 14.0 – 14.5 per cent in 1997-98 to 10.0 – 13.0 per cent in 2000-01.

Seventh, the market borrowing programme of the Union Government exceeded the projections (as per budget estimates) in all the years except in 2000-01, and there has been a significant borrowing in the fortnight following the end of the fiscal year. In fact, the slippage in 1998-99 and 1999-2000 had been very large, being about Rs. 15,000 crore, accounting for about 0.75 per cent of GDP. The borrowing programme of State Governments has been consistently higher than originally indicated to the RBI except during 1997-98.

Eighth, as regards external sector, the current account deficit has been consistently less than 2.0 per cent of GDP, strictly in consonance with the broad policy indications. In fact, it has been significantly lower than the projected in all the years.

Ninth, the policy objective of augmenting reserves has also been achieved in every one of the years and the total addition to foreign currency reserves during the period at U.S.$ 17 billion far exceeded the total addition to external debt (including amounts raised under Resurgent India Bonds and India Millennium Deposits) of U.S.$ 4.5 billion.

Finally, the conditions in forex markets appear to have been reasonably stable, though there have been several occasions when there were pressures warranting prompt actions by the RBI.

There is no doubt that the actual outcomes depend upon several uncertainties and unanticipated events that characterise any policy making during any given medium-term frame. The period under consideration had to contend with several domestic and international events that were unexpected, *viz.*, domestic political uncertainties due to Parliamentary elections, Asian crisis, sanctions against India by the USA, border conflict at Kargil and oil shock or large increase in price of petroleum. Surely, there are lessons to be learnt and elements of good luck that might have visited on occasions but the period also exhibited exercise of sound judgements and enhancement of skills in management at all levels within the RBI. What is of greater significance is the fact that the monetary policy was conducted while bringing about significant structural improvements in the financial sector and developing financial markets, especially the money market and the government securities market. Monetary management was greatly facilitated by the solid foundations laid and sound policy framework created by the RBI during the early nineties preceding the period analysed.

Review of Progress (1996-2001)

The main objectives of the policy measures during 1996-2001 have been to increase operational effectiveness of monetary policy by broadening and deepening various segments of the financial market, to redefine the regulatory role of the Reserve Bank, to strengthen prudential and supervisory norms, to improve the credit delivery system, and to develop the technological and institutional infrastructure for an efficient financial sector. These measures usually announced as part of Policy Statements help the market agents to appreciate the policy changes in offing and to prepare themselves to meet possible challenges. In evolving these measures, market participants are closely associated and consulted.

The recent experience shows that monetary management in terms of objectives, framework and instruments has undergone significant changes, reflecting broadly the transition of the Indian economy from a regulated to a liberalised and deregulated regime. In that context, it would be worth while to address some of the major highlights of these changes and the related issues which have received added and focused attention in recent years.

First, during this period the twin objectives of monetary policy of maintaining price stability and ensuring availability of adequate credit to productive sectors of the economy to support growth have remained unchanged; the relative emphasis on either of these objectives also continues to depend on the circumstances. However, the gradual liberalization of financial markets has increased the potential risks and vulnerability of institutions and has, therefore, implications for financial stability. The linkages between financial stability and price stability have become pronounced in recent times. In this context, the recent policy measures laid emphasis, *inter alia*, upon maintaining orderly conditions and containing volatility in financial markets. While the market determined exchange rate system has implications for monetary policy, the international transmission of price changes also need to be recognised in understanding the inflationary process. The structure of the economy and the role of the services sector have also been changing, which have implications for transmission of monetary policy.

Second, though inflation is not targeted, policy statements including those in the reference period, have been identifying a tolerable level of inflation taking into account the global trends and domestic compulsions. The measurement issues have also come to the fore and the notions of core-inflation and underlying inflation as against headline have been subjects of discussion. There has also been some sensitivity in the market, to the issues relating to measurement of prices in the growing services sector as also asset prices. A national consensus on the need to emphasize price stability in macro policy seems to be emerging.

Third, in a deregulated environment, besides the provision of adequate credit, availability of adequate resources at appropriate costs, *i.e.*, interest rates, becomes more important. Stable and preferably a low interest rate regime is conditional upon enabling stable inflationary expectations, which in turn depends on price stability. During the period, the fiscal and other constraints inhibiting the downward flexibility in interest rates had been debated and the need to impart flexibility to interest rates has emerged as a focal point for policy action. Consequently, there is widespread appreciation of the efforts to ensure reduction in existing high levels of revenue deficit and fiscal deficit, besides rationalising administered interest rates on contractual savings to impart efficiency and operational flexibility to the financial sector.

During this period, most interest rates have been deregulated. The few prescriptions that exist, *viz.*, export credit, small loans, foreign currency deposits are in the nature of ceilings related to market interest rates such as the relevant Prime Lending Rate (PLR) of the concerned bank or the LIBOR of the concerned currency. Currently, the only administered interest rate is on saving deposits. While directed credit continues, the conditions attached to such credit dispensation have been made considerably flexible.

Fourth, the monetary policy framework in India from the mid-1980s till 1997-98, can, by and large, be characterised as a monetary targeting framework on the lines recommended by Chakravarty Committee (1985). Because of reasonable stability of the money demand function, the annual growth in broad money (M_3) was used as an intermediate target of monetary policy to achieve monetary objectives. In practice, the monetary targeting approach was used in a flexible manner with a ‘feedback’. This was necessary partly because of the high level of government borrowings and administered interest rates. Deregulation and liberalization of the financial markets combined with increasing openness of the economy during this period necessitated some changes in this framework. Consequently, a multiple indicator approach was announced in 1998-99, wherein interest rates or rates of return in different markets (money, capital and government securities markets) along with such data as on currency, credit extended by banks and financial institutions, fiscal position, trade, capital flows, inflation rate, exchange rate, refinancing and transactions in foreign exchange available on high frequency basis are juxtaposed with output data for drawing policy perspectives. Such a shift was gradual and a logical outcome of measures taken over the reform period since the early 'nineties.

Thus the 'exclusive' use of broad money as an intermediate target was de-emphasised, but the growth in broad money (M_3) continues to be used as an important indicator of monetary policy. In a deregulated financial environment with reasonably open capital account, monetary policy has to respond to unexpected changes on short-term basis. The multiple indicator approach provided necessary flexibility to the Reserve Bank to respond to changes in domestic and international economic and financial market conditions more effectively. In a medium to long-term perspective, the impact of money supply on inflation, however, cannot be ignored and for purposes of policy, the Reserve Bank still continues to announce projections of money supply compatible with the outlook on growth of GDP and expected inflation.

Fifth, the institutional context in which monetary policy was conducted was vastly different till very recently. Since 1997, a major change has taken place with the discontinuation of the process of automatic monetisation of government deficit. Although the mutually agreed Ways and Means Advances (WMA) sought to put a limit on direct short-term access of funds from the Reserve Bank to the Government, the continued high fiscal deficit made it difficult for the Government to reduce its requirement of borrowings from the banking sector. In the process, the Reserve Bank had to manage liquidity in the system in such a way that the impact of high fiscal deficit on monetisation as also on interest rates is minimised. In effect, while the fiscal impact on monetisation has been reduced significantly, the interplay between fiscal and monetary operations continued to be significant in the post-1997 scenario.

The overall monetary management becomes difficult with a large and growing borrowing programme of the Government, year after year, which puts pressure on the absorptive capacity of the market. The banking system at end-March 2001 held government securities of around 35.0 per cent of its net demand and time liabilities as against the minimum statutory requirement of 25.0 per cent. In terms of volume, such holdings above the statutory liquidity ratio (SLR) amounted to as much as Rs.1,00,000 crore, which is substantially higher than the net annual borrowings of the Government.

Sixth, in addition to the changes in the monetary policy framework, targets and indicators, and the institutional context in which monetary policy is being conducted over the past five years, a major transformation has also taken place in the operating procedure of monetary policy. The reform of monetary and financial sectors has enabled the Reserve Bank to expand the array of instruments at its command.

The reliance on reserve requirements, particularly the cash reserve ratio (CRR), has been reduced as an instrument of monetary control. The CRR has been brought down, notwithstanding intra-year variations, from a peak of 15.0 per cent in 1994-95 to 8.0 per cent in 2000-01. The objective of policy is to reduce CRR to its statutory minimum of 3.0 per cent over a period of time. The Statutory Liquidity Ratio has already been brought down to its statutory minimum of 25.0 per cent.

The liquidity management in the system is carried out through open market operations (OMO) in the form of outright purchases/ sales of government securities and repo and reverse repo operations. The OMO are supplemented by access to the Reserve Bank's standing facilities and direct interest rate signals through changes in the Bank Rate/repo rates.

For transmitting signals of monetary policy, the Bank Rate was initially operationalised as a signaling and reference rate for influencing the interest rates in the economy. Interest rates on advances from the Reserve Bank were linked to the Bank Rate. Refinance/liquidity support at the Bank Rate and repo rates were intended to serve as a ceiling and a floor, respectively, setting an informal corridor for money market particularly the call money market to operate. In the context of the continued large market borrowing programme of the Government, the Reserve Bank on occasions adopted a policy of strategically accepting private placement of government securities and then releasing those to the market at an appropriate time without putting undue pressure on interest rates.

In terms of further progress in the use of market-based instruments, a liquidity adjustment facility (LAF) was introduced in June 2000. The LAF enables the Reserve Bank to modulate short term liquidity under varied financial market conditions in order to ensure stable conditions in the overnight (call) money market. The LAF operates through repo and reverse repo auctions thereby setting a corridor for the short-term interest rate consistent with policy objectives. The LAF operations combined with strategic open market operations consistent with market liquidity conditions has evolved as the principal operating procedure of monetary policy of the Reserve Bank. The next stage of development in this direction aims to move towards a full-fledged LAF by gradually removing/minimizing standing facilities, thus providing appropriate conditions for the Reserve Bank to exercise greater degree of freedom in providing a direction on interest rates to the market.

Seventh, the emerging linkages among money, government securities and foreign exchange markets require the Reserve Bank at times to use short-term monetary measures alongside intervention to arrest excessive volatilities in foreign exchange market. There is no settled conclusion about the appropriateness of an exchange rate regime within the broad range of corner solutions of ‘free float’ and a ‘currency board’. In the present market determined exchange rate regime, the primary objective of the Reserve Bank continues to be the maintenance of orderly conditions in the foreign exchange market, meeting temporary supply-demand gaps which may arise due to uncertainties or other reasons, and curbing destabilising and self-fulfilling speculative activities. To this end, the Reserve Bank monitors closely the developments in the financial markets at home and abroad and takes such measures, as it considers necessary from time to time.

The recent experience has highlighted the importance of building up foreign exchange reserves to take care of unforeseen contingencies, volatile capital flows and other developments, which can affect expectations adversely. The emerging economies have to rely largely on their own resources during external exigencies (or contagion) as there is no international “lender of last resort” to provide additional liquidity at short notice on acceptable terms. Thus, the need for adequate reserves is unlikely to be eliminated or reduced even if exchange rates are allowed to float freely. The overall approach to the management of India’s foreign exchange reserves in recent years has reflected the changing composition of balance of payments, and has endeavoured to reflect the “liquidity risks” associated with different types of flows and other contingencies.

Finally, the gradual switchover to indirect market-based instruments in the conduct of monetary policy was made possible because of simultaneous efforts at developing various segments of the financial market, particularly money, foreign exchange and government securities market.

The increasing responsibility of the Reserve Bank of India in undertaking reform in the financial markets has to be seen essentially in the context of improving the effectiveness of the transmission channel of monetary policy. Development of financial markets has, therefore, encompassed regulatory and legal changes, building up of institutional infrastructure, constant fine-tuning in market microstructure and massive upgradation of technological infrastructure. An important achievement in this area was the amendment to the Securities Contracts Regulation Act, which clarified the regulatory jurisdiction of the RBI over the money, government securities and forex segments of the financial market.

The money market is critical in facilitating the conduct of monetary policy and in improving the transmission mechanism. This requires the RBI to have greater control over the liquidity in the system, create an efficient mechanism to impart interest rate signals and undertake continuous refinements to money market instruments. The market for repo is being scientifically developed over a period through widening of participants and instruments, and by bringing uniformity in trading and accounting practices with the help of Fixed Income Money Market and Derivatives Association of India (FIMMDA). A Clearing Corporation has been proposed, so that repo operations could become efficient with adequate safeguards. Similarly, the RBI has been closely nurturing the Treasury Bill market. It has increased the range of T-Bills over the years, modified the notified amounts and incorporated changes in the auction formats to suit the needs of the market. The efficacy of Commercial Paper and Certificates of Deposit has also been improved over the years with measures such as reduction in the minimum period and amount of issue, lock-in period, preferring dematerialised form, etc. The most important reform in the money market relates to the initiation of Liquidity Adjustment Facility (LAF). With the announcement of the second phase of LAF, the RBI has moved gradually from a system of segmented refinance to a more interlinking or interspersing system of liquidity adjustment at market-related rates. Reform in the call money market has also been announced to make it purely inter-bank market, over a phased period.

In the Government securities market, the borrowing programme of the Government has been systematised and rationalised with the establishment of Cash and Debt Management Group consisting of officials from the RBI and the Government and could be completed without destabilising the financial markets. Changes have been incorporated in the formats of auction by combining both price-based and yield-based auctions, thereby improving the fungibility and liquidity and paving the way for the development of a market for Separate Trading of Registered Interest and Principal Security (STRIPS), elongating the maturity for debt, facilitating the emergence of benchmarks, etc. The institutional infrastructure has been strengthened by increasing the number of Primary Dealers and making them functionally stronger through imposition of capital adequacy norms and other prudential norms. PDs have been made more vibrant through careful modulation of responsibilities and facilities. Changes in valuation norms for banks' investment portfolio have been introduced and the RBI has moved away from announcing the yield curve for government securities, which is now the responsibility of FIMMDA. Further development of the government securities market hinges on legal reforms proposed by the RBI and completion of the technological upgradation process that is underway.

Measures initiated to integrate the Indian forex market with global financial system include permitting banks to fix their own position limits and aggregate gap limits, to borrow from and invest abroad up to 15 per cent of Tier-I capital, and to arrange to hedge risks for corporate clients through derivative instruments. Given the lack of depth and liquidity in the forex market, the aim is to remove these imperfections.

A hallmark of the reform process in the financial markets is the consensus building, which is operationalised through inter-departmental working groups, inter-agency committees and Technical Advisory Committees at the formulation stages and Financial Markets Committee at the monitoring stage. The aim is to involve all the stakeholders in the formulation and implementation stages. Greater deregulation underscores the importance of closer monitoring of market developments by the regulator. This is institutionalised in the form of Financial Markets Committee (FMC) in the RBI, which meets daily before the opening of the markets and at times on more than one occasion, when situation warrants. The FMC reviews the liquidity and interest rate situation in financial markets and advises the top management on the course of action that would be required by the RBI during the day. This institutionalised framework helps the RBI to take an integrated view on all important decisions having an impact on financial markets.

The presentation has not covered important areas relating to prudential regulation, supervision and credit delivery, though they do constitute very critical aspects of financial sector reform.

Features of the Policy

The Policy has to take into account the macro-economic and monetary developments of the previous year. Since last year, a separate detailed document is prepared on the subject, which is a highly recommended reading for serious analysts. This document was issued along with the Statement of the Policy for 2001-02.

The statement itself explains in detail the developments in 2000-01 as well as the projections and outcomes for 2001-02. What is noteworthy is the nuance in the stance of monetary policy, which gives greater emphasis than in the past to (a) credit growth and revival of investment demand; and (b) the interest rate flexibility. This may be described as the contextual response at macro-policy level. At micro level, there are contextual measures such as those relating to urban cooperative banks, and exposure norms of banks to stock market

The second set of measures would emphasise the continuation of some reform aspects of policy. Changes are sought in the liquidity adjustment facility, call money market, repo market and export re-finance. The set of measures when fully implemented in the next two to three years would mean completion of the transition towards indirect instruments of monetary policy, and improving the effectiveness of the monetary policy transmission process. To illustrate, at present, banks get liquidity from non-banks and also from the RBI. In fact, the RBI is currently obliged to provide eligible amount of liquidity at predetermined rate which gives greater freedom to banks but correspondingly constrains the operations of the RBI. Further, now intra-day liquidity cannot be handled by the RBI. The package of measures announced now would take care of these issues and carry the operating environment of monetary policy to international standards.

Similarly, in the area of institutional and technological infrastructure for financial markets, the full implementation of computerisation of Public Debt Office and operationalisation of Clearing Corporation during the course of the year represents culmination of medium-term efforts to instill international standards. Incidentally, the modern forex clearing operations proposed in India are pioneering, outside of America and Europe, with Hong Kong becoming operational last year. There will be enormous savings in time and cost of intra-bank forex transactions in India. Corporates, mutual funds, etc. can operate in the repo market, *i.e.*, access or provide collateralised liquidity for the very short term, with all safeguards. Money market operations need no longer be confined to Mumbai. This should certainly be cheered by Chennai!

The prescription that banks, financial institutions, primary dealers, etc. should invest in CPs and other instruments only in demat form is a significant new measure which will virtually make all these markets move into demat mode, thus ensuring safety for all including individual investors.

The movement towards competitive and deregulated interest rate regime has also been facilitated with the linking of all lending rates to PLR of the concerned bank, while PLR has been rendered to transform itself into a benchmark rate. With this, the erstwhile non-transparent practices of circumventing PLR when it was a floor, as applied to creditworthy borrowers, may end. Also, this gives greater scope for banks to meet emerging business cycles.

In the area of prudential standards, markets carry an impression that the level of Non Performing Assets is understated on account of 180-Day instead of 90-Day norm. This will be clarified once the position is crystalised as per international norm. However, to ensure smooth transition, sufficient time up to 2004 is given for banks to make appropriate provisions. This is a forward looking measure, and a change to meet global standards. Similarly, changes have been proposed in the measurement of capital for exposure purposes and in the level of exposure limit itself. These changes will also be applicable from a future date.

In the recent past, policy statements emphasised change in the role of the RBI from being a micro regulator to concentrate on macro aspects. While that process of changing the role is almost complete, the current statement sets the agenda for divesting itself of the functions as debt manager, as owner, and in some ways as regulator, say of NBFCs or urban cooperatives, and concentrate on monetary management.

There are several areas where progress is reported and further measures indicated, such as in the areas of technology, regulatory review, credit bureau, international financial standards and codes, legal reforms, debt recovery, etc. Perhaps there is no need to elaborate these to this gathering.

Tasks Ahead for Government

The current monetary policy has signalled important reforms which require changes in the existing legislation or introduction of new laws. These include amendments to the Public Debt Act and introduction of Government Securities Bill (to provide flexibility in undertaking transactions in government securities and facilitate retailing), amendments to the Reserve Bank of India Act (to bring about, among other things, greater flexibility in monetary policy operations by reducing the statutory minimum for CRR/SLR, to enable separation of debt management functions, etc.); passage of Fiscal Responsibility Bill (to bring reasonable control over fiscal management), amendments to the State Bank of India (SBI) and other Acts governing public sector banks, National Housing Bank (NHB) and National Bank for Agriculture and Rural Development (NABARD) Acts (to transfer ownership of these institutions from the RBI to the Government); a new Deposit Insurance and Credit Guarantee Corporation (DICGC) Act (to make it consistent with financial sector liberalisation); a separate Act for Non-Banking Financial Companies (NBFCs) (to provide enhanced protection to depositors of NBFCs); amendment to Banking Regulation Act (to encompass areas of security laws and regulatory framework of banking); amendment to Negotiable Instruments Act (to bring it in conformity with the Information Technology Act, 2000 to bring electronic cheque, securitised certificate and other evolving products within its ambit); enactment of Bill on Asset Securitisation (to create an enabling environment for market for asset securitisation).

Apart from legislative changes, an important aspect relating to the supervisory framework for Urban Cooperative Banks has been proposed. This would need to be pursued in consultation with the Central and State Governments.

Tasks Ahead for the Reserve Bank of India

First, the Reserve Bank has already forwarded the draft amendments to the various acts, which is under consideration of the Government. However, some further work may be needed from the RBI also.

Second, the changes proposed in the financial sector will need follow-up actions by the RBI. For instance, the move over to the second and third stages of LAF would need the RBI to have a greater fix on the liquidity in its system. The Reserve Bank is working on a short-term liquidity model, which should provide important inputs to its decision making. This would be all the more critical in the next stage.

Third, on the operational side, the RBI would need to be prepared to advance the timing of the auction process under LAF as also be prepared with its systems to conduct discriminatory price auctions under LAF and uniform price auctions with regard to dated securities.

Fourth, further progress in the reform in the financial markets depends on the commencement of operations by the Clearing Corporation and maintaining the time schedule for the Negotiated Dealing System, Real Time Gross Settlement system and computerisation of Public Debt Office. The Reserve Bank would need to closely monitor to ensure timely implementation.

Fifth, although the Regulations Review Authority (RRA) has ceased its operations, the RBI has decided to make the review exercise an integral part of the system by putting in place an alternate mechanism. The Reserve Bank should ensure that new arrangements are in place quickly to continue with the work of the erstwhile RRA both in letter and same spirit.

Sixth, the progress by the various Committees in the RBI relating to the move towards risk based supervision, macro-prudential indicators, etc. will have to be hastened.

Seventh, follow-up actions on the work by the Advisory Groups on International Standards and Codes may be designed in close consultations with the Chairmen concerned.

Finally, keeping abreast with international developments in financial markets as also coping with the dynamics of liberalisation within our country would require continued upgradation of skills of personnel within the RBI.

Tasks Ahead for Market Participants

The monetary policy has bestowed greater flexibility and ushered in a more competitive environment among market participants.

First, banks and Primary Dealers (PDs) should prepare themselves for Stage II of LAF where one-third of the liquidity support normally available to them at fixed rate of interest would now be available at market rate.

Second, with the reform in the call money market having been announced, banks and non-banks should position themselves for a changed environment. While the total liquidity in the money market would not reduce, the composition between collateralised and non-collateralised liquidity would alter resulting in a new set of dynamics. Hence, new counter-party limits would need to be put in place. In fact, with the operationalisation of the Clearing Corporation, liquidity would improve since more participants and more instruments would be eligible to participate.

Third, with rationalisation in the Prime Lending Rate (PLR) norms and more flexibility in fixed deposit maturity and other terms such as premature withdrawal and interest on overdue deposits, competition among banks could intensify, which would require banks to be more proactive, improve their infrastructure and operational efficiency as also to enhance human skills. Corporates will also have greater incentive to improve their ratings as better corporates would be able to acquire bank loans at finer rates.

Fourth, the move to 90-Day norm for Non Performing Assets (NPAs) for banks and 180-Day norm for Financial Institutions (FIs) would require changes in the interest rate resets and implicitly alterations in systems and procedures. This would require greater credit discipline on the part of corporates regarding repayment of loans as servicing of loans assumes greater importance.

Fifth, many of the changes in prudential regulations that have been announced, *viz.*, credit exposures, consolidated accounting and supervision, move to the new Basel Capital Accord, move towards risk based supervision, etc. would need banks to initiate steps to ensure that they are geared to adopt these changes. This would involve substantial upgradation to the existing MIS, risk management practices and procedures and technical skills of staff.

Tasks Ahead for Working Groups

Progress in policy, especially on structural issues involves significant background of technical work done within the RBI well before articulating them in a Policy Statement or before embarking on consultations with market participants or other stakeholders. It may be of interest to many observers that the RBI is contemplating working groups or initiation of work on technical papers on some subjects. These relate to (a) directed lending; (b) current account facility; (c) clearing and settlement system, (d) regulatory and supervisory arrangements, and (e) lenders' obligations and liability.

Directed Lending

While there are widespread reservations about directed lending, in a developing country like India, there is need for some sort of directed lending, especially to agriculture, small-industry and export sector. No doubt, directed lending is not the same as subsidised lending. The current stipulations regarding lending to the above sectors have evolved incrementally resulting in discrimination between foreign and public sector banks; incentive incompatibility due to possibility of making up for shortfall through NABARD, Small Industries Development Bank of India (SIDBI), etc.; and wide interpretation of directed lending to include investments. It is proposed to prepare a technical paper analysing the current situation, the problems and prospects.

Rationalisation of Current Account Facility

At present, current account facility in the RBI is extended to banks for the purpose of meeting their statutory obligations, settlement of transactions with the RBI/ Government and inter-bank transactions. Besides banks, non-banks, like insurance companies, mutual funds, primary dealers, National Securities Clearing Corporation Ltd., etc., are also extended current account facility for such purposes as same day settlement as well as use of funds on the same day for call money transactions and facilitating development of the government securities market. However, in the context of the recommendations of the Technical Group on phasing out of non-banks from call/notice money market, the setting up of Clearing Corporation and the proposed opening up of membership of INFINET to all institutions which are maintaining current account and/ or SGL account with the RBI, it is felt that the present policy of current account facility needs a review. Accordingly, a Working Group has been set up by the RBI to examine the issues of rationalisation of current account facility provided by the RBI. The Group, *inter alia*, would examine the objectives and practices in regard to extension of current account facility, study international practices and make suitable recommendations.

Clearing and Settlement System

Recognising the importance of clear-cut legal framework to govern payments system, the RBI's proposals for amendment to the Reserve Bank of India Act, 1934 include empowerment of the Bank with appropriate regulatory and supervisory powers in respect of payments and settlement system in the country. The amendments, once approved, will provide the necessary legal framework consistent with emerging complexities and technological developments in such systems globally. More recently, the Advisory Group on Payment and Settlement System (Chairman : Shri M.G. Bhide) which examined the existing status of major systemically important payment systems in the country has also recognised a number of shortcomings, including lack of a well-founded legal framework and absence of risk management system in our Clearing House operations.

Without prejudice to these developments, it is felt necessary to consider several operational aspects. Thus, existing arrangements relating to eligibility norms for admission of new members/sub-members into the Clearing House, level of cash/market value of securities to be maintained as collateral with the RBI by the members to ensure safety of settlement, etc., need a thorough review to safeguard the integrity of payment system. Hence, it has been decided to constitute a Working Group to evolve suitable criteria for membership and recommend appropriate prudential safeguards including risk management systems for Clearing House operations. The Working Group will, *inter alia*, include select members of the Clearing House under the aegis of the RBI and will submit its report in three months.

Review of Regulatory and Supervisory Arrangements

The world over, financial innovations, technological development and blurring of distinction between financial institutions have resulted in increasing integration of financial services and markets. Technical advances have also resulted in accelerated pace of innovations and complexities in financial products besides the multi-fold increase in volumes and turnover. The Indian financial system is catching up fast with these developments in the post-reform period. The regulatory regimes and supervisory systems in the changing environment face new challenges in safeguarding the integrity, efficiency, soundness and stability of the financial system. This calls for a study of the regulatory and supervisory arrangements. In India, the regulatory and supervisory arrangements have been rendered complex in view of the existence of various types of financial intermediaries with differing charters owing their origins to pre-reform period with specific plan strategies.

Currently, institutions that are broadly under the regulatory ambit of the Reserve Bank fall in the following categories. (a) Public sector banks which are governed by statutes with close involvement of Government though regulated by the RBI. (b) Foreign banks, which are registered as branches and private banks incorporated under the Companies Act and regulated by the RBI. (c) Urban cooperative banks, both scheduled and non-scheduled, which are under dual regulation of the RBI and the State Governments/Central Government. (d) Non-banking financial companies incorporated under the Companies Act which have been recently brought legally within the RBI's regulatory framework. Housing Finance companies, however, are regulated and supervised by National Housing Bank. (e) Regional Rural Banks and State and District Central Co-operative Banks, which are regulated by the RBI, supervised by the NABARD and additionally by Central Government and State Governments; and (e) Development Financial Institutions, some of which are under statute and some under the Companies Act, which had been under Government control till recently. The Reserve Bank has of late brought them to some extent within its regulatory and supervisory ambit.

Both the Madhava Rao Committee and the Capoor Committee had addressed issues of regulation relating to co-operative banks; but, several legislative actions are still to be initiated. Within the financial sector, concerns about systemic risk tend to focus on banks particularly in view of their role in the payments and settlement system. The regulatory oversight should, therefore, duly take into account the role of the financial institutions in the payments system, which is the backbone for an efficient financial system. In addition, the regulatory regime should also recognise the functional orientation and governance structures of different types of institutions. In this context, it will be possible to categorise the financial intermediaries under the RBI's regulatory and supervisory umbrella into three categories; First, scheduled banks including cooperative banks that are part of the payment system. Second, commercially-oriented financial intermediaries, *i.e.*, NBFCs and DFIs which have to be regulated keeping in view primarily the protection of depositors' interests and to some extent systemic implications in regard to larger entities. Third, cooperatives which are large in number with some hierarchic structures and widely dispersed and essentially meant to cater to local areas which need to be regulated essentially to ensure protection of members'/ depositors' interests, unless they happen to be scheduled banks. It is proposed to work on a technical paper covering various aspects keeping in view the complexities indicated above and the existing arrangements.

Lenders Obligations and Liability

While there has been significant attention to the problem of credit recovery and wilful default and diversion of funds by borrowers, especially by large borrowers, sufficient attention has not been paid to the problems that small and medium borrowers face in their relations with lending entities. It is, therefore, considered necessary to prescribe the obligations and liability of lenders, particularly in terms of transparency, notice, confirmation, service, etc. It is proposed to study international practices and obtain views of commercial banks and other interested parties to help formulate its technical paper and parameters for an appropriate legislation.

Conclusion

In conclusion, I have deliberately chosen a place other than Mumbai for explaining these developments since I believe that this policy has the potential to truly integrate different centres of the country through the technological and institutional measures contemplated.

MONETARY PROJECTIONS AND OUTCOMES

(Per cent)

	1997-98		1998-99		1999-00		2000-01		2001-02
	Projection	Outturn	Projection	Outturn	Projection	Outturn	Projection	Outturn	Projection
GDP	6.0-7.0 (About 6.0)*	5.0	6.5-7.0 (6.0)*	6.6	6.0-7.0 (6.0-6.5)*	6.4	6.5-7.0 (6.0-6.5)*	6.0	6.0-6.5
Inflation	Around 6.0	5.3	5.0-6.0 (4.8)*	4.8	Around 5.0 (< 4.8)*	6.8	4.5 (Avg of 2 yrs)*	4.9	within 5.0
M_3	15.0-15.5	17.9	15.0-15.5	19.2	15.5-16.0	14.6	15.0	16.2	about 14.5
Deposits	16.0	19.8	15.5	19.3	16.5	13.9	15.5	17.8	about 14.5
Non-food Credit	20.0-21.0	18.6	19.0	16.4	18.0	17.8	16.0	15.4	16.0-17.0
Interest Rates (PLR)	Bring Down	From 14.0-14.5	Reduction	12.0 -14.0	Stable M-T & L-T rates with preference for softening	12.0-13.5	Stable M-T & L-T rates with preference for softening	10.0-13.0	Stable environment with preference for softening
Mkt Borrowing	(Rs. crore)								
Centre									
Gross	52,963	59,637	79,376	93,953	84,014	99,630	1,17,044	1,15,183	1,18,852
Net	33,820	40,494	48,326	62,903	57,461	73,077	77,353	73,787	77,353
States									
Gross	7,749	7,749	10,848	12,114	12,267	13,706	11,420	13,300	
Net	7,192	7,193	9,434	10,700	10,966	12,405	11,000	12,880	
CAD	<2.0%ofGDP	1.4 % of GDP	<2.0%ofGDP	1.0 % of GDP	1.5 % of GDP	0.9 % of GDP	< 2.0 % of GDP	1.0 % of GDP	
Reserves (FCA)	Augment	+ US $ 3.6 bn	Augment	+ US $ 3.5bn	Augment	+ US $ 5.5bn	Augment	+ US $ 4.5bn	Augment
External Debt		US$ 93.5 bn		US$ 97.7 bn		US$ 98.4 bn		US$97.9 (end-Sept)	
Exchange Rate	Stable & orderly	Ref rate to 39.5 at	Orderly & Prevent Destab	42.43	Orderly & Prevent Destab	43.62	Orderly Realistic & Credible	46.64	manage Volatility with no fixed rate target

RBI PRESS RELEASE

RBI issues Notifications to liberalise Capital Account (March 2, 2001)

Following the announcement made by the Finance Minister in his Budget Speech for 2001-2002 the Reserve Bank has issued the following Notifications to liberalise the Capital Account for certain purposes:

1) Indian Companies wishing to make acquisitions of foreign companies or direct investment abroad in Joint Ventures/Wholly Owned Subsidiaries may now invest upto US $ 50 million on an annual basis through Automatic Route without being subject to the three year profitability condition. Thus, the limit of investment upto US $ 50 million which was earlier available in a block of three years would now be available annually without any profitability condition.

2) Companies may invest 100 per cent of the proceeds of their ADR/GDR issues for acquisitions of foreign companies and direct investments in Joint Ventures and Wholly Owned Subsidiaries. Earlier such investments out of ADR/GDR issues were subject to a ceiling of 50 per cent.

3) A new facility for additional Block Allocation of foreign exchange to companies with proven track record which have already exhausted the limit of US $ 50 million available under the Automatic Route for investment/ acquisition overseas is also being instituted by the RBI. While considering such application, the Reserve Bank would consider (a) the financial position and business track record of the Indian company (b) prima facie viability of the investments and justification for additional requirement of foreign exchange and (c) contribution of the applicant company to the external trade and other potential benefits to the country out of the investment. Such Block Allocation will be sanctioned by the Reserve Bank in advance and will, therefore, enable Indian companies to negotiate and finalise their acquisitions/direct investments without having to secure permission of the Reserve Bank, subject to post-facto reporting to the RBI. While providing such Block Allocation the RBI would also specify the means of financing as well as the time period over which such permission would be valid.

4) Any Indian company that has issued ADRs/GDRs may acquire shares of foreign companies engaged in the same area of core activity upto an amount of US $ 100 million or an amount equivalent to ten times of their exports in a year, whichever is higher. Earlier this facility was available only to Indian companies in certain sectors.

5) Two-way fungibility in ADR/GDR issues of Indian companies has been introduced, subject to sectoral caps, wherever applicable. Stock brokers in India may now purchase shares and deposit these with the Indian Custodian for issue of ADRs/GDRs by the overseas depository to the extent of the ADRs/GDRs that have been converted into underlying shares.

6) Indian companies will now be able to sponsor ADR/GDR issues with an overseas depository against shares held by its shareholders who wish to use this option. The issue price shall be determined by the lead manager to the issue and the issue proceeds shall be repatriated within one month. The sponsoring company shall have to comply with the provisions of the Scheme for Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and guidelines issued thereunder by the Central Government.

7) The ban on overseas investments by registered partnership firms has been removed. Partnershhip firms providing certain specified professional services, *viz.*, Chartered Accountancy, Legal services, Medical and Health care services, Information technology and Entertainment Software related services would now be able to invest abroad in foreign concerns in the same line of activity upto US $ 1 million under Automatic Route. For such investments exceeding US $ 1 million approval of the Reserve Bank will be necessary.

8) Indian employees who have the benefit of ESOP schemes in foreign owned companies can now invest upto US $ 20,000 per annum. Earlier this facility was available only to the extent of US $ 10,000 in a block of five years.

9) Foreign Institutional Investors (FIIs) can invest in a company under the protfolio investment route upto 24 per cent of the paid up capital of the company. This can be increased to 40 per cent with the approval of the general body of the shareholders by a

special resolution. This limit has now been increased from 40 per cent to 49 per cent.

Necessary notifications have been issued and are available on the RBI Website www.rbi.org.in

Ways and Means Advances to the Government of India for the financial year 2001-2002 (March 31, 2001)

The arrangements in respect of Ways and Means Advances (WMA) to the Government of India, the rate of interest and the minimum balance required to be maintained with the Reserve Bank of India have been reviewed. Accordingly effective from April 1, 2001 the WMA limit to the Government of India, the rate of interest on the same and the minimum balance required to be maintained will be as under:

A. The limit for WMA will be Rs. 10,000 crore for the first half of the year (April to September) and Rs. 6,000 crore for the second half of the year (October to March). When 75 per cent of the WMA is utilised by Government, the Reserve Bank may trigger fresh floatation of market loans depending on market conditions.

B. The interest rate on WMA will be at Bank Rate and overdraft at Bank Rate plus two percentage points as under:

	Rate per cent per annum
(i) Ways and Means Advances	Bank Rate (7.0)*
ii) Overdrafts beyond the Ways and Means Advances Limit	Bank Rate plus two percentage points (9.0)*

* Currently applicable with effect from close of business of March 1, 2001.

C. The minimum balance required to be maintained by the Government of India with the Reserve Bank of India is not less than Rs. 100 crore on Fridays, as at the close of Government's financial year and 30th June, and not less than Rs. 10 crore on other days.

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

CREDIT CONTROL AND OTHER MEASURES

FEBRUARY 2001

Selected circulars issued by the Reserve Bank of India during February 2001 are reproduced below.

Ref. No. UBD. DS. 32/13.04.00/2000-01 dated February 12, 2001

All Primary Co-operative Banks

Reliefs/concessions for exporters affected by the earthquake

As you are aware, the earthquake that struck the nation on January 26, 2001 has affected the export activity of many of the exporters. To provide relief to the affected exporters, it has been decided to extend the following concessions:

(i) Extension of pre-shipment credit

In cases where shipment is likely to be delayed beyond the specified time due to the calamity banks may, **after satisfying themselves of the genuineness of the case,** extend upto 180 days, pre-shipment credit granted for periods less than 180 days (based on the production cycle), at the interest rate applicable for the period upto 180 days (10 per cent per annum) and for the period beyond 180 days and upto 360 days banks may charge the concessional rate applicable for the period beyond 180 days and upto 270 days, (13 per cent per annum). Extension of credit beyond 360 days may also be considered, where necessary, on the basis of bank's commercial judgement and discretion at the rate applicable for 'ECNOS-Pre-shipment' and with the approval of the bank's Board.

In case where the pre-shipment credit has been granted in foreign currency, extension beyond 180 days may be allowed as per the actual cost of roll-over instead of applying 2 per cent over the rate charged for the period upto 180 days as per extant instructions.

(ii) Conversion of dues into short term loans

Banks may convert the overdue pre-shipment credit, wherever considered necessary, into a short term loan repayable within a reasonable period of time after taking into account the settlement of ECGC claim, if any, in respect of guarantees taken by the bank. Penal interest which is now required to be decided by the banks should not be charged from the date of advance in case of non-shipment in such cases.

(iii) Application of asset classification norm

Banks need not classify as Non-performing Asset (NPA) pre-shipment credit granted to the exporters where the period of credit has been extended in terms of paragraph (i) above or where the pre-shipment credit has been converted into short term loan in terms of paragraph (ii) above. The advance will be treated as NPA if the interest and/ or instalment of principal remains unpaid for 180 days after it has become overdue taking into account the revised due dates fixed by the banks after extension of the period or conversion of the pre-shipment credit, as the case may be.

Ref. No. MPD. BC. 204/07.01.279/2000-01 dated February 16, 2001

All Scheduled Commercial Banks

Bank Rate

It has been decided that with effect from the close of business today (February 16, 2001), the Bank Rate will be reduced by one half of one percentage point from '8.0 per cent per annum' to '7.5 per cent per annum'.

2. All interest rates on advances from the Reserve Bank as also the penal rates on shortfall in reserve requirements which are specifically linked to the Bank Rate stand revised as indicated in the Annexure.

Annexure
Interest Rates on Advances from Reserve Bank and Penal Rates which are at present Linked to the Bank Rate

Sr. No.	Advances to	Existing Rates	New Rates (Effective close of business on February 16, 2001)
		Per cent per annum	
1.	**Scheduled Commercial Banks**		
	i) Export Credit Refinance Facility	Bank Rate (8.0)	Bank Rate (7.5)
	ii) Collateralised Lending Facility (CLF)		
	Block I (First 2 weeks)	Bank Rate (8.0)	Bank Rate (7.5)
	Block II (From 3rd week onwards)	Bank Rate plus 2.0 percentage points (10.0)	Bank Rate plus 2.0 percentage points (9.5)
2.	**State Co-operative Banks (SCBs)**		
	Towards general banking business such as clearing adjustments, Liquidity, etc.	Bank Rate (8.0)	Bank Rate (7.5)

3.	**NABARD** General Line of Credit (GLC) *i) GLC I* To provide Refinance in respect of loans and advances for the purposes of seasonal agricultural operations (SAO) made by SCBs and Regional Rural Banks (RRBs)	Bank Rate minus 2.0 percentage points (6.0)	Bank Rate minus 1.5 percentage point (6.0)
	ii) GLC II To provide refinance to SCBs, RRBs and commercial banks for refinancing Weavers' Co-op. society and for other approved short term purposes	Bank Rate minus 1.5 percentage points (6.5)	Bank Rate minus 1.0 percentage point (6.5)
4.	**Primary (Urban) Co-op. Banks**		
	i) Export Credit Refinance Facility	Bank Rate (8.0)	Bank Rate (7.5)
	ii) For SSI	Bank Rate (8.0)	Bank Rate (7.5)
5.	**SIDBI** [From NIC(LTO) Fund out of the loan repayment made by IDBI]	Bank Rate (8.0)	Bank Rate (7.5)
6.	**Primary Dealers (PDs)** To enable PDs to effectively fulfill their obligations, the RBI is extending liquidity support to them against the security of holdings in Subsidiary General Ledger (SGL) Accounts		
	Level I	Bank Rate (8.0)	Bank Rate (7.5)
7.	**State Financial Corporations**	Bank Rate (8.0)	Bank Rate (7.5)
8.	**Government of India**		
	a) Shortfalls in minimum balances	Bank Rate (8.0)	Bank Rate (7.5)

	b) Ways and Means Advances	Bank Rate (8.0)	Bank Rate (7.5)
	c) Overdraft	Bank Rate plus 2.0 percentage points (10.0)	Bank Rate plus 2.0 percentage points (9.5)
9.	**State Governments**		
	a) Shortfalls in minimum balances	Bank Rate (8.0)	Bank Rate (7.5)
	b) Ways and Means Advances	Bank Rate (8.0)	Bank Rate (7.5)
	c) Overdraft	Bank Rate plus 2.0 percentage points (10.0)	Bank Rate plus 2.0 percentage points (9.5)
10.	Penal Interest Rates on shortfalls in reserve requirements depending on duration of shortfalls	Bank Rate plus 3.0 percentage points (11.0) or Bank Rate plus 5.0 percentage points (13.0)	Bank Rate plus 3.0 percentage points (10.5) or Bank Rate plus 5.0 percentage points (12.5)

Ref. No. UBD. POT No. 33/09.17.03/2000-2001 dated February 20, 2001.

All Primary Co-operative Banks in Gujarat (including PCBs having branches in Gujarat)

Relief measures for the persons/business affected by the earthquake in Gujarat

As you are aware, State Level Banker's Committee Meeting held at Ahmedabad on February 9, 2001 had recommended certain relief/ concessions to the earthquake victims of Gujarat and a special package of relief measures has been announced for implementation by commercial banks. It has been decided that Primary (Urban) Co-operative Banks (PCBs) in Gujarat should also extend similar concessions/relief to the victims of earthquake as detailed below. It may be clarified that the relief measures indicated below are applicable to the affected persons in the districts and blocks, notified by the State Government as having been affected by the earthquake. In case of doubt, banks may obtain certification from the State Agencies in the matter.

Relief measures :

At present PCBs are required to charge Minimum Lending Rate of 13 per cent on all advances. PCBs may offer concessions in the interest rates depending upon the cost of funds, their commercial judgement and resource position of each

PCB, **subject to the condition that this rate shall not be less than 10 per cent.** The Board of each PCB may accordingly decide upon suitable rate of interest including the method of calculation (simple or compound) based on these criteria. In this regard it is recommended that PCBs may charge interest as indicated in the subsequent paragraphs.

2. a) Loan Classification Status :

(i) It has been decided that banks should freeze on an 'as-is-where-is' basis the loan classification status uptill 31.03.2003.

(ii) In regard to standard assets, no demand for recovery to be made for two years.

(iii) In regard to loans not classified as standard assets, no penalties to be levied in the event of non-receipt of repayments due during the next two years.

(iv) During this period the banks may charge simple interest at a rate between 13 per cent and 10 per cent per annum till 31.03.2003 and thereafter normal rate of interest would be charged.

b) Notwithstanding the present status of the account, affected borrowers in the category of small traders, small business, self-employed and small road transporters etc. may be sanctioned special limits up to Rs. 1 lakh for restoration/rehabilitation of their business at interest rates not exceeding the minimum lending rate i.e., 13 per cent p.a.

(c) Banks may grant loans upto Rs. 2 lakh at the interest rates not exceeding 13 per cent for repairs/reconstruction of houses/ shops damaged by the earthquake.

(d) In regard to advances to **SSI, business, trade and industry,** banks should consider sanction of additional limits/ rescheduling of existing limits under a need based arrangement depending upon the past performance of borrower, conduct of account etc. The interest on rescheduled loans may be charged at a rate between 13 per cent and 10 per cent per annum at simple rate upto March 31, 2003 and thereafter, at normal lending rate. The interest on additional limits will be charged as per sub para (e) below.

(e) Loans upto Rs. 10 lakh will carry rate of interest at 13 per cent and for loans above Rs. 10 lakhs, at rate to be decided by the banks.

(f) No processing fees will be charged by the banks from the affected beneficiaries.

(g) Financial facilities for repairs/ construction of houses/shops and to small traders, small business, self-employed and small road transporters etc. under this package will be reckoned as part of **priority sector lending.**

(h) Settlement of claims made by nominee of depositors who have lost their lives in the earthquake should be completed within 48 hours and in other cases, on the bank being satisfied about legality of the claim. The successor to be notified by the State Agencies. Payment upto Rs. 50,000 in deceased claims be released against Indemnity and Affidavit.

(i) Branch managers may be vested with sufficient discretionary powers for granting such facilities.

(j) Banks are free to evolve their own guidelines on the stipulations on margin, security and repayment schedule in the matter of direct lending for housing to the borrowers with the approval of their boards.

(k) In case of agricultural loans, as a special case banks may not recover either principal or interest from the **affected farmers** for a period of two years and reschedule the amounts not collected during the two years for a period upto 7 years. It may be clarified that the total period of reschedulement including the intial moratorium period should not exceed nine years.

(l) Existing limit of Rs. 1000/- for grant of consumption loan may be raised upto Rs. 2000 per eligible beneficiary.

(m) While sanctioning limits, asset coverage ratio may not be insisted upon.

3. The issue of waiver of stamp duty for registration of houses and mortgage of property and certification of ownership of land for construction of houses/shops, is being taken up by SLBC with State Government. You may please keep in touch with the convernor of SLBC *i.e.,* Dena Bank, Ahmedabad in this regard.

4. We shall be glad if you will please initiate immediate steps to extend relief measures as above in the affected districts.

Ref. No. UBD. Plan.Cir.RCS. 3/10.01.00/2000-2001 dated February 26, 2001

The Registrar of Co-operative Societies of all States.

Refinance facilities to Primary (Urban) Co-operative Banks under Section 17 of the RBI Act, 1934 - Tiny / Cottage Industrial Units

It has been decided to continue for the year 2001-2002 (April-March), the extant policy governing the sanction of credit limits under Section 17(2)(bb) read with Section 17(4) (c) of the Reserve Bank of India Act, 1934, for financing the working capital requirements of tiny/small industrial units, falling within the 22 broad groups, of cottage and small scale industries, outside the co-operative sector.

2. The refinance by Reserve Bank of Inida will continue to be made available at Bank Rate (*i.e.,* 7.5 per cent at present) to the State Co-operative Banks. Refinance shall be routed through State Co-operative Banks directly to Primary Co-operative Banks or through District Central Co-operative

Banks. However, the margin available between the rate at which the refinance is made available and the rate at which the ultimate beneficiary (*i.e.*, eligible cottage/tiny industrial units) is charged, should be appropriately shared. It is further advised that the ultimate borrowers (*i.e.*, eligible industrial units) should be provided finance as indicated in our circular UBD.No.P&O.Cir.RCS.11/10.01.00/95-96 dated October 10, 1995. Accordingly, the banks will be free to determine the interest rate to be charged to the ultimate borrower even if they avail of refinance from Reserve Bank of India, subject to the prescription of a minimum lending rate of 13 per cent per annum. The banks should, however, ensure that the rate of interest to be charged to the ultimate borrower is not unreasonably high.

3. For the purpose of this scheme, eligible small and tiny units have been defined as those units outside the co-operative sector, whose investment in palnt and machinery does not exceed Rs. 25 lakhs. As regards eligibility in respect of working capital requirements, banks are free to assess the same, based on their commercial judgement.

4. The limits sanctioned for the financial year 2001-2002 will be operative upto March 31, 2002. With a view to ensuring expeditious sanction of the credit limits and facilitating drawals thereon, banks may please submit their applications through State Co-operative Banks together with recommendations of the Registrar of Co-operative Societies **as early as possible**. A proforma balance sheet as at the end of December 2000 or any later date may also be furnished.

5. A copy of this circular is being endorsed to State Co-operative Banks.

6. We shall be glad if the contents of the circular are brought to the notice of primary (urban) co-operative banks under your jurisdiction, immediately, to enable them to take full advantage of Reserve Bank of India's Refinance Scheme.

EXCHANGE CONTROL

FEBRUARY 2001

1. ACU - Funding of Nostro Account on "Tom" basis in addition to "Spot" basis

Requests from authorised dealers for funding of their ACU dollar accounts with commercial banks in participating countries on "Spot" basis are required to be made in form ACU-1, in duplicate, to the Department of External Investments and Operations (DEIO), Reserve Bank of India, Mumbai. It has been now decided that requests from authorised dealers for funding their ACU dollar accounts with commercial banks in participating countries as well as for repatriation of the excess liquidity in the ACU dollar accounts of their correspondent banks maintained with them, would be accepted in ACU-1 and ACU-2 format, respectively, by DEIO, RBI, Mumbai on "Tom" basis also in addition to "Spot" basis, **with effect from March 1, 2001**. Authorised dealers have to submit their applications to DEIO, RBI, Mumbai **before 3 p.m. a day prior to value date**.

2. Investment by FIIs/NRIs/OCBs/Foreign Venture Capital Investors in companies engaged in the Print Media Sector

In terms of sub-regulations (2), (3) and (5) of Regulation 5 of Notification No. FEMA.20/2000-RB dated May 3, 2000, Foreign Institutional Investors (FIIs)/Non-Resident Indians (NRIs)/ Overseas Corporate Bodies (OCBs) and Foreign Venture Capital Investors (FVCIs) were permitted to purchase shares and convertible debentures of Indian companies. In consultation with the Government of India, it has now been decided that the facility to FIIs/NRIs/OCBs and FVCIs to purchase shares or convertible debentures of an Indian company **which is engaged in the print media sector** should be withdrawn. Accordingly, the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000 have been amended vide Notification No.FEMA. 35/2000-RB dated February 16, 2001. The restriction shall also apply to purchase of shares and convertible debentures by NRIs and OCBs on non-repatriation basis.

CURRENT STATISTICS

Notes :

(1) The coverage of data will be expanded from time to time to include new statistical information as and when it becomes available.

(2) Some of the figures included in the tables are provisional and may be revised in later issues. Each issue contains all the revisions made upto the date of publication of the Bulletin.

(3) The following symbols have been used throughout this Section :

.. = Figure is not available

– = Figure is nil or negligible

P = Provisional

(4) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be, in some tables, a slight discrepancy between the sum of the constituent items and the total.

(5) A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different basis and are not strictly comparable. In each case, a suitable footnote is added.

(6) For definitions of important items, sources of data, coverage, scope, method of compilation, etc. a reference may be made to the Explanatory Notes, issued as a supplement to the October 1978 issue of the Bulletin.

(7) 1 Lakh = 1,00,000, 1 Million = 10 lakh, 1 Crore = 10 Million.

No. 1 : SELECTED ECONOMIC INDICATORS

Item	Unit / Base	1990-91	1998-99	1999-2000	2000-01	2001		
						Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9
Output								
1. Gross Domestic Product at Factor Cost (at 1993-94 prices)	Rs. crore	6,94,925	10,83,047 (P)	11,51,991 (Q.E.)	12,21,174 (A.E.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1981-82=100	148.4	178.1	176.8(P)	170.6(P)			
a. Foodgrains Production	million tonnes	176.4	203.5	208.9	199.0(P)			
3. General index of Industrial Production (1)	1993-94=100	212.6*	145.2	154.8(P)	..	167.7(P)	..	..
Money and Banking								
Reserve Bank of India (2)								
4. Notes in circulation	Rs. crore	53,784	1,72,541	1,92,483	2,12,858	2,07,970	2,10,858	2,12,858
5. Rupees Securities (3)	"	86,035	1,45,583	1,40,967	1,50,569	1,46,115	1,46,309	1,50,569
6. Loans and discount	"	19,900	19,876	37,890	28,143	28,032	27,262	28,143
(a) Scheduled Commercial Banks (4)	"	8,169	2,894	9,513	5,980	6,099	5,130	5,980
(b) Scheduled State Co-operative Banks (4)	"	38	13	15	27	21	21	27
(c) Bills purchased and discounted (internal)	"	—	—	—	—	—	—	—
Scheduled Commercial Banks								
7. Aggregate deposits (5)	Rs. crore	1,92,541	7,14,025	8,10,065(P)	9,58,008(P)	9,35,510(P)	9,45,846(P)	9,58,008(P)
8. Bank credit (5)	"	1,16,301	3,68,837	4,34,182(P)	5,09,082(P)	4,99,586(P)	5,04,621(P)	5,09,082(P)
9. Investment in Govt. Securities (5)	"	49,998	2,23,217	2,77,829(P)	3,39,080(P)	3,24,473(P)	3,30,037(P)	3,39,080(P)
10. Cheque clearances (6)	Rs.thousand crore	1,703	5,668(P)	7,183(P)	7,493(P)	771(P)	670(P)	808(P)
11. Money Stock measures (7)								
(a) M_1	Rs. crore	92,892	3,09,128	3,40,620(P)	3,78,003(P)	3,60,419(P)	3,66,212(P)	3,78,003(P)
(b) M_3	"	2,65,828	9,81,020	11,17,201(P)	13,05,567(P)	12,67,330(P)	12,81,909(P)	13,05,567(P)
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (16)	per cent	15.00	10.50	9.00	8.00	8.50	8.50	8.00
13. Bank Rate	per cent per annum	10.00	8.00	8.00	7.00	8.00	7.50	7.00
14. Inter-bank call money rate (Mumbai) (8)	"	4.00/70.00	0.50/35.00	4.50/25.00	4.00/19.00	7.80/12.30	5.50/10.30	4.00/19.00
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.0 (11)	Free(12)	5.00-7.50	5.25-7.25	5.00-7.25	5.00-7.50	5.25-7.25
(b) 1 year and above	"	9.0-11.0		8.50-10.50	8.50-10.00	8.50-10.00	8.50-10.00	8.50-10.00
16. Prime Lending Rate (10)	"	—	12.00-13.00	12.00-12.50	11.00-12.00	12.00-12.50	12.00-12.50	11.00-12.00
17. Yield on 11.75% Loan 2001	"	—	11.38	10.20	9.87	9.77	9.29	8.98
18. Yield on 11.5% Loan 2008	"	—	12.03	11.30	10.57	10.47	10.16	10.07
Government Securities Market (2)								
19. Govt. of India 91-day Treasury Bills (Total outstandings)	Rs. crore		1,500	1,520	..	1,945	1,945	1,930

See 'Notes on Tables'.

* : Base : 1980-81 = 100.

\+ : Base : 1981-82 = 100.

AE : Advance Estimate ; QE : Quick Estimate.

No. 1 : SELECTED ECONOMIC INDICATORS *(Concld.)*

Item	Unit / Base	1990-91	1998-99	1999-2000	2000-01	2001 Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9
Price Indices								
20. Wholesale prices (13)	1993-94=100							
(a) All commodities	"	182.7 +	140.7	145.3	..	..	..	..
(b) Primary articles	"	184.9 +	156.2	158.0	..	..	..	..
(c) Fuel, power, light and lubricants	"	175.8 +	148.5	162.0	..	..	..	..
(d) Manufactured products	"	182.8 +	133.6	137.2	..	..	..	..
(e) Foodgrains	"	179.2 +	152.0	176.4	..	..	..	..
(f) Edible oils	"	223.3 +	139.1	122.1	..	..	..	..
(g) Sugar, khandsari & gur	"	152.3 +	153.5	156.0	..	..	..	..
(h) Raw Cotton	"	145.5 +	166.9	147.3	..	..	..	..
21. Consumer prices (All-India) (1)								
(a) Industrial Workers	1982=100	193	414	428	..	445	443	..
(b) Urban Non-Manual Employees	1984-85=100	161	337	352	..	376	376	..
(c) Agricultural Labourers	July 1986-June 1987=100	..	294	309	..	301	299	
Foreign Trade								
22. Value of imports	U.S. $ Million	24,073	42,389	47,212 (P)	..	3,848 (P)	3,378 (P)	..
23. Value of exports	"	18,145	33,219	37,599 (P)	..	3,471 (P)	3,760 (P)	..
24. Balance of trade	"	–5,927	–9,170	–9,613 (P)	..	–377 (P)	382 (P)	..
25. Foreign exchange reserves (14)								
(a) Foreign currency assets	U.S. $ Million	2,236	29,522	35,058	39,554 (P)	38,361 (P)	38,896 (P)	39,554 (P)
(b) Gold	"	3,496	2,960	2,974	2,725 (P)	2,751 (P)	2,711 (P)	2,725 (P)
(c) SDRs	"	102	8	4	2 (P)	8 (P)	1 (P)	2 (P)
Employment Exchange Statistics (15)								
26. Number of registrations	in thousand	6,541	5,852	5,967	..	..	..	..
27. Number of applicants								
(a) Placed in employment	"	265	233	222	..	..	..	..
(b) On live register (14)	"	34,632	40,090	40,371	..	..	..	..

No. 2 : RESERVE BANK

Last Friday / Friday	1990-91	1999-2000	2000-01	2000		2001
				Mar.	Apr.	Jan.
1	2	3	4	5	6	7
Issue Department						
Liabilities						
Notes in circulation	53,784	1,92,483	2,12,858	1,92,483	2,00,104	2,07,970
Notes held in Banking Department	23	51	79	51	40	54
Total liabilities (total notes issued) or assets	**53,807**	**1,92,535**	**2,12,937**	**1,92,535**	**2,00,144**	**2,08,023**
Assets						
Gold coin and bullion	6,654	10,598	10,324	10,598	10,598	10,737
Foreign securities	200	72,700	91,700	72,700	86,700	91,700
Rupee coin (1)	29	102	78	102	63	174
Government of India rupee securities	46,924	1,09,134	1,10,835	1,09,134	1,02,783	1,05,412
Banking Department						
Liabilities						
Deposits	**38,542**	**86,551**	**87,828**	**86,551**	**70,629**	**79,913**
Central Government	61	500	100	500	101	101
State Governments	33	41	41	41	41	41
Scheduled Commercial Banks	33,484	77,781	76,939	77,781	62,605	71,135
Scheduled State Co-operative Banks	244	816	978	816	806	780
Non-Scheduled State Co-operative Banks	13	45	61	45	36	35
Other banks	88	246	918	246	212	843
Others	4,619	7,122	8,791	7,122	6,828	6,978
Other liabiliities(2)	28,342	74,102	84,199	74,102	75,058	84,692
Total liabilities or assets	**66,884**	**1,60,654**	**1,72,028**	**1,60,654**	**1,45,687**	**1,64,604**

See 'Notes on Tables'.

OF INDIA

(Rs. crore)

2001							
Feb.	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30	Apr. 6	Apr. 13 (P)
8	9	10	11	12	13	14	15
2,10,858	2,11,590	2,16,442	2,17,169	2,14,632	2,12,858	2,15,418	2,22,319
58	67	53	55	58	79	59	42
2,10,917	**2,11,657**	**2,16,494**	**2,17,224**	**2,14,691**	**2,12,937**	**2,15,477**	**2,22,361**
10,429	10,324	10,324	10,324	10,324	10,324	10,384	10,384
91,700	91,700	91,700	91,700	91,700	91,700	91,700	96,700
135	123	114	105	94	78	71	61
1,08,653	1,09,510	1,14,356	1,15,095	1,12,573	1,10,835	1,13,322	1,15,217
80,723	**80,567**	**80,578**	**80,708**	**68,932**	**87,828**	**73,503**	**77,738**
100	100	111	100	101	100	101	100
41	41	138	41	41	41	30	40
71,875	71,346	71,742	70,850	59,544	76,939	62,939	67,173
566	834	638	996	806	978	864	954
30	35	42	46	51	61	38	45
821	934	848	972	882	918	870	889
7,289	7,277	7,060	7,703	7,507	8,791	8,661	8,537
85,073	85,922	85,895	84,826	84,518	84,199	85,703	86,198
1,65,796	**1,66,489**	**1,66,473**	**1,65,533**	**1,53,449**	**1,72,028**	**1,59,206**	**1,63,936**

No. 2 : RESERVE BANK

Last Friday / Friday	1990-91	1999-2000	2000-01	2000		2001
				Mar.	Apr.	Jan.
1	2	3	4	5	6	7
Assets						
Notes and coins	23	52	80	52	41	54
Balances held abroad(3)	4,008	52,313	92,600	52,313	37,826	85,220
Loans and Advances						
Central Government	—	982	—	982	8,579	—
State Governments(4)	916	7,519	4,395	7,519	1,821	4,288
Scheduled Commercial Banks	8,169	9,513	5,980	9,513	7,548	6,099
Scheduled State Co-operative Banks	38	15	27	15	10	21
Industrial Development Bank of India	3,705	1,740	1,440	1,740	1,740	1,440
NABARD	3,328	5,884	6,580	5,884	5,163	6,176
EXIM Bank	745	697	617	697	697	617
Others	1,615	11,541	9,104	11,541	5,353	9,391
Bills Purchased and Discounted						
Internal	—	—	—	—	—	—
Government Treasury Bills	1,384	—	—	—	—	—
Investments	40,286	62,660	43,127	62,660	68,550	44,099
Other Assets(5)	2,666	7,739	8,078	7,739	8,359	7,199
	(—)	(2,375)	(2,314)	(2,375)	(2,375)	(2,406)

OF INDIA *(Concld.)*

(Rs. crore)

2001							
Feb.	Mar. 2,	Mar. 9,	Mar. 16,	Mar. 23,	Mar. 30,	Apr. 6,	Apr. 13 (P)
8	9	10	11	12	13	14	15
59	67	53	55	59	80	60	42
89,932	91,026	91,218	92,451	91,523	92,600	94,516	90,673
417	3,082	3,639	5,688	—	—	16,130	24,193
5,647	7,569	8,301	7,419	3,268	4,395	6,130	7,334
5,130	6,005	5,981	6,538	3,896	5,980	2,210	4,763
21	25	23	20	20	27	22	26
1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
6,402	6,484	6,436	6,537	6,536	6,580	6,422	6,475
617	617	617	617	617	617	617	617
7,588	7,506	8,155	8,817	5,577	9,104	5,278	5,320
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
41,050	34,846	32,740	27,720	32,218	43,127	17,380	14,109
7,493	7,822	7,870	8,231	8,296	8,078	9,000	8,945
(2,337)	(2,314)	(2,314)	(2,314)	(2,314)	(2,314)	(2,327)	(2,327)

No. 3 : ALL SCHEDULED BANKS –

Last Reporting Friday (in case of March) / Last Friday	1990-91	1999-2000	2000-01 (P)	2000
				Mar.
1	2	3	4	5
Number of reporting banks	299	364	364	364
Liabilities to the banking system (1)	**6,673**	**56,233**	**81,564**	**56,233**
Demand and time deposits from banks (2)	5,598	38,699	54,666	38,699
Borrowings from banks (3)	998	16,655	25,021	16,655
Other demand and time liabilities (4)	77	880	1,877	880
Liabilities to others (1)	**2,13,125**	**9,44,813**	**11,08,905**	**9,44,813**
Aggregate deposits (5)	**1,99,643**	**8,62,098**	**10,11,919**	**8,62,098**
Demand	34,823	1,33,000	1,46,888	1,33,000
Time (5)	1,64,820	7,29,098	8,65,030	7,29,098
Borrowings (6)	645	2,801	2,549	2,801
Other demand and time liabilities (4)	12,838	79,914	94,437	79,914
Borrowings from Reserve Bank (7)	**3,483**	**6,523**	**3,966**	**6,523**
Against usance bills / promissory notes	—	—	—	—
Others (8)	3,483	6,523	3,966	6,523
Cash in hand and balances with Reserve Bank	**25,995**	**65,178**	**68,120**	**65,178**
Cash in hand	1,847	5,728	5,963	5,728
Balances with Reserve Bank (9)	24,147	59,450	62,157	59,450

See 'Notes on Tables'.

BUSINESS IN INDIA

(Rs. crore)

2000				2001		
Sep.	Oct.	Nov.	Dec. (P)	Jan. (P)	Feb. (P)	Mar. (P)
6	7	8	9	10	11	12
364	364	364	364	364	364	364
61,978	**61,959**	**67,569**	**73,436**	**74,695**	**76,505**	**81,564**
44,513	42,660	44,672	50,245	50,803	51,551	54,666
15,940	18,085	21,682	21,957	22,595	23,652	25,021
1,525	1,214	1,215	1,234	1,298	1,303	1,877
10,37,733	**10,30,769**	**10,58,361**	**10,76,556**	**10,79,945**	**10,93,062**	**11,08,905**
9,46,020	**9,41,917**	**9,69,715**	**9,84,250**	**9,89,127**	**9,99,982**	**10,11,919**
1,41,697	1,36,978	1,33,694	1,42,528	1,38,021	1,40,275	1,46,888
8,04,323	8,04,939	8,36,021	8,41,722	8,51,106	8,59,707	8,65,030
7,854	6,894	7,546	2,338	2,610	2,846	2,549
83,860	81,958	81,100	89,968	88,207	90,234	94,437
6,832	**6,380**	**6,082**	**6,795**	**6,199**	**5,218**	**3,966**
—	—	—	—	—	—	—
6,832	6,380	6,082	6,795	6,199	5,218	3,966
81,464	**75,789**	**77,515**	**76,096**	**79,623**	**80,109**	**68,120**
5,767	6,358	6,239	6,491	5,946	5,949	5,963
75,696	69,431	71,276	69,605	73,677	74,160	62,157

No. 3 : ALL SCHEDULED BANKS –

Last Reporting Friday (in case of March) / Last Friday	1990-91	1999-2000	2000-01 (P)	2000
				Mar.
1	2	3	4	5
Assets with the Banking System	**6,848**	**52,702**	**70,259**	**52,702**
Balances with other banks	3,347	19,525	22,439	19,525
In current account	1,926	5,031	4,823	5,031
In other accounts	1,421	14,495	17,615	14,495
Money at call and short notice	2,201	26,670	39,990	26,670
Advances to banks (10)	902	4,204	4,394	4,204
Other assets	398	2,303	3,435	2,303
Investment	**76,831**	**3,22,836**	**3,85,889**	**3,22,836**
Government securities (11)	51,086	2,90,002	3,52,536	2,90,002
Other approved securities	25,746	32,834	33,353	32,834
Bank credit	**1,25,575**	**4,76,025**	**5,57,069**	**4,76,025**
Loans, cash-credits and overdrafts	1,14,982	4,40,056	5,14,724	4,40,056
Inland bills-purchased	3,532	5,032	5,333	5,032
Inland bills-discounted	2,409	13,186	19,115	13,186
Foreign bills-purchased	2,788	8,939	9,314	8,939
Foreign bills-discounted	1,864	8,812	8,582	8,812
Cash-Deposit Ratio	13.0	7.6	6.7	7.6
Investment-Deposit Ratio	38.5	37.4	38.1	37.4
Credit-Deposit Ratio	62.9	55.2	55.1	55.2

BUSINESS IN INDIA *(Concld.)*

(Rs. crore)

2000				2001		
Sep.	Oct.	Nov.	Dec. (P)	Jan. (P)	Feb. (P)	Mar. (P)
6	7	8	9	10	11	12
49,729	**52,118**	**57,996**	**61,676**	**62,815**	**64,221**	**70,259**
19,607	18,796	19,039	20,057	20,344	20,795	22,439
4,939	4,784	4,493	5,088	4,723	4,806	4,823
14,668	14,013	14,546	14,969	15,621	15,989	17,615
24,121	26,664	33,231	36,075	36,299	37,107	39,990
3,220	3,660	2,876	2,318	2,860	2,818	4,394
2,780	2,999	2,851	3,226	3,312	3,501	3,435
3,52,997	**3,55,869**	**3,72,505**	**3,73,298**	**3,72,267**	**3,78,300**	**3,85,889**
3,19,701	3,23,014	3,39,548	3,39,731	3,38,866	3,44,762	3,52,536
33,296	32,855	32,956	33,567	33,400	33,537	33,353
5,19,332	**5,24,039**	**5,24,848**	**5,40,003**	**5,45,184**	**5,50,842**	**5,57,069**
4,79,121	4,83,459	4,83,663	4,98,280	5,03,434	5,08,879	5,14,724
5,390	5,219	4,958	5,611	5,489	5,227	5,333
17,003	17,888	18,405	18,353	18,591	19,110	19,115
9,094	8,783	8,963	9,241	9,389	9,305	9,314
8,724	8,689	8,859	8,518	8,281	8,321	8,582
8.6	8.0	8.0	7.7	8.0	8.0	6.7
37.3	37.8	38.4	37.9	37.6	37.8	38.1
54.9	55.6	54.1	54.9	55.1	55.1	55.1

No. 4 : ALL SCHEDULED COMMERCIAL BANKS –

Last Reporting Friday(in case of March) / Last Friday	1990-91	1999-2000	2000-01 (P)	2000
				Mar.
1	2	3	4	5
Number of Reporting banks	271	297	297	297
Liabilities to the banking system (1)	**6,486**	**53,838**	**76,108**	**53,838**
Demand and time deposits from banks (2), (12)	5,443	36,711	50,373	36,711
Borrowings from banks (3)	967	16,266	23,893	16,266
Other demand and time liabilities (4)	76	861	1,842	861
Liabilities to others (1)	**2,05,600**	**8,94,520**	**10,40,669**	**8,94,520**
Aggregate deposits (5)	**1,92,541**	**8,13,345**	**9,58,008**	**8,13,345**
Demand	33,192	1,27,366	1,40,782	1,27,366
Time (5)	1,59,349	6,85,978	8,17,226	6,85,978
Borrowings (6)	470	2,734	2,474	2,734
Other demand and time liabilities (4), (13)	12,589	78,442	92,349	78,442
Borrowings from Reserve Bank (7)	**3,468**	**6,491**	**3,896**	**6,491**
Against usance bills/promissory notes	—	—	—	—
Others	3,468	6,491	3,896	6,491
Cash in hand and balances with Reserve Bank	**25,665**	**62,750**	**65,202**	**62,750**
Cash in hand	1,804	5,330	5,658	5,330
Balances with Reserve Bank (9)	23,861	57,419	59,544	57,419

See 'Notes on Tables'.

BUSINESS IN INDIA

(Rs. crore)

2000				2001		
Sep.	Oct.	Nov.	Dec. (P)	Jan. (P)	Feb. (P)	Mar. (P)
6	7	8	9	10	11	12
297	297	297	297	297	297	297
56,649	**56,691**	**62,230**	**67,884**	**69,100**	**71,002**	**76,108**
40,040	38,345	40,435	45,975	46,515	47,183	50,373
15,142	17,183	20,616	20,720	21,323	22,553	23,893
1,467	1,163	1,179	1,189	1,262	1,266	1,842
9,84,108	**9,77,106**	**10,04,576**	**10,20,388**	**10,24,280**	**10,36,831**	**10,40,669**
8,95,031	**8,90,298**	**9,17,840**	**9,31,657**	**9,35,510**	**9,45,846**	**9,58,008**
1,35,827	1,31,271	1,27,946	1,36,565	1,31,980	1,34,136	1,40,782
7,59,204	7,59,026	7,89,894	7,95,092	8,03,530	8,11,710	8,17,226
7,183	6,760	7,478	2,277	2,551	2,773	2,474
81,894	80,048	79,257	86,454	86,219	88,212	92,349
6,719	**6,269**	**5,962**	**6,692**	**6,099**	**5,130**	**3,896**
—	—	—	—	—	—	—
6,719	6,269	5,962	6,692	6,099	5,130	3,896
78,289	**72,757**	**74,437**	**73,301**	**76,680**	**77,392**	**65,202**
5,374	5,900	5,775	5,979	5,545	5,517	5,658
72,915	66,857	68,663	67,322	71,135	71,875	59,544

No. 4 : ALL SCHEDULED COMMERCIAL BANKS –

Last Reporting Friday(in case of March) / Last Friday	1990-91	1999-2000	2000-01 (P)	2000
				Mar.
1	2	3	4	5
Assets with the Banking System	**5,582**	**43,448**	**60,942**	**43,448**
Balances with other banks	2,846	16,307	18,843	16,307
In current account	1,793	4,301	3,966	4,301
In other accounts	1,053	12,006	14,876	12,006
Money at call and short notice	1,445	21,680	35,458	21,680
Advances to banks (10)	902	3,542	4,332	3,542
Other assets	388	1,919	2,310	1,919
Investment	**75,065**	**3,08,944**	**3,69,833**	**3,08,944**
Government securities (11)	49,998	2,78,456	3,39,080	2,78,456
Other approved securities	25,067	30,488	30,753	30,488
Bank credit (14)	**1,16,301** **(4,506)**	**4,35,958** **(25,691)**	**5,09,082** **(39,611)**	**4,35,958** **(25,691)**
Loans,cash-credits and overdrafts	1,05,982	4,00,907	4,67,911	4,00,907
Inland bills-purchased	3,375	4,788	5,017	4,788
Inland bills-discounted	2,336	12,758	18,515	12,758
Foreign bills-purchased	2,758	8,886	9,260	8,886
Foreign bills-discounted	1,851	8,619	8,379	8,619
Cash-Deposit Ratio	13.3	7.7	6.9	7.7
Investment- Deposit Ratio	39.0	38.0	39.1	38.0
Credit-Deposit Ratio	60.4	53.6	53.8	53.6

BUSINESS IN INDIA *(Concld.)*

(Rs. crore)

2000				2001		
Sep.	Oct.	Nov.	Dec. (P)	Jan. (P)	Feb. (P)	Mar. (P)
6	7	8	9	10	11	12
40,662	**43,351**	**48,912**	**52,688**	**53,646**	**55,048**	**60,942**
15,967	15,371	15,113	16,740	16,855	17,377	18,843
4,157	4,019	3,710	4,257	3,854	3,998	3,966
11,811	11,353	11,403	12,482	13,001	13,378	14,876
19,865	22,507	29,245	31,540	31,736	32,514	35,458
3,209	3,625	2,847	2,292	2,829	2,797	4,332
1,620	1,848	1,706	2,117	2,226	2,359	2,310
3,36,445	**3,39,462**	**3,55,494**	**3,56,099**	**3,55,244**	**3,60,879**	**3,69,833**
3,05,742	3,09,234	3,25,211	3,25,182	3,24,473	3,30,037	3,39,080
30,703	30,228	30,283	30,917	30,770	30,842	30,753
4,76,504 **(32,131)**	**4,80,375** **(34,587)**	**4,81,233** **(36,354)**	**4,95,247** **(37,450)**	**4,99,586** **(39,078)**	**5,04,621** **(39,611)**	**5,09,082** **(39,611)**
4,37,389	4,40,967	4,41,194	4,54,656	4,58,946	4,63,753	4,67,911
5,130	4,930	4,656	5,300	5,188	4,934	5,017
16,485	17,332	17,868	17,821	18,064	18,562	18,515
9,038	8,722	8,899	9,177	9,332	9,244	9,260
8,462	8,425	8,616	8,293	8,057	8,127	8,379
8.7	8.2	8.1	7.9	8.2	8.2	6.9
37.6	38.1	38.7	38.2	38.0	38.2	39.1
53.2	54.0	52.4	53.2	53.4	53.4	53.8

No. 5 : SCHEDULED COMMERCIAL BANKS' INVESTMENTS IN COMMERCIAL PAPER, BONDS, DEBENTURES, SHARES, ETC.

(Rs. crore)

Outstanding as on	Commercial Paper	Bonds / Debentures / Preference Shares issued by		Equity Shares issued by PSUs and Private Corporate Sector +
		Public Sector Undertakings (PSUs)	Private Corporate Sector	
1	2	3	4	5
Mar. 27, 1998	2,443	18,767	9,778	1,472 (44)
Mar. 26, 1999	4,006	24,174	17,859	2,342 (64)
Mar. 24, 2000	5,037	30,604	23,064	2,839 (20)
Oct. 8, 1999	6,342	25,898	20,707	2,580 (44)
Oct. 6, 2000	4,609	33,023	22,918	3,020 (15)
Oct. 22, 1999	5,606	26,279	20,832	2,680 (49)
Oct. 20, 2000	4,307	33,293	23,167	3,047 (15)
Nov. 5, 1999	5,683	26,845	20,861	2,703 (49)
Nov. 3, 2000	5,047	33,563	23,684	3,262 (42)
Nov. 19, 1999	5,224	27,143	21,384	2,679 (49)
Nov. 17, 2000	5,409	33,644	23,474	3,234 (16)
Dec. 3 , 1999	5,635	27,488	21,402	2,708 (49)
Dec. 1 , 2000	6,272	34,513	23,232	3,171 (16)
Dec. 17, 1999	5,882	27,741	21,534	2,708 (49)
Dec. 15, 2000	6,274	34,515	23,254	3,156 (15)
Dec. 31, 1999	5,716	28,173	21,991	2,757 (49)
Dec. 29, 2000	7,193	35,261	24,172	3,186 (15)
Jan. 14, 2000	6,080	28,544	21,940	2,802 (20)
Jan. 12, 2001	7,216	36,127	24,340	3,176 (15)
Jan. 28, 2000	6,199	29,129	22,167	2,801 (20)
Jan. 26, 2001	7,296	36,509	24,751	3,196 (15)
Feb. 11, 2000	6,294	29,486	22,776	2,786 (20)
Feb. 9, 2001	7,164	36,473	24,914	3,174 (15)
Feb. 25, 2000	6,003	30,168	22,701	2,762 (20)
Feb. 23, 2001	7,113	36,817	25,446	3,187 (15)

+ : Figures in brackets are loans to corporates against shares held by them to meet the promoters' contribution to the equity of new companies in anticipation of raising resources.

Note : Data are provisional and tentative and as such subject to revision.

Source : Special Fortnightly Returns.

No. 6 : STATE CO-OPERATIVE BANKS – MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday/ Reporting Friday	1990-91	1998-99	1999-2000	1999	2000							
				Oct.	May	Jun.	Jul.	Aug.	Sep.	Oct. 6	Oct. 20	Oct. 27
1	2	3	4	5	6	7	8	9	10	11	12	13
Number of reporting banks	28	28	28	28	28	28	28	28	28	28	28	28
Demand and Time Liabilities												
Aggregate Deposits (1)	**2,152**	**7,092**	**9,060**	**8,587**	**9,256**	**9,211**	**9,537**	**9,301**	**9,488**	**9,493**	**9,504**	**9,539**
Demand Liabilities	**1,831**	**3,065**	**3,861**	**3,663**	**3,565**	**3,779**	**3,636**	**3,459**	**3,843**	**3,773**	**3,540**	**3,575**
Deposits												
Inter-bank	718	1,112	1,181	1,356	1,077	1,250	1,127	1,125	1,115	1,125	1,001	1,015
Others	794	1,517	1,730	1,764	1,832	1,842	1,906	1,726	1,858	1,937	1,812	1,789
Borrowings from banks	181	70	140	80	136	111	97	102	124	108	149	182
Others	139	366	811	463	520	577	507	506	746	602	579	590
Time liabilities	**3,963**	**21,997**	**25,640**	**24,316**	**26,099**	**26,161**	**26,493**	**26,360**	**26,536**	**26,376**	**26,400**	**26,423**
Deposits												
Inter-bank	2,545	16,291	18,146	17,267	18,511	18,638	18,703	18,616	18,700	18,636	18,511	18,483
Others	1,359	5,575	7,330	6,823	7,424	7,369	7,631	7,575	7,630	7,555	7,693	7,750
Borrowings from banks	—	18	18	18	19	20	19	19	20	20	20	20
Others	59	113	146	209	145	133	140	151	186	165	177	170
Borrowings from Reserve Bank	**15**	**3**	**—**	**3**	**—**	**—**	**—**	**—**	**1**	**1**	**1**	**1**
Borrowings from the State Bank and / or a notified bank (2) and State Government	**1,861**	**5,102**	**6,304**	**5,352**	**5,731**	**6,625**	**6,359**	**6,196**	**6,549**	**6,453**	**6,803**	**6,738**
Demand	116	795	972	644	950	1,193	879	864	1,329	1,938	2,214	2,165
Time	1,745	4,307	5,332	4,709	4,780	5,432	5,480	5,333	5,220	4,514	4,589	4,572

See 'Notes on Tables'.

No. 6 : STATE CO-OPERATIVE BANKS – MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA *(Concld.)*

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday/ Reporting Friday	1990-91	1998-99	1999-2000	1999	2000							
				Oct.	May	Jun.	Jul.	Aug.	Sep.	Oct. 6	Oct. 20	Oct. 27
1	2	3	4	5	6	7	8	9	10	11	12	13
Assets												
Cash in hand and balances with Reserve Bank	**334**	**788**	**927**	**881**	**1,023**	**975**	**775**	**786**	**1,166**	**745**	**883**	**939**
Cash in hand	24	77	93	90	119	99	117	104	85	85	151	99
Balance with Reserve Bank	310	711	834	791	904	876	659	682	1,081	660	732	840
Balances with other banks in current account	93	268	212	161	180	198	169	180	203	222	223	157
Investments in Government securities (3)	1,058	5,841	6,736	6,324	7,242	7,388	7,179	7,296	7,698	7,726	7,552	7,352
Money at call and short notice	498	3,972	5,087	5,662	4,697	4,901	4,748	4,777	4,184	3,943	3,959	3,885
Bank credit (4)	**2,553**	**8,869**	**10,721**	**9,214**	**10,574**	**10,744**	**10,785**	**10,814**	**10,756**	**10,931**	**10,870**	**10,918**
Advances												
Loans, cash-credits and overdrafts	2,528	8,851	10,702	9,196	10,555	10,727	10,769	10,798	10,737	10,911	10,847	10,894
Due from banks (5)	5,560	15,459	13,998	12,769	13,209	14,002	14,089	14,219	14,808	14,833	15,071	15,113
Bills purchased and discounted	25	17	20	18	19	17	15	16	20	20	23	23
Cash - Deposit Ratio	15.5	11.1	10.2	10.3	11.1	10.6	8.1	8.5	12.3	7.8	9.3	9.8
Investment - Deposit Ratio	49.2	82.4	74.3	73.6	78.2	80.2	75.3	78.4	81.1	81.4	79.5	77.1
Credit - Deposit Ratio	118.6	125.1	118.3	107.3	114.2	116.6	113.1	116.3	113.4	115.1	114.4	114.5

No. 7 : RESERVE BANK'S ACCOMMODATION TO SCHEDULED COMMERCIAL BANKS

(Rs. crore)

As on last reporting Friday of	Export Credit Refinance (1)		General Refinance (2)		Special Liquidity Support (3)		Total Refinance (4)	
	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding
1	2	3	4	5	6	7	8	9
1996-97	6,654.40	559.97	—	—			6,654.40	559.97
1997-98	2,402.96	394.52	1,115.02	0.11			3,517.98	394.63
1998-99	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
Mar. 1999	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
Apr. 1999	8,638.29	5,164.76	1,115.02	56.31	—	—	9,753.31	5,221.07

As on last reporting Friday of	Export Credit Refinance (1)		Others @		Total Refinance (4)	
	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding
1	2	3	4	5	6	7
1999-2000	10,579.06	6,291.49	3,027.72	199.47	13,606.78	6,490.96
May 1999	8,563.56	4,521.79	3,027.72	437.91	11,591.28	4,959.70
Jun. 1999	8,151.40	3,863.21	3,027.72	—	11,179.12	3,863.21
Jul. 1999	7,536.76	2,760.57	3,027.72	0.41	10,564.48	2,760.98
Aug. 1999	7,230.93	2,740.56	3,027.72	7.01	10,258.65	2,747.57
Sep. 1999	7,099.97	4,109.11	3,027.72	95.23	10,127.69	4,204.34
Oct. 1999	7,760.85	6,156.46	3,027.72	1,185.14	10,788.57	7,341.60
Nov. 1999	8,464.82	3,603.38	3,027.72	192.00	11,492.54	3,795.38
Dec. 1999	8,577.94	2,470.84	3,027.72	82.50	11,605.66	2,553.34
Jan. 2000	9,298.91	4,155.56	3,027.72	292.31	12,326.63	4,447.87
Feb. 2000	9,576.50	7,213.69	3,027.72	237.60	12,604.22	7,451.29
Mar. 2000	10,579.06	6,291.49	3,027.72	199.47	13,606.78	6,490.96
Apr. 2000	11,277.89	4,609.33	3,027.72	458.95	14,305.61	5,068.28
May 2000	12,162.70	9,734.24	3,027.72	607.22	15,190.42	10,341.46
Jun. 2000	11,273.12	8,489.59	1,713.69	223.02	12,986.81	8,712.61
Jul. 2000	12,468.07	5,776.29	1,713.69	70.54	14,181.76	5,846.83
Aug. 2000	6,431.70	5,529.27	1,056.68	721.70	7,488.38	6,250.97
Sep. 2000	6,215.24	4,647.52	1,056.68	644.86	7,271.92	5,292.38
Oct. 2000	6,527.01	5,619.97	1,056.68	604.90	7,583.69	6,224.87
Nov. 2000	6,470.04	5,515.26	1,056.68	108.90	7,526.72	5,624.16
Dec. 2000	6,722.34	5,987.92	1,056.68	716.89	7,779.02	6,704.83
Jan. 2001	7,180.69	5,877.74	1,056.68	139.70	8,237.37	6,017.44
Feb. 2001	7,050.49	4,994.05	1,056.68	136.43	8,107.17	5,130.48

@ : 'Others' include Collateralised Lending Facility (CLF) / Additional CLF (withdrawn effective June 5, 2000), Special Liquidity Support (SLS) Facility, etc.

Also see 'Notes on Tables'.

No. 8 : CHEQUE CLEARANCES – CENTRES MANAGED BY RESERVE BANK OF INDIA (Revised Series)

(Number in lakh)

Year / Month	Total	Centres Managed by Reserve Bank of India					
		Mumbai	Kolkata	New Delhi	Chennai	Bangalore	Hyderabad
1	2	3	4	5	6	7	8
1990-91	**3,518**	1,253	328	552	357	224	203
1998-99	**4,891**	1,791	497	904	556	219	231
1999-2000	**5,167**	1,800	512	967	505	378	266
2000-01 (P)	**4,571**	1,735	519	576	520	249	187
Sep. 1998	**424**	152	39	75	46	28	20
Oct. 1998	**431**	163	42	78	51	13	20
Nov. 1998	**428**	158	43	77	46	13	22
Dec. 1998	**411**	143	41	77	47	28	20
Jan. 1999	**401**	148	40	75	43	27	18
Feb. 1999	**370**	133	37	70	42	26	19
Mar. 1999	**442**	159	48	85	52	33	23
Apr. 1999	**395**	154	39	72	45	28	20
May 1999	**368**	135	36	76	40	28	22
Jun. 1999	**395**	135	38	70	46	31	19
Jul. 1999	**469**	172	48	84	45	32	22
Aug. 1999	**465**	165	48	83	42	32	22
Sep. 1999	**416**	143	40	79	39	30	20
Oct. 1999	**457**	171	45	84	33	32	22
Nov. 1999	**416**	138	43	79	42	30	24
Dec. 1999	**441**	146	43	83	43	34	24
Jan. 2000	**426**	145	42	81	40	32	22
Feb. 2000	**439**	142	42	85	42	33	24
Mar. 2000	**480**	154	48	91	48	36	25
Apr. 2000 (P)	**419**	139	41	80	40	36	20
May 2000 (P)	**464**	154	43	90	45	36	25
Jun. 2000 (P)	**483**	163	48	88	47	36	25
Jul. 2000 (P)	**406**	143	44	86	45	..	24
Aug. 2000 (P)	**447**	151	45	85	44	34	22
Sep. 2000 (P)	**362**	130	43	64	41	..	22
Oct. 2000 (P)	**400**	149	37	83	43	..	23
Nov. 2000 (P)	**320**	142	44	..	43	..	26
Dec. 2000 (P)	**296**	127	39	..	39	32	..
Jan. 2001 (P)	**347**	155	44	..	44	37	..
Feb. 2001 (P)	**270**	130	43	..	42	..	..
Mar. 2001 (P)	**357**	152	48	..	47	38	..

See 'Notes on Tables'.

No. 8 : CHEQUE CLEARANCES – CENTRES MANAGED BY RESERVE BANK OF INDIA *(Contd.)*
(Revised Series)

(Number in lakh)

Year / Month	Centres Managed by Reserve Bank of India							
	Ahmedabad	Kanpur	Nagpur	Patna	Bhuba-neshwar	Thiruvan-anthapuram	Jaipur	Guwahati
1	9	10	11	12	13	14	15	16
1990-91	365	50	53	19	7	20	72	15
1998-99	341	62	83	37	20	33	93	24
1999-2000	372	64	93	28	21	33	103	25
2000-01 (P)	422	65	97	14	24	30	107	26
Sep. 1998	35	5	7	3	2	2	8	2
Oct. 1998	34	5	7	3	2	3	8	2
Nov. 1998	36	6	7	4	2	3	9	2
Dec. 1998	24	5	7	3	2	3	9	2
Jan. 1999	21	5	7	3	2	3	7	2
Feb. 1999	16	5	7	3	1	2	7	2
Mar. 1999	10	5	8	3	2	3	9	2
Apr. 1999	7	5	7	3	2	3	8	2
May 1999	3	5	7	3	1	2	8	2
Jun. 1999	28	5	7	3	1	3	7	2
Jul. 1999	34	5	8	3	2	3	9	2
Aug. 1999	39	6	8	4	2	3	9	2
Sep. 1999	34	5	8	3	2	3	8	2
Oct. 1999	38	6	8	2	2	3	9	2
Nov. 1999	33	5	7	1	1	3	8	2
Dec. 1999	37	5	8	1	2	3	10	2
Jan. 2000	35	5	8	1	2	2	9	2
Feb. 2000	39	6	8	2	2	3	9	2
Mar. 2000	45	6	9	2	2	2	9	3
Apr. 2000 (P)	36	5	7	1	2	2	8	2
May 2000 (P)	40	6	8	1	2	3	9	2
Jun. 2000 (P)	42	6	8	2	2	3	10	3
Jul. 2000 (P)	35	5	8	1	2	2	9	2
Aug. 2000 (P)	34	6	8	2	2	3	9	2
Sep. 2000 (P)	33	5	8	2	2	2	8	2
Oct. 2000 (P)	36	5	8	1	2	3	8	2
Nov. 2000 (P)	35	5	8	1	2	3	9	2
Dec. 2000 (P)	31	5	8	1	2	2	8	2
Jan. 2001 (P)	32	6	9	1	2	4	9	4
Feb. 2001 (P)	29	5	8	1	2	..	10	..
Mar. 2001 (P)	39	6	9	..	2	3	10	3

No. 8 : CHEQUE CLEARANCES – CENTRES MANAGED BY RESERVE BANK OF INDIA *(Contd.)*
(Revised Series)

(Rs. crore)

Year / Month	Total	Centres Managed by Reserve Bank of India					
		Mumbai	Kolkata	New Delhi	Chennai	Bangalore	Hyderabad
1	2	3	4	5	6	7	8
1990-91	**18,39,460**	11,82,587	1,04,051	2,39,979	1,76,123	29,267	25,183
1998-99	**62,09,523**	42,52,073	2,68,759	7,50,660	3,96,110	93,098	1,19,097
1999-2000	**78,95,492**	55,87,215	3,18,420	8,47,094	4,30,104	2,10,536	1,51,310
2000-01 (P)	**86,68,438**	66,67,989	3,65,280	4,59,278	5,09,292	1,54,512	1,06,529
Sep. 1998	**5,27,743**	3,61,645	21,771	57,477	35,347	13,520	10,469
Oct. 1998	**4,72,992**	3,13,762	21,738	65,149	34,085	2,766	9,850
Nov. 1998	**4,94,817**	3,33,900	21,134	63,983	32,322	2,657	9,510
Dec. 1998	**5,51,798**	3,59,408	22,722	84,686	22,136	13,961	10,872
Jan. 1999	**5,24,946**	3,66,640	21,178	59,632	31,419	12,792	10,129
Feb. 1999	**4,81,575**	3,28,011	20,750	58,289	29,638	12,794	10,103
Mar. 1999	**6,68,225**	4,56,989	30,999	81,136	43,023	16,312	14,079
Apr. 1999	**5,97,369**	4,23,356	24,808	60,653	36,147	16,007	13,057
May 1999	**5,97,199**	4,27,274	22,541	62,945	32,582	14,541	10,633
Jun. 1999	**5,68,400**	3,90,132	23,103	64,723	36,254	16,521	11,604
Jul. 1999	**6,36,213**	4,52,061	24,808	69,420	34,915	15,593	12,063
Aug. 1999	**6,74,996**	4,97,257	24,631	62,667	36,732	14,709	11,349
Sep. 1999	**6,26,129**	4,45,886	23,888	69,188	32,830	15,437	11,353
Oct. 1999	**6,67,013**	4,91,359	25,158	70,152	25,830	15,308	12,419
Nov. 1999	**6,09,967**	4,25,279	25,369	68,787	35,898	15,206	11,706
Dec. 1999	**6,53,479**	4,43,943	29,381	75,921	37,740	19,519	13,735
Jan. 2000	**6,23,877**	4,28,370	27,438	67,863	34,171	22,925	12,890
Feb. 2000	**7,64,037**	5,55,234	28,752	76,077	39,733	18,594	13,200
Mar. 2000	**8,76,813**	6,07,064	38,543	98,698	47,272	26,176	17,301
Apr. 2000 (P)	**6,66,263**	4,57,674	30,036	68,713	38,097	25,333	12,493
May 2000 (P)	**7,45,924**	5,37,793	28,524	69,382	42,850	18,981	13,910
Jun. 2000 (P)	**7,20,846**	5,17,119	29,191	67,287	41,861	18,728	13,968
Jul. 2000 (P)	**6,94,410**	5,14,811	28,270	66,026	41,572	..	11,592
Aug. 2000 (P)	**7,05,605**	5,00,703	28,959	69,842	41,990	19,082	13,182
Sep. 2000 (P)	**6,85,202**	5,11,491	32,156	51,902	42,655	..	13,832
Oct. 2000 (P)	**7,42,327**	5,60,030	25,851	66,126	42,826	..	13,587
Nov. 2000 (P)	**6,83,106**	5,63,401	29,902	..	41,311	..	13,965
Dec. 2000 (P)	**6,18,146**	4,93,960	30,154	..	39,522	20,622	..
Jan. 2001 (P)	**8,28,378**	6,96,657	30,835	..	43,900	21,628	..
Feb. 2001 (P)	**6,98,720**	5,96,016	32,076	..	42,085	..	..
Mar. 2001 (P)	**8,79,512**	7,18,334	39,326	..	50,623	30,138	..

No. 8 : CHEQUE CLEARANCES – CENTRES MANAGED BY RESERVE BANK OF INDIA *(Concld.)*
(Revised Series)

(Rs. crore)

Year / Month	Centres Managed by Reserve Bank of India							
	Ahmedabad	Kanpur	Nagpur	Patna	Bhuba-neshwar	Thiruvan-anthapuram	Jaipur	Guwahati
1	9	10	11	12	13	14	15	16
1990-91	42,089	9,614	7,712	4,559	2,408	2,908	8,738	4,242
1998-99	1,87,002	23,717	29,617	12,949	11,902	12,571	38,733	13,235
1999-2000	1,89,286	24,996	31,722	15,806	15,867	14,332	44,073	14,731
2000-01 (P)	2,31,010	26,456	36,926	15,169	18,113	16,698	44,670	16,516
Sep. 1998	15,975	1,847	2,234	1,088	1,108	822	3,547	893
Oct. 1998	14,797	1,923	2,182	1,015	963	975	2,658	1,129
Nov. 1998	20,700	1,897	2,233	1,106	775	873	2,578	1,149
Dec. 1998	23,804	1,872	5,349	1,103	1,127	958	2,658	1,142
Jan. 1999	12,817	1,785	2,166	981	891	996	2,585	935
Feb. 1999	11,954	1,800	2,088	960	812	912	2,399	1,065
Mar. 1999	11,043	2,461	2,686	1,429	1,531	1,627	3,381	1,529
Apr. 1999	9,229	2,160	2,665	1,484	1,389	1,180	4,066	1,168
May 1999	9,234	2,128	2,507	1,268	1,178	1,058	8,266	1,044
Jun. 1999	14,660	1,831	2,472	1,052	999	1,071	2,852	1,126
Jul. 1999	14,542	2,000	2,448	1,627	1,170	1,255	3,198	1,113
Aug. 1999	15,901	1,917	2,480	1,225	1,026	1,095	2,877	1,130
Sep. 1999	15,334	1,814	2,413	1,106	1,237	1,461	3,040	1,142
Oct. 1999	13,977	1,991	2,910	1,167	1,317	1,099	3,166	1,160
Nov. 1999	15,696	2,118	2,375	1,195	1,283	1,023	2,877	1,155
Dec. 1999	19,186	2,258	2,739	1,490	1,478	1,152	3,521	1,416
Jan. 2000	17,240	2,091	2,702	1,267	1,447	1,176	3,122	1,175
Feb. 2000	18,979	2,154	2,810	1,254	1,407	1,183	3,278	1,382
Mar. 2000	25,308	2,534	3,201	1,671	1,936	1,579	3,810	1,720
Apr. 2000 (P)	19,097	2,042	2,866	1,489	1,891	1,575	3,478	1,479
May 2000 (P)	19,633	2,320	2,932	1,511	1,463	1,325	3,814	1,486
Jun. 2000 (P)	18,478	1,945	2,791	1,348	1,564	1,523	3,488	1,555
Jul. 2000 (P)	17,747	2,042	3,220	1,362	1,536	1,356	3,418	1,458
Aug. 2000 (P)	18,001	2,030	3,026	1,460	1,228	1,477	3,360	1,265
Sep. 2000 (P)	18,729	2,082	2,941	1,397	1,396	1,622	3,494	1,504
Oct. 2000 (P)	19,317	2,095	3,058	1,317	1,475	1,573	3,678	1,394
Nov. 2000 (P)	19,942	2,163	3,043	1,289	1,382	1,415	3,760	1,533
Dec. 2000 (P)	19,492	2,181	2,928	1,354	1,412	1,421	3,675	1,425
Jan. 2001 (P)	19,914	2,379	3,263	1,305	1,517	1,563	3,867	1,551
Feb. 2001 (P)	16,664	2,438	2,982	1,337	1,403	..	3,720	..
Mar. 2001 (P)	23,996	2,739	3,877	..	1,846	1,847	4,921	1,866

No. 9 : CHEQUE CLEARANCES – CENTRES MANAGED BY AGENCIES OTHER THAN RESERVE BANK OF INDIA

(Number in lakh)

Year / Month	Total	Amritsar	Baroda	Kochi	Coim-batore	New Delhi	Luck-now	Ludh-iana	Madurai	Man-galore	Pune	Surat	Other Centres
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1990-91	**4,123**	30	114	9	53	173	38	117	40	21	67	1,861	1,600
1997-98	**3,539**	48	178	12	71	323	72	125	48	28	130	503	2,001
1998-99	**3,773**	35	160	12	75	322	79	119	53	34	158	585	2,141
1999-2000	**3,740**	57	155	12	91	352	134	112	65	36	92	419	2,215
Jul. 1998	**346**	4	16	1	6	28	8	19	6	3	14	52	189
Aug. 1998	**304**	4	14	1	6	28	7	4	6	3	14	51	166
Sep. 1998	**316**	4	14	1	7	29	6	4	5	3	14	51	178
Oct. 1998	**319**	3	15	1	7	29	7	-	4	3	14	51	185
Nov. 1998	**320**	4	18	1	7	25	7	6	3	3	14	53	179
Dec. 1998	**315**	1	13	1	6	28	7	8	4	3	13	46	185
Jan. 1999	**306**	1	13	1	5	27	7	7	4	3	12	44	182
Feb. 1999	**275**	1	12	1	6	24	6	8	4	2	11	41	159
Mar. 1999	**332**	1	14	1	7	29	6	8	4	3	10	45	204
Apr. 1999	**292**	1	13	1	6	25	5	8	5	3	8	43	174
May 1999	**291**	1	12	1	3	27	6	9	6	3	8	39	176
Jun. 1999	**308**	6	13	1	5	25	5	9	5	3	7	36	193
Jul. 1999	**386**	6	13	1	7	40	69	9	5	3	8	37	188
Aug. 1999	**292**	6	13	1	6	32	6	9	6	3	8	37	165
Sep. 1999	**306**	6	13	1	7	29	6	9	5	3	8	35	184
Oct. 1999	**321**	6	14	1	9	30	6	9	7	3	8	33	195
Nov. 1999	**292**	6	13	1	9	27	6	9	7	3	8	32	171
Dec. 1999	**305**	6	12	1	9	30	6	11	5	3	8	35	179
Jan. 2000	**308**	1	13	1	9	27	6	9	5	3	8	31	195
Feb. 2000	**310**	6	13	1	11	29	6	10	4	3	9	29	189
Mar. 2000	**329**	6	13	1	10	31	7	11	5	3	4	32	206
Apr. 2000 (P)	**359**	6	11	1	8	34	6	9	5	3	4	29	243
May 2000 (P)	**374**	6	10	1	10	28	6	10	5	3	7	27	261
Jun. 2000 (P)	**373**	6	12	1	10	29	6	9	5	3	6	25	261
Jul. 2000 (P)	**370**	6	10	1	10	29	6	9	9	3	6	27	254
Aug. 2000 (P)	**383**	6	10	1	9	30	7	10	9	3	5	27	266
Sep. 2000 (P)	**363**	6	11	1	9	29	6	10	9	3	5	25	249
Oct. 2000 (P)	**316**	6	12	1	8	27	6	10	9	3	6	25	203
Nov. 2000 (P)	**323**	1	13	1	9	28	7	11	8	3	5	23	214
Dec. 2000 (P)	**293**	1	13	1	9	26	6	10	8	3	5	23	188
Jan. 2001 (P)	**323**	1	14	1	9	30	7	11	8	3	4	24	211

No. 9 : CHEQUE CLEARANCES – CENTRES MANAGED BY AGENCIES OTHER THAN RESERVE BANK OF INDIA *(Concld.)*

(Rs. crore)

Year / Month	Total	Amritsar	Baroda	Kochi	Coim-batore	New Delhi	Luck-now	Ludh-iana	Madurai	Man-galore	Pune	Surat	Other Centres
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1990-91	**4,47,893**	4,136	10,904	2,551	7,534	57,288	9,053	11,642	3,793	2,252	14,449	18,065	3,06,226
1997-98	**10,35,617**	6,109	36,415	7,290	25,638	1,37,531	24,421	14,322	10,353	8,344	64,122	44,679	6,56,393
1998-99	**13,67,031**	4,808	40,277	6,884	28,581	2,09,814	52,382	28,996	11,318	9,294	63,921	56,852	8,53,904
1999-2000	**13,36,526**	14,793	39,601	5,787	40,664	1,76,936	32,332	33,950	13,948	11,996	32,570	63,325	8,70,624
Jul. 1998	**96,870**	492	3,129	611	2,374	11,390	2,481	2,347	1,288	877	6,061	4,750	61,070
Aug. 1998	**99,971**	496	3,114	610	2,126	11,336	2,811	2,322	1,382	758	5,435	4,336	65,245
Sep. 1998	**97,752**	499	2,949	611	3,307	11,997	2,823	2,465	1,068	82	6,135	4,721	61,095
Oct. 1998	**1,89,866**	860	3,642	612	2,287	28,074	2,639	2,218	966	817	5,721	4,497	1,37,533
Nov. 1998	**1,40,880**	502	3,741	488	2,058	59,056	2,369	2,525	870	770	5,164	4,286	59,051
Dec. 1998	**1,07,690**	26	3,215	611	2,384	12,787	2,469	2,729	780	840	5,044	4,840	71,965
Jan. 1999	**96,826**	184	3,493	509	2,228	11,926	2,605	2,474	973	862	4,521	4,800	62,251
Feb. 1999	**95,979**	134	3,119	506	2,164	11,577	2,218	2,254	947	763	4,101	4,558	63,638
Mar. 1999	**1,14,143**	129	3,642	612	2,981	14,942	3,121	2,981	604	1,049	5,104	5,598	73,380
Apr. 1999	**1,08,478**	136	3,149	519	2,461	14,145	3,261	2,523	1,244	837	4,373	5,211	70,619
May 1999	**1,04,619**	1,227	2,941	517	711	12,120	2,579	2,602	1,069	899	4,353	4,868	70,733
Jun. 1999	**1,07,155**	1,364	3,094	514	2,041	14,685	2,656	2,456	1,176	909	3,609	4,413	70,238
Jul. 1999	**99,866**	1,390	3,604	611	2,551	13,909	2,126	2,464	1,010	928	3,640	4,689	62,944
Aug. 1999	**94,331**	1,362	3,151	497	3,424	11,404	1,652	2,516	1,226	961	3,275	4,905	59,958
Sep. 1999	**1,01,458**	1,353	3,356	503	3,309	14,942	1,745	2,676	1,237	961	3,212	4,797	63,367
Oct. 1999	**1,13,812**	1,370	3,615	517	3,843	14,571	2,517	3,105	1,279	988	3,835	5,842	72,330
Nov. 1999	**1,11,907**	1,348	3,459	647	3,984	12,447	2,602	2,907	1,313	954	1,585	4,737	75,924
Dec. 1999	**1,21,306**	1,340	3,250	540	4,705	16,916	3,166	3,230	1,176	1,184	1,480	5,863	78,456
Jan. 2000	**1,25,946**	1,289	3,150	296	4,574	18,827	3,081	2,848	1,244	1,107	1,220	5,286	83,024
Feb. 2000	**1,14,569**	1,284	3,312	317	4,638	14,568	2,845	3,165	946	1,089	1,121	6,062	75,222
Mar. 2000	**1,33,079**	1,330	3,520	309	4,423	18,402	4,102	3,458	1,028	1,179	867	6,652	87,809
Apr. 2000 (P)	**1,20,186**	1,326	2,713	333	5,200	19,191	3,708	2,926	947	1,009	1,060	5,627	76,146
May 2000 (P)	**1,28,701**	1,351	3,485	413	5,758	15,276	3,214	3,353	1,084	1,098	672	5,720	87,277
Jun. 2000 (P)	**1,30,177**	1,356	3,297	643	5,659	15,723	8,115	3,019	1,084	1,002	549	5,569	84,161
Jul. 2000 (P)	**1,15,887**	130	4,813	734	5,243	16,393	3,202	2,877	1,522	1,058	577	5,419	73,919
Aug. 2000 (P)	**1,30,243**	1,277	4,851	748	5,409	14,994	3,342	3,307	1,848	275	514	5,741	87,937
Sep. 2000 (P)	**1,31,271**	1,277	4,132	554	5,362	15,468	2,546	3,173	2,117	1,023	480	6,687	88,452
Oct. 2000 (P)	**1,28,978**	1,277	4,747	783	5,734	14,466	3,262	3,291	2,245	1,089	604	6,698	84,782
Nov. 2000 (P)	**1,33,139**	207	4,942	699	5,942	15,436	3,191	3,453	1,522	1,099	494	6,553	89,601
Dec. 2000 (P)	**1,16,006**	166	4,947	508	5,905	13,369	3,128	3,313	1,476	1,048	453	6,553	75,140
Jan. 2001 (P)	**1,30,449**	1,071	4,947	699	6,236	14,845	3,980	3,386	1,558	1,204	514	6,404	85,605

No. 10 : MONEY STOCK MEASURES

(Rs. crore)

March 31/Reporting Fridays of the month/ Last reporting Friday of the month	Currency with the public					Deposit money of the public			M_1 (6+9)
	Notes in circulation (1)	Circulation of Rupee coins (2)	Circulation of Small coins (2)	Cash on hand with banks	Total (2+3+4-5)	Demand deposits with banks	'Other' deposits with Reserve Bank (3)	Total (7+8)	
1	2	3	4	5	6	7	8	9	**10**
1990-91	53,661	936	685	2,234	53,048	39,170	674	39,844	**92,892**
1998-99	1,72,000	2,730	1,116	6,902	1,68,944	1,36,388	3,796	1,40,184	**3,09,128**
1999-2000	1,92,483	3,073	1,188	7,979	1,88,765	1,49,681	3,109	1,52,790	**3,41,555**
2000-01	2,12,851	3,662	1,243	8,624	2,09,132	1,64,551	4,320	1,68,871	**3,78,003**
March 10, 2000	1,97,845	3,347	1,181	6,433	1,95,940	1,42,368	2,482	1,44,850	**3,40,790**
March 24, 2000	1,96,157	3,390	1,188	7,994	1,92,741	1,49,644	3,242	1,52,886	**3,45,627**
November 2000	2,08,997	3,662	1,243	7,991	2,05,911	1,48,419	3,036	1,51,455	**3,57,366**
December 2000	2,07,866	3,662	1,243	8,283	2,04,488	1,57,562	2,562	1,60,124	**3,64,612**
January 2001	2,07,970	3,662	1,243	7,687	2,05,188	1,52,479	2,579	1,55,058	**3,60,246**
February 2001	2,10,858	3,662	1,243	7,684	2,08,079	1,55,024	2,934	1,57,958	**3,66,037**
March 9, 2001	2,16,441	3,662	1,243	7,662	2,13,684	1,57,106	2,797	1,59,903	**3,73,587**
March 23, 2001	2,14,632	3,662	1,243	8,623	2,10,914	1,64,551	3,063	1,67,614	**3,78,528**

No. 10 : MONEY STOCK MEASURES *(Concld.)*

(Rs. crore)

March 31/ Reporting Friday of the month/ Last reporting Friday of the Month	Post Office savings bank deposits	**M_2 (10+11)**	Time deposits with banks (4)	**M_3 (10+13)**	Total post office deposits	**M_4 (14+15)**
1	11	**12**	13	**14**	15	**16**
1990-91	4,205	**97,097**	1,72,936	**2,65,828**	14,681	**2,80,509**
1998-99	5,041	**3,14,169**	6,71,892	**9,81,020**	25,969	**10,06,989**
1999-2000	5,041	**3,46,596**	7,82,378	**11,23,933**	25,969	**11,49,902**
2000-01	5,041	**3,83,044**	9,27,564	**13,05,567**	25,969	**13,31,536**
March 10, 2000	5,041	**3,45,831**	7,74,217	**11,15,007**	25,969	**11,40,976**
March 24, 2000	5,041	**3,50,668**	7,82,224	**11,27,851**	25,969	**11,53,820**
November 2000	5,041	**3,62,407**	8,88,290	**12,45,656**	25,969	**12,71,625**
December 2000	5,041	**3,69,653**	8,96,608	**12,61,220**	25,969	**12,87,189**
January 2001	5,041	**3,65,287**	9,06,552	**12,66,798**	25,969	**12,92,767**
February 2001	5,041	**3,71,078**	9,15,329	**12,81,366**	25,969	**13,07,335**
March 9 , 2001	5,041	**3,78,628**	9,18,767	**12,92,354**	25,969	**13,18,323**
March 23, 2001	5,041	**3,83,569**	9,27,563	**13,06,091**	25,969	**13,32,060**

No. 11 : SOURCES OF MONEY STOCK (M_3)

(Rs. crore)

Source	Outstanding as on March 31/Reporting Fridays of the month/Last Reporting Friday of the month					
	1990-91	1998-99	1999-2000	2000-01	Mar. 10, 2000	Mar. 24, 2000
1	2	3	4	5	6	7
1. Net Bank Credit to Government (A+B)	**1,40,193**	**3,86,677**	**4,41,378**	**5,13,022 $**	**4,44,948**	**4,36,949**
A. RBI's net credit to Government (i-ii)	88,848	1,52,539	1,48,264	1,55,556 $	1,53,999	1,43,835
(i) Claims on Government (a+b)	90,534	1,55,466	1,50,487	1,56,164	1,54,140	1,43,977
(a) Central Government (1)	88,444	1,48,343	1,42,052	1,49,353	1,48,796	1,41,584
(b) State Governments	2,090	7,123	8,435	6,811	5,344	2,393
(ii) Government deposits with RBI (a+b)	1,686	2,927	2,223	607	141	142
(a) Central Government	1,686	2,927	2,223	500 $	100	101
(b) State Governments	—	—	—	107 $	41	41
B. Other Banks' Credit to Government	51,345	2,34,138	2,93,115	3,57,466	2,90,949	2,93,115
2. Bank Credit to Commercial Sector (A+B)	**1,71,769**	**4,95,990**	**5,86,564**	**6,70,378**	**5,63,150**	**5,80,573**
A. RBI's credit to commercial sector (2)	6,342	12,226	15,270	13,286	8,493	9,758
B. Other banks' credit to commercial sector (i+ii+iii)	1,65,427	4,83,764	5,71,294	6,57,092	5,54,657	5,70,815
(i) Bank credit by commercial banks	1,16,350	3,68,837	4,35,958	5,09,082	4,27,046	4,35,958
(ii) Bank credit by co-operative banks	22,927	80,029	1,00,423	1,12,337	92,404	99,944
(iii) Investments by commercial and co-operative banks in other securities	26,150	34,898	34,912	35,673	35,207	34,912
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**10,581**	**1,77,853**	**2,05,648**	**2,44,320**	**1,95,640**	**2,03,378**
A. RBI's net foreign exchange assets (i-ii)(3)	7,983	1,37,954	1,65,880	1,97,175	1,59,219	1,63,611
(i) Gross foreign assets	11,217	1,37,971	1,65,897	1,97,192	1,59,236	1,63,628
(ii) Foreign liabilities	3,234	17	17	17	17	17
B. Other banks' net foreign exchange assets	2,598	39,899	39,768	47,145	36,421	39,767
4. Government's Currency Liabilities to the Public	**1,621**	**3,846**	**4,262**	**4,905**	**4,528**	**4,578**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**58,336**	**83,346**	**1,13,919**	**1,27,058**	**93,259**	**97,628**
A. Net non-monetary liabilities of RBI(3)	27,022	60,481	70,147	80,334	70,612	71,613
B. Net non-monetary liabilities of other banks(residual)	31,314	22,865	43,772	46,724	22,647	26,014
M_3 (1+2+3+4-5)	**2,65,828**	**9,81,020**	**11,23,933**	**13,05,566 $**	**11,15,007**	**11,27,851**

$: Before closure of Government accounts.
Also see 'Notes on Tables'.

No. 11 : SOURCES OF MONEY STOCK (M_3) *(Concld.)*

(Rs. crore)

Source	Outstanding as on March 31/Reporting Fridays of the month/Last Reporting Friday of the month					
	Nov. 2000	Dec. 2000	Jan. 2001	Feb. 2001	Mar. 9, 2001	Mar. 23, 2001
1	8	9	10	11	12	13
1. Net Bank Credit to Government (A+B)	**4,92,473**	**4,91,608**	**4,93,727**	**5,01,389**	**5,07,813**	**5,02,082**
A. RBI's net credit to Government (i-ii)	1,58,184	1,47,518	1,50,436	1,52,367	1,55,504	1,44,616
(i) Claims on Government (a+b)	1,58,325	1,47,659	1,50,578	1,52,508	1,55,753	1,44,758
(a) Central Government (1)	1,54,084	1,42,970	1,46,290	1,46,861	1,47,452	1,41,490
(b) State Governments	4,241	4,689	4,288	5,647	8,301	3,268
(ii) Government deposits with RBI (a+b)	141	141	142	141	249	142
(a) Central Government	100	100	101	100	111	101
(b) State Governments	41	41	41	41	138	41
B. Other Banks' Credit to Government	3,34,289	3,44,089	3,43,291	3,49,022	3,52,309	3,57,467
2. Bank Credit to Commercial Sector (A+B)	**6,27,924**	**6,44,767**	**6,50,758**	**6,55,966**	**6,57,403**	**6,66,468**
A. RBI's credit to commercial sector (2)	12,177	13,523	13,162	11,371	11,948	9,377
B. Other banks' credit to commercial sector (i+ii+iii)	6,15,747	6,31,243	6,37,597	6,44,595	6,45,455	6,57,092
(i) Bank credit by commercial banks	4,80,585	4,95,247	4,99,586	5,04,621	5,04,944	5,09,082
(ii) Bank credit by co-operative banks	99,393	1,00,307	1,02,465	1,04,310	1,04,870	1,12,337
(iii) Investments by commercial and co-operative banks in other securities	35,769	35,689	35,546	35,664	35,641	35,673
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**2,20,739**	**2,34,182**	**2,37,320**	**2,41,654**	**2,42,815**	**2,43,117**
A. RBI's net foreign exchange assets (i-ii)(3)	1,73,594	1,87,037	1,90,176	1,94,509	1,95,670	1,95,972
(i) Gross foreign assets	1,73,611	1,87,054	1,90,192	1,94,526	1,95,687	1,95,989
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	47,145	47,145	47,145	47,145	47,145	47,145
4. Government's Currency Liabilities to the Public	**4,905**	**4,905**	**4,905**	**4,905**	**4,905**	**4,905**
5. Banking Sector's Net Non-monetary Liabilities Other than Time Deposits (A+B)	**1,00,385**	**1,14,240**	**1,19,912**	**1,22,548**	**1,20,582**	**1,10,481**
A. Net non-monetary liabilities of RBI(3)	75,299	81,410	82,268	82,287	82,707	80,904
B. Net non-monetary liabilities of other banks(residual)	25,086	32,830	37,644	40,261	37,875	29,577
M_3 (1+2+3+4-5)	**12,45,656**	**12,61,221**	**12,66,798**	**12,81,366**	**12,92,354**	**13,06,091**

No. 11A : COMMERCIAL BANK SURVEY

(Rs. crore)

Variable		Outstanding as on					
		Mar. 26, 1999	Feb. 11, 2000	Feb. 25, 2000	Mar. 24, 2000	Feb. 9, 2001	Feb. 23, 2001
1		2	3	4	5	6	7
Components							
C.I	**Aggregate Deposits of Residents**	**6,62,859**	**7,45,393**	**7,54,373**	**7,59,712**	**8,56,563**	**8,59,920**
	(C.I.1+C.I.2)						
C.I.1	Demand Deposits	1,17,423	1,17,995	1,24,579	1,27,366	1,32,161	1,34,136
C.I.2	Time Deposits of Residents	5,45,436	6,27,397	6,29,795	6,32,345	7,24,401	7,25,784
	(C.I.2.1+C.I.2.2)						
C.I.2.1	Short-term Time Deposits	2,45,446	2,82,329	2,83,408	2,84,555	3,25,981	3,26,603
C.I.2.1.1	Certificates of Deposits (CDs)	5,255	1,426	1,325	1,483	1,172	1,172
C.I.2.2	Long-term Time Deposits	2,99,990	3,45,069	3,46,387	3,47,790	3,98,421	3,99,181
C.II	**Call/Term Funding from Financial Institutions**	**1,140**	**2,499**	**2,509**	**2,734**	**2,633**	**2,773**
Sources							
S.I	**Domestic Credit (S.I.1+S.I.2)**	**6,95,189**	**8,15,926**	**8,22,928**	**8,40,351**	**9,65,277**	**9,74,132**
S.I.1	Credit to the Government	2,23,217	2,71,424	2,75,491	2,78,456	3,27,378	3,30,037
S.I.2	Credit to the Commercial Sector	4,71,972	5,44,502	5,47,437	5,61,896	6,37,899	6,44,095
	(S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)						
S.I.2.1	Bank Credit	3,68,837	4,19,724	4,24,584	4,35,958	5,01,110	5,04,621
S.I.2.1.1	Non-food Credit	3,52,021	3,93,762	3,98,657	4,10,267	4,61,516	4,65,009
S.I.2.2	Net Credit to Primary Dealers	754	1,152	-12	2,129	-369	-365
S.I.2.3	Investments in Other Approved Securities	31,377	31,733	30,652	30,488	30,807	30,842
S.I.2.4	Other Investments (in non-SLR Securities)	71,004	91,893	92,212	93,320	1,06,351	1,08,997
S.II	**Net Foreign Currency Assets of**						
	Commercial Banks (S.II.1-S.II.2-S.II.3)	**-13,143**	**-20,504**	**-23,559**	**-23,484**	**-31,198**	**-32,113**
S.II.1	Foreign Currency Assets	39,514	34,516	31,733	31,996	55,342	55,290
S.II.2	Non-resident Foreign Currency Repatriable	51,167	53,220	53,515	53,633	85,224	85,926
	Fixed Deposits						
S.II.3	Overseas Foreign Currency Borrowings	1,490	1,800	1,777	1,847	1,316	1,477
S.III	**Net Bank Reserves (S.III.1+S.III.2-S.III.3)**	**65,016**	**60,946**	**60,397**	**56,259**	**71,361**	**72,262**
S.III.1	Balances with the RBI	63,548	65,990	63,097	57,419	71,538	71,875
S.III.2	Cash in Hand	4,362	4,459	4,752	5,330	5,379	5,517
S.III.3	Loans and Advances from the RBI	2,894	9,502	7,451	6,491	5,556	5,130
S.IV	**Capital Account**	**53,892**	**56,611**	**56,266**	**56,635**	**63,257**	**63,257**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**29,171**	**51,866**	**46,618**	**54,046**	**82,987**	**88,330**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	50,404	73,311	72,853	76,595	86,688	86,734
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	11,171	12,630	10,606	12,519	12,726	15,591

Notes : Data are provisional.

No. 11B: MONETARY SURVEY

(Rs. crore)

Variable		Outstanding as on Mar. 31, 1999	Feb. 11, 2000	Feb. 25, 2000	Mar. 31, 2000	Feb. 9, 2001	Feb. 23, 2001
1		2	3	4	5	6	7
Monetary Aggregates							
M_1 (C.I+C.II.1+C.III)		3,09,127	3,34,879	3,37,125	3,41,555	3,65,826	3,66,217
NM_2 (M_1+C.II.2.1)		5,88,454	6,57,693	6,61,151	6,69,490	7,42,143	7,42,869
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**9,30,993**	**10,54,742**	**10,59,692**	**10,73,034**	**12,04,720**	**12,05,996**
Components							
C.I	**Currency with the Public**	**1,68,945**	**1,95,463**	**1,91,215**	**1,88,765**	**2,09,991**	**2,07,979**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**7,57,112**	**8,53,921**	**8,63,308**	**8,78,426**	**9,89,500**	**9,92,309**
C.II.1	Demand Deposits	1,36,386	1,36,557	1,43,250	1,49,681	1,53,239	1,55,304
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	6,20,726	7,17,364	7,20,058	7,28,745	8,36,261	8,37,005
C.II.2.1	Short-term Time Deposits	2,79,327	3,22,814	3,24,026	3,27,935	3,76,318	3,76,652
C.II.2.1.1	Certificates of Deposits (CDs)	5,255	1,426	1,325	1,483	1,172	1,172
C.II.2.2	Long-term Time Deposits	3,41,399	3,94,550	3,96,032	4,00,810	4,59,944	4,60,353
C.III	**'Other' Deposits with RBI**	**3,796**	**2,858**	**2,661**	**3,109**	**2,595**	**2,934**
C.IV	**Call/Term Funding from Financial Institutions**	**1,140**	**2,499**	**2,509**	**2,734**	**2,633**	**2,773**
Sources							
S.I	**Domestic Credit (S.I.1+S.I.2)**	**9,68,589**	**11,08,092**	**11,11,369**	**11,38,585**	**12,82,349**	**12,89,852**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	3,86,677	4,39,336	4,37,486	4,41,378	5,00,853	5,02,072
S.I.1.1	Net RBI credit to the Government	1,52,539	1,54,119	1,48,242	1,48,264	1,54,055	1,52,367
S.I.1.2	Credit to the Government by the Banking System	2,34,138	2,85,217	2,89,244	2,93,115	3,46,798	3,49,705
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	5,81,912	6,68,756	6,73,883	6,97,207	7,81,495	7,87,780
S.I.2.1	RBI Credit to the Commercial Sector	17,875	19,442	19,329	21,154	17,308	17,773
S.I.2.2	Credit to the Commercial Sector by the Banking System	5,64,037	6,49,314	6,54,554	6,76,053	7,64,187	7,70,007
S.I.2.2.1	Other Investments (Non-SLR Securities)	79,783	1,01,553	101,872	1,03,052	1,17,011	1,19,239
S.II	**Government's Currency Liabilities to the Public**	**3,846**	**4,248**	**4,254**	**4,262**	**4,905**	**4,905**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**1,24,811**	**1,32,448**	**1,31,714**	**1,42,396**	**1,62,278**	**1,62,396**
S.III.1	Net Foreign Exchange Assets of the RBI	1,37,954	1,52,952	1,55,273	1,65,880	1,93,476	1,94,509
S.III.2	Net Foreign Currency Assets of the Banking System	-13,143	-20,504	-23,559	-23,484	-31,198	-32,113
S.IV	**Capital Account**	1,22,620	1,36,078	1,35,218	1,35,417	1,56,190	1,56,552
S.V	**Other items (net)**	43,633	53,969	52,427	76,791	88,622	94,605

Notes : 1. Data are provisional.
2. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on the last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

No. 11C : RESERVE BANK OF INDIA SURVEY

(Rs. crore)

Variable		Outstanding as on					
		Mar. 31, 1999	Feb. 11, 2000	Feb. 25, 2000	Mar. 31, 2000	Feb. 9, 2001	Feb. 23, 2001
1		2	3	4	5	6	7
Components							
C.I	Currency in Circulation	1,75,846	2,01,837	1,98,001	1,96,745	2,17,649	2,15,763
C.II	Bankers' Deposits with the RBI	79,703	68,060	65,502	80,460	74,841	75,011
C.II.1	Scheduled Commercial Banks	77,706	65,990	63,097	77,781	71,538	71,875
C.III	'Other' Deposits with the RBI	3,796	2,858	2,661	3,109	2,595	2,934
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V)**	**2,59,345**	**2,72,756**	**2,66,163**	**2,80,314**	**2,95,085**	**2,93,709**
Sources							
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**1,78,027**	**1,84,467**	**1,76,416**	**1,80,319**	**1,78,242**	**1,76,581**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	1,52,539	1,54,119	1,48,242	1,48,264	1,54,055	1,52,367
S.I.1.1	Net RBI credit to the Central Government (S.I.1.1.1+S.I.1.1.2+S.I.1.1.3+S.I.1.1.4-S.I.1.1.5)	1,45,416	1,50,022	1,44,330	1,39,829	1,49,539	1,46,761
S.I.1.1.1	Loans and Advances to the Central Government	3,042	3,341	2,571	982	3,007	417
S.I.1.1.2	Investments in Treasury Bills	763	1,893	2,152	1,870	745	577
S.I.1.1.3	Investments in dated Government Securities	1,44,473	1,44,826	1,39,663	1,39,097	1,45,735	1,45,732
S.I.1.1.3.1	Central Government Securities	41,591	41,961	36,799	36,233	42,635	42,631
S.I.1.1.4	Rupee Coins	65	63	45	102	153	135
S.I.1.1.5	Deposits of the Central Government	2,927	100	101	2,223	101	100
S.I.1.2	Net RBI credit to State Governments	7,123	4,097	3,912	8,435	4,516	5,606
S.I.2	RBI's Claims on Banks	7,613	10,906	8,845	10,901	6,878	6,441
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	6,257	9,502	7,451	9,513	5,556	5,130
S.I.3	RBI's Credit to Commercial Sector	17,875	19,442	19,329	21,154	17,308	17,773
S.I.3.1	Loans and Advances to Primary Dealers	3,767	—	5,001	6,972	2,982	3,186
S.I.3.2	Loans and Advances to NABARD	5,649	5,894	6,043	5,884	6,136	6,402
S.II	**Government's Currency Liabilities to the Public**	**3,846**	**4,248**	**4,254**	**4,262**	**4,905**	**4,905**
S.III	**Net Foreign Exchange Assets of the RBI**	**1,37,954**	**1,52,952**	**1,55,273**	**1,65,880**	**1,93,476**	**1,94,509**
S.III.1	Gold	12,559	12,853	12,853	12,973	12,766	12,766
S.III.2	Foreign Currency Assets	1,25,412	1,40,116	1,42,437	1,52,924	1,80,728	1,81,760
S.IV	**Capital Account**	**52,961**	**64,137**	**63,622**	**63,301**	**75,680**	**76,041**
S.V	**Other Items (net)**	**7,521**	**4,774**	**6,158**	**6,846**	**5,858**	**6,245**

\# : Includes secondary market purchases (earlier accounted in S.I.1.1.3.1) since September 8, 2000.

Note : Data are provisional.

No. 11D: LIQUIDITY AGGREGATES (OUTSTANDING AMOUNTS)

(Rs. crore)

Month	NM_3	Postal Deposits	L_1	Liabilities of Financial Institutions: Term Money Borrowings	CDs	Term Deposits	Total	L_2	Public Deposits with NBFCs	L_3
1	2	3	**4=(2+3)**	5	6	7	8=(5+6+7)	**9=(4+8)**	10	**11=(9+10)**
1999-2000										
April	**9,44,754**	22,579	**9,67,333**	957	1,803	4,711	7,471	**9,74,804**		
May	9,54,246	22,897	**9,77,143**	528	1,428	4,951	6,907	**9,84,050**		
June	9,59,655	23,273	**9,82,928**	637	1,427	5,011	7,075	**9,90,003**	19,304	**10,09,307**
July	9,75,222	23,638	**9,98,860**	533	1,517	5,349	7,399	**10,06,259**		
August	9,84,896	23,996	**10,08,892**	557	1,577	6,151	8,285	**10,17,177**		
September	10,00,853	24,397	**10,25,250**	372	1,579	6,680	8,631	**10,33,881**	18,683	**10,52,564**
October	10,12,851	24,785	**10,37,636**	422	1,618	6,348	8,388	**10,46,023**		
November	10,20,223	25,173	**10,45,396**	436	1,635	7,265	9,336	**10,54,732**		
December	10,43,181	25,785	**10,68,966**	481	1,646	6,996	9,123	**10,78,089**	18,951	**10,97,040**
January	10,43,479	25,938	**10,69,417**	287	1,718	7,025	9,030	**10,78,447**		
February	10,59,692	26,240	**10,85,932**	245	1,738	7,050	9,033	**10,94,965**		
March	10,73,034	27,556	**11,00,590**	540	1,738	7,117	9,395	**11,09,985**	18,327	**11,28,312**
2000-01										
April	10,97,363	27,711	**11,25,074**	202	1,827	7,135	9,164	**11,34,238**		
May	11,05,985	28,001	**11,33,986**	802	3,109	7,430	11,341	**11,45,327**		
June	11,21,014	28,843	**11,49,857**	981	3,154	7,790	11,925	**11,61,782**	17,866	**11,79,648**
July	11,22,040	29,469	**11,51,509**	1218	2,967	8,217	12,402	**11,63,911**		
August	11,30,756	30,123	**11,60,879**	937	2,769	7,994	11,700	**11,72,579**		
September	11,42,931	30,684	**11,73,615**	1063	2,490	8,751	12,304	**11,85,919**	17,217	**12,03,136**
October	11,64,907	31,271	**11,96,178**	479	2,575	8,278	11,332	**12,07,510**		
November	11,70,765	31,271	**12,02,036**	597	2,657	8,363	11,617	**12,13,653**		
December	11,87,806	31,271	**12,19,077**	667	2,663	8,227	11,557	**12,30,634**	17,217	**12,47,851**
January	11,93,458	31,271	**12,24,729**	740	2,556	8,388	11,684	**12,36,413**		
February	12,05,996	31,271	**12,37,267**	740	2,556	8,388	11,684	**12,48,951**		

CDs: Certificates of Deposits; L_1, L_2 and L_3: Liquidity Aggregates; NBFCs: Non-Banking Financial Companies

Notes:
1. Figures are provisional.
2. The acronym NM_3 is used to distinguish the new monetary aggregate as proposed by the Working Group on Money Supply: Analytics and Methodology of Compilation (1998), from the existing monetary aggregates.
3. While L_1 and L_2 are compiled on a monthly basis, L_3 is compiled on a quarterly basis.
4. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
5. From April 1999 onwards liabilities of financial institutions have a broader coverage including, *inter alia*, public deposits with the financial institutions (FIs). FIs, here, comprise IDBI, IFCI, ICICI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC.
6. Estimates of public deposits are generated on the basis of returns received from all NBFCs with public deposits of Rs. 20 crore and more as had been recommended by the Working Group.
7. Wherever data are not available, the estimates for the last available month have been repeated.

No. 12 : RESERVE MONEY AND ITS COMPONENTS

(Rs. crore)

Outstandings as on March 31/ each Friday/Last Reporting Friday of the month	Currency in circulation		'Other' deposits with RBI	Bankers' deposits with RBI	**Reserve Money (2 + 4 + 5)**
	Total	o / w cash with banks			
1	2	3	4	5	**6**
1990-91	55,282	2,234	674	31,823	**87,779**
1998-99	1,75,846	6,902	3,796	79,703	**2,59,345**
1999-2000	1,96,745	7,979	3,109	80,460	**2,80,314**
2000-01	2,17,756	8,624	4,320	81,477	**3,03,553**
March 3, 2000	2,00,186	—	2,570	70,546	**2,73,302**
March 10, 2000	2,02,373	6,433	2,482	63,043	**2,67,898**
March 17, 2000	2,02,123	—	2,854	72,602	**2,77,579**
March 24, 2000	2,00,735	8,059	3,242	59,721	**2,63,698**
March 31, 2000	1,96,745	—	3,109	80,460	**2,80,314**
November 2000	2,13,902	7,991	3,036	69,140	**2,86,078**
December 2000	2,12,771	8,283	2,562	70,297	**2,85,630**
January 2001	2,12,875	7,687	2,579	74,554	**2,90,008**
February 2001	2,15,763	7,684	2,934	75,012	**2,93,709**
March 2, 2001	2,16,496	—	2,824	74,965	**2,94,285**
March 9, 2001	2,21,346	7,662	2,797	74,896	**2,99,039**
March 16, 2001	2,22,074	—	3,213	74,717	**3,00,004**
March 23, 2001	2,19,537	8,624	3,063	63,090	**2,85,690**
March 30, 2001	2,17,763	—	4,318	80,734	**3,02,815**

See 'Notes on Tables'.

No. 13 : SOURCES OF RESERVE MONEY

(Rs. crore)

Outstanding as on March 31/each Friday/ Last Reporting Friday of the month	Reserve Bank's claims on				Net foreign exchange assets of RBI (3)	Govern-ment's currency liabili-ties to the public	Net non-monetary liabilities of RBI (3)	**Reserve Money (2+3+4 +5+6 +7–8)**
	Govern-ment (net) (1)	Commer-cial & co-operative banks	National Bank for Agricul-ture and Rural Development	Commer-cial sector (2)				
1	2	3	4	5	6	7	8	**9**
1990-91	88,848	6,895	3,112	6,342	7,983	1,621	27,022	**87,779**
1998-99	1,52,539	7,613	5,648	12,226	1,37,954	3,846	60,481	**2,59,345**
1999-2000	1,48,264	10,901	5,884	15,270	1,65,880	4,262	70,147	**2,80,314**
2000-01	1,55,556 $	6,365	6,600	13,287	1,97,175	4,905	80,334	**3,03,553**
March 3, 2000	1,49,357	12,379	5,962	14,370	1,56,889	4,528	70,183	**2,73,302**
March 10, 2000	1,53,998	6,318	5,953	8,494	1,59,219	4,528	70,612	**2,67,898**
March 17, 2000	1,53,340	11,421	5,944	12,721	1,60,799	4,528	71,174	**2,77,579**
March 24, 2000	1,43,834	7,746	5,784	9,758	1,63,611	4,578	71,613	**2,63,698**
March 31, 2000	1,48,264	10,901	5,884	15,270	1,65,880	4,262	70,147	**2,80,314**
November 2000	1,58,184	6,970	5,546	12,177	1,73,595	4,905	75,299	**2,86,078**
December 2000	1,47,518	8,018	6,039	13,523	1,87,037	4,905	81,410	**2,85,630**
January 2001	1,50,436	7,422	6,176	13,162	1,90,175	4,905	82,268	**2,90,008**
February 2001	1,52,367	6,441	6,402	11,371	1,94,509	4,905	82,286	**2,93,709**
March 2, 2001	1,51,594	7,320	6,484	11,288	1,95,476	4,905	82,782	**2,94,285**
March 9, 2001	1,55,504	7,284	6,436	11,947	1,95,670	4,905	82,707	**2,99,039**
March 16, ,2001	1,52,493	7,838	6,537	12,609	1,96,899	4,905	81,277	**3,00,004**
March 23, 2001	1,44,616	5,189	6,536	9,376	1,95,972	4,905	80,904	**2,85,690**
March 30, 2001	1,54,902	7,299	6,580	12,884	1,97,048	4,905	80,803	**3,02,815**

$: Before closure of Government accounts.

Also see 'Notes on Tables'.

No. 14 : DAILY CALL MONEY RATES $

(per cent per annum)

As on	Range of Rates		Weighted Average Rate	
	Borrowings	Lendings	Borrowings	Lendings
1	2	3	4	5
Mar. 1, 2001	6.70 - 9.00	7.00 - 8.80	7.81	7.80
Mar. 2, 2001	6.50 - 8.00	6.90 - 8.20	7.26	7.30
Mar. 3, 2001	6.50 - 7.50	6.90 - 8.60	7.15	7.18
Mar. 5, 2001	6.30 - 7.30	6.80 - 7.50	7.07	7.09
Mar. 7, 2001	6.50 - 7.30	6.90 - 7.40	7.05	7.06
Mar. 8, 2001	6.50 - 7.50	7.00 - 8.30	7.05	7.09
Mar. 9, 2001	6.30 - 8.50	6.90 - 9.00	7.28	7.40
Mar. 12, 2001	6.50 - 7.70	7.00 - 7.80	7.21	7.23
Mar. 13, 2001	6.50 - 7.40	6.10 - 7.60	7.18	7.20
Mar. 14, 2001	6.80 - 8.00	7.00 - 8.00	7.40	7.53
Mar. 15, 2001	6.50 - 8.90	7.20 - 8.90	7.92	8.11
Mar. 16, 2001	7.00 - 9.30	6.90 - 9.50	8.82	8.84
Mar. 17, 2001	6.30 - 9.30	6.90 - 9.20	7.29	7.18
Mar. 19, 2001	6.00 - 8.40	6.90 - 8.00	7.36	7.40
Mar. 20, 2001	6.30 - 7.80	7.20 - 10.00	7.41	7.41
Mar. 22, 2001	6.50 - 8.00	7.00 - 8.30	7.42	7.45
Mar. 23, 2001	4.00 - 7.70	4.00 - 7.70	7.21	7.22
Mar. 24, 2001	6.80 - 9.00	7.00 - 9.00	7.78	7.85
Mar. 27, 2001	7.50 - 9.50	8.00 - 10.60	8.65	8.92
Mar. 28, 2001	8.40 - 10.60	8.50 - 10.30	9.19	9.36
Mar. 29, 2001	7.00 - 11.00	8.00 - 10.30	9.32	9.40
Mar. 30, 2001	7.00 - 13.50	7.30 - 13.50	9.60	9.47
Mar. 31, 2001	7.00 - 19.00	7.00 - 19.00	11.91	12.23
Apr. 3, 2001	6.00 - 9.30	6.80 - 9.00	7.74	7.78
Apr. 4, 2001	6.00 - 7.60	5.80 - 8.10	7.08	7.12
Apr. 7, 2001	6.50 - 7.60	7.00 - 7.80	7.18	7.20
Apr. 9, 2001	6.50 - 7.60	6.90 - 7.60	7.13	7.13
Apr. 10, 2001	6.80 - 7.50	6.90 - 7.50	7.07	7.08
Apr. 11, 2001	6.50 - 7.80	6.90 - 7.80	7.10	7.08
Apr. 12 2001	6.00 - 10.00	6.80 - 9.00	7.08	7.10
Apr. 16 2001	6.80 - 7.40	6.80 - 7.40	7.11	7.10

$: Coverage of the data is 75 – 80 per cent of total transactions reported by major participants.

No. 15 : AVERAGE DAILY TURNOVER IN CALL MONEY MARKET

(Rs. crore)

Fortnight ended	Average Daily Call Money Turnover					
	Banks		Primary Dealers		Non-Bank Institutions	Total
	Borrowings	Lendings	Borrowings	Lendings	Lendings	
1	2	3	4	5	6	7
Dec. 3, 1999 *	11,783	11,966	7,825	2,028	4,365	37,967
Dec. 17, 1999 *	9,140	11,539	10,039	1,816	5,737	38,271
Dec. 31, 1999 *	10,532	9,338	9,169	2,353	6,090	37,482
Jan. 14, 2000 *	9,613	9,954	9,013	2,029	6,247	36,856
Jan. 28, 2000 *	9,353	10,668	7,945	2,005	5,968	35,939
Feb. 11, 2000 *	14,186	10,858	6,975	2,114	6,577	40,710
Feb. 25, 2000 *	13,057	10,325	5,394	1,652	5,804	36,232
Mar. 10, 2000 *	13,761	10,425	5,832	2,081	6,803	38,902
Mar. 24, 2000 *	14,722	10,461	6,666	2,625	7,770	42,244
Apr. 7, 2000 *	14,333	11,909	6,857	2,928	5,952	41,979
Apr. 21, 2000 *	14,765	11,270	8,551	2,488	7,613	44,687
May 5, 2000 *	12,729	13,501	10,719	2,435	8,672	48,056
May 19, 2000 *	11,585	10,472	8,096	2,034	7,027	39,214
Jun. 2, 2000 *	11,670	10,516	8,688	2,381	6,801	40,056
Jun. 16, 2000 *	12,972	9,337	6,476	1,982	7,533	38,300
Jun. 30, 2000 *	13,141	9,107	5,644	1,934	8,531	38,357
Jul. 14, 2000 *	14,659	8,480	7,460	2,449	9,417	42,465
Jul. 28, 2000 *	13,540	8,217	6,565	1,907	9,568	39,797
Aug. 11, 2000 *	13,985	6,769	6,227	2,116	10,178	39,275
Aug. 25, 2000 *	13,041	5,632	5,320	2,169	9,811	35,973
Sep. 8, 2000 *	14,111	6,007	6,859	2,232	12,588	41,797
Sep. 22, 2000 *	15,175	6,018	6,321	2,240	13,179	42,933
Oct. 6, 2000 *	16,248	7,998	6,397	2,317	11,675	44,635
Oct. 20, 2000 *	17,809	8,450	5,917	2,049	11,551	45,776
Nov. 3, 2000 *	16,575	10,525	7,102	3,107	10,012	47,321
Nov. 17, 2000 *	16,685	10,692	7,005	3,081	9,342	46,805
Dec. 1, 2000 *	15,406	10,064	9,277	3,690	8,873	47,310
Dec. 15, 2000 *	14,610	10,789	9,154	3,178	8,743	46,747
Dec. 29, 2000 *	15,489	10,655	7,451	2,867	7,106	43,568
Jan. 12, 2001 *	17,603	12,812	8,584	3,096	8,301	50,396
Jan. 26, 2001 *	17,006	11,916	8,699	3,188	8,320	49,039

* : Based on data received from 101 banks, 14 Primary Dealers and 52 non-bank institutions. Effective fortnight ended February 11, 2000, data received from 101 banks, 14 Primary Dealers and 53 non-banks institutions. Effective fortnight ended May 5, 2000, data received from 99 banks, 15 Primary Dealers and 50 non-banks institutions. Effective fortnight ended June 16, 2000, data received from 99 banks, 15 Primary Dealers and 51 non-banks institutions. Effective fortnight ended July 14, 2000, data received from 100 banks, 15 Primary Dealers and 51 non-banks institutions. Effective fortnight ended August 11, 2000, data received from 100 banks, 15 Primary Dealers, and 52 non-banks institutions. Effective fortnight ended October 6, 2000, data received from 100 banks, 15 Primary Dealers and 51 non-banks institutions. Effective fortnight ended December 29, 2000, data received from 100 banks, 15 Primary Dealers and 52 non-banks institutions.

Note : Data are provisional.

No. 16 : ISSUE OF CERTIFICATES OF DEPOSITS BY SCHEDULED COMMERCIAL BANKS

(Amount in Rs. crore)

Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @
1		2	3		4	5	6		7	8	9
1998 - 99				**1999 - 2000**				**2000-01**			
Apr.	10	14,584	8.25 - 24.00	Apr.	9	3,494	7.00 - 12.50	Apr.	7	1,264	6.50 - 14.00
	24	13,888	8.00 - 26.00		23	3,421	7.00 - 11.75		21	1,273	6.75 - 11.00
May	8	11,351	7.50 - 16.50	May	7	3,364	8.00 - 13.00	May	5	872	8.00 - 12.82
	22	10,920	6.00 - 16.50		21	2,744	8.00 - 12.00		19	945	8.00 - 11.70
Jun.	5	10,945	6.00 - 13.25	Jun.	4	2,346	8.50 - 13.07	Jun.	2	933	8.00 - 11.16
	19	9,754	6.50 - 13.65		18	2,268	7.50 - 11.00		16	974	5.50 - 13.35
Jul.	3	7,886	6.00 - 12.75	Jul.	2	2,111	6.25 - 11.50		30	1,041	8.00 - 15.70
	17	7,287	8.00 - 12.50		16	2,217	6.25 - 10.90	Jul.	14	1,129	5.50 - 14.00
	31	7,147	8.00 - 12.82		30	2,091	7.50 - 11.00		28	1,211	5.50 - 12.75
Aug.	14	6,722	8.00 - 12.50	Aug.	13	2,002	6.50 - 11.00	Aug.	11	1,094	8.00 - 14.60
	28	6,545	6.75 - 15.00		27	1,921	8.00 - 11.50		25	1,149	6.50 - 11.25
Sep.	11	5,772	7.75 - 13.50	Sep.	10	1,932	8.50 - 14.20	Sep.	8	1,120	8.50 - 11.75
	25	5,686	8.25 - 12.60		24	1,933	6.25 - 11.75		22	1,153	8.00 - 13.50
Oct.	9	6,132	7.75 - 13.50	Oct.	8	1,868	6.75 - 11.00	Oct.	6	1,364	5.00 - 12.80
	23	6,214	8.25 - 13.00		22	1,754	6.75 - 13.40		20	1,695	6.30 - 14.06
Nov.	6	5,858	8.25 - 13.63	Nov.	5	1,705	8.25 - 11.93	Nov.	3	1,660	7.50 - 11.35
	20	5,881	8.00 - 15.55		19	1,453	7.50 - 11.25		17	1,626	8.50 - 12.28
Dec.	4	4,517	6.75 - 12.50	Dec.	3	1,498	8.00 - 11.00	Dec.	1	1,344	8.00 - 11.00
	18	4,186	8.25 - 15.50		17	1,467	8.50 - 11.00		15	1,303	7.75 - 11.00
Jan.	1	3,667	8.00 - 17.35		31	1,418	8.50 - 11.00		29	1,135	7.78 - 10.50
	15	3,824	8.50 - 17.50	Jan.	14	1,401	8.50 - 11.00	Jan.	12	1,180	7.25 - 11.00
	29	3,689	9.00 - 12.50		28	1,385	8.00 - 11.00		26	1,197	7.25 - 10.75
Feb.	12	4,549	8.00 - 12.75	Feb.	11	1,374	8.00 - 11.00	Feb.	9	1,153	7.25 - 11.00
	26	4,171	9.50 - 17.32		25	1,280	7.75 - 13.24		23	1,187	6.75 - 12.00
Mar.	12	3,897	7.75 - 12.55	Mar.	10	1,243	7.85 - 12.78				
	26	3,717	8.00 - 12.50		24	1,227	7.50 - 12.00				

@ : Effective interest rate range per annum.

No. 17 : ISSUE OF COMMERCIAL PAPER* BY COMPANIES

(Amount in Rs. crore)

Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @
1		2	3	4		5	6	7		8	9
1998 - 99				**1999 - 2000**				**2000 - 01**			
Apr.	15	1,030.00	11.75 - 18.00	Apr.	15	5,028.55	9.15 - 12.00	Apr.	15	5,633.50	9.58 - 12.25
	30	1,941.30	9.25 - 15.50		30	5,833.05	9.10 - 12.75		30	5,606.20	9.35 - 11.00
May	15	3,269.80	8.50 - 13.75	May	15	6,589.84	9.33 - 12.50	May	15	6,598.70	9.00 - 11.50
	31	3,833.80	8.55 - 15.50		31	6,898.84	9.00 - 12.50		31	7,232.20	8.20 - 12.50
Jun.	15	4,023.30	8.75 - 13.10	Jun.	15	7,363.34	9.00 - 12.50	Jun.	15	7,484.70	8.90 - 11.50
	30	4,171.80	9.60 - 12.60		30	7,679.34	9.00 - 12.38		30	7,626.70	9.25 - 11.75
Jul.	15	3,912.30	8.20 - 13.50	Jul.	15	6,311.34	9.00 - 12.00	Jul.	15	7,126.70	9.35 - 11.85
	31	4,102.00	8.75 - 13.50		31	7,239.09	9.00 - 12.10		31	7,324.70	9.50 - 12.25
Aug.	15	4,620.45	7.75 - 13.00	Aug.	15	7,418.54	9.05 - 12.25	Aug.	15	6,405.70	9.25 - 12.00
	31	5,107.45	7.65 - 15.25		31	7,677.54	9.10 - 12.50		31	5,671.70	9.71 - 12.80
Sep.	15	4,785.95	7.65 - 14.00	Sep.	15	7,292.54	9.61 - 12.70	Sep.	15	5,577.20	10.05 - 12.75
	30	4,588.45	10.25 - 13.25		30	7,658.04	10.00 - 13.00		30	5,931.20	11.24 - 12.75
Oct.	15	4,802.95	9.50 - 13.40	Oct.	15	6,688.84	9.91 - 11.75	Oct.	15	5,573.50	10.30 - 12.50
	31	4,873.95	9.75 - 13.05		31	6,160.70	10.20 - 12.50		31	5,633.20	10.14 - 13.50
Nov.	15	5,475.00	10.18 - 13.25	Nov.	15	6,153.20	9.40 - 12.50	Nov.	15	6,317.20	10.45 - 12.00
	30	5,534.30	9.35 - 13.00		30	6,523.70	10.00 - 12.80		30	7,364.00	10.00 - 12.07
Dec.	15	5,679.05	9.45 - 12.50	Dec.	15	7,564.70	10.00 - 12.40	Dec.	15	8,040.40	9.93 - 13.00
	31	5,474.05	9.80 - 13.50		31	7,803.20	9.90 - 12.27		31	8,342.90	9.75 - 12.25
Jan.	15	5,410.55	9.75 - 13.00	Jan.	15	7,747.00	9.05 - 11.65	Jan.	15	7,796.10	10.00 - 11.98
	31	5,260.55	9.60 - 13.45		31	7,814.00	9.00 - 13.00		31	7,188.10	10.04 - 11.50
Feb.	15	5,151.30	10.15 - 12.75	Feb.	15	7,693.20	9.25 - 12.05	Feb.	15	7,295.60	10.05 - 11.40
	28	5,367.55	10.20 - 13.00		29	7,216.00	9.20 - 11.00		28	7,246.35	9.15 - 11.15
Mar.	15	5,148.55	8.50 - 13.25	Mar.	15	6,436.20	9.85 - 12.25	Mar.	15	6,990.45	9.25 - 11.50
	31	4,770.05	9.10 - 13.25		31	5,662.70	10.00 - 12.00		31	5,846.45	8.75 - 11.25

* : Issued at face value by companies.

@ : Typical effective discount rate range per annum on issues during the fortnight.

No. 18 : UNION GOVERNMENT ACCOUNTS AT A GLANCE

(April - February 2001)

(Rs. crore)

Item		Financial Year	April-February		Percentage to Budget Estimates	
		2000-01 (Budget Estimates)	2000-01 (Actuals)	1999-2000 (Actuals)	upto 2/2001	upto 2/2000
1		2	3	4	5	6
1.	**Revenue Receipts**	**2,03,673**	**1,57,126**	**1,43,314**	**77.1**	**78.4**
2.	Tax Revenue (Net)	1,46,209	1,08,658	1,01,155	74.3	76.4
3.	Non-Tax Revenue	57,464	48,468	42,159	84.3	83.5
4.	**Capital Receipts**	**1,34,814**	**1,06,053**	**95,247**	**78.7**	**94.3**
5.	Recovery of Loans	13,539	9,543	8,226	70.5	74.2
6.	Other Receipts	10,000 *	243	1,580	2.4	15.8
7.	Borrowings	1,12,275	96,267	85,441	85.7	106.9
8.	**Total Receipts (1+4)**	**3,38,487**	**2,63,179**	**2,38,561**	**77.8**	**84.0**
9.	**Non-Plan Expenditure**	**2,50,387**	**2,00,074**	**1,78,012**	**79.9**	**86.0**
10.	On Revenue Account	2,28,768	1,88,619	1,66,808	82.4	87.6
	of which :					
11.	Interest Payments	1,01,266	89,339	75,579	88.2	85.9
12.	On Capital Account	21,619	11,455	11,204	53.0	67.7
13.	**Plan Expenditure**	**88,100**	**63,105**	**60,549**	**71.6**	**78.6**
14.	On Revenue Account	52,330	37,625	35,819	71.9	76.8
15.	On Capital Account	35,770	25,480	24,730	71.2	81.5
16.	**Total Expenditure (9+13)**	**3,38,487**	**2,63,179**	**2,38,561**	**77.8**	**84.0**
17.	Revenue Expenditure (10+14)	2,81,098	2,26,244	2,02,627	80.5	85.5
18.	Capital Expenditure (12+15)	57,389	36,935	35,934	64.4	76.6
19.	**Revenue Deficit (17-1)**	**77,425**	**69,118**	**59,313**	**89.3**	**109.5**
20.	**Fiscal Deficit {16-(1+5+6)}**	**1,11,275**	**96,267**	**85,441**	**86.5**	**106.9**
21.	**Gross Primary Deficit (20-11)**	**10,009**	**6,928**	**9,862**	**69.2**	**—**

* : Relates to disinvestment proceeds including Rs. 1,000 crore committed for redemption of Public Debt.

Notes : 1. Financial year runs from April to March.
2. Actuals are unaudited figures.

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

No. 19 : GOVERNMENT OF INDIA : 91-DAY TREASURY BILLS
(Outstanding at Face Value)

(Rs. crore)

March 31/ Last Friday/ Friday	Reserve Bank of India			Banks		State Governments		Others		Foreign Central Banks	
	Tap*		Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction
	Rediscounted	Ad hocs									
1	2	3	4	5	6	7	8	9	10	11	12
Mar. 31, 1997	9,544	34,130	1,468	—	2,365	6,539	1,262	604	605	—	—
Mar. 31, 1998	—	—	627	—	29	—	530	—	95	—	319
Mar. 31, 1999	—	—	224	—	827	—	—	—	249	—	200
Mar. 31, 2000	—	—	288	—	557	—	—	—	455	—	220
Apr. 1998	—	—	712	—	245	—	500	—	94	—	300
May 1998	—	—	429	—	450	—	1,625	—	296	—	300
Jun. 1998	—	—	270	—	530	—	1,825	—	475	—	305
Jul. 1998	—	—	190	—	702	—	1,525	—	660	—	345
Aug. 1998	—	—	761	—	901	—	1,750	—	789	—	325
Sep. 1998	—	—	2,100	—	1,055	—	1,750	—	597	—	360
Oct. 1998	—	—	1,855	—	2,299	—	1,000	—	745	—	360
Nov. 1998	—	—	4	—	4,072	—	1,300	—	524	—	330
Dec. 1998	—	—	80	—	3,804	—	1,100	—	615	—	280
Jan. 1999	—	—	208	—	2,475	—	1,100	—	417	—	275
Feb. 1999	—	—	250	—	1,917	—	—	—	375	—	208
Mar. 1999	—	—	228	—	827	—	—	—	246	—	225
Apr. 1999	—	—	129	—	724	—	—	—	347	—	165
May 1999	—	—	342	—	511	—	575	—	447	—	215
Jun. 1999	—	—	306	—	516	—	2,075	—	478	—	150
Jul. 1999	—	—	356	—	575	—	2,075	—	370	—	100
Aug. 1999	—	—	291	—	645	—	1,500	—	365	—	60
Sep. 1999	—	—	460	—	539	—	400	—	302	—	60
Oct. 1999	—	—	801	—	253	—	400	—	246	—	35
Nov. 1999	—	—	731	—	215	—	400	—	354	—	—
Dec. 1999	—	—	473	—	421	—	—	—	406	—	75
Jan. 2000	—	—	78	—	743	—	—	—	479	—	75
Feb. 2000	—	—	107	—	705	—	—	—	488	—	150
Mar. 2000	—	—	288	—	557	—	—	—	455	—	220
Apr. 2000	—	—	371	—	732	—	—	—	197	—	270
May 2000	—	—	322	—	498	—	—	—	480	—	330
Jun. 2000	—	—	449	—	464	—	—	—	388	—	380
Jul. 2000	—	—	411	—	557	—	—	—	333	—	330
Aug. 2000	—	—	602	—	415	—	—	—	283	—	345
Sep. 2000	—	—	402	—	557	—	—	—	341	—	400
Oct. 2000	—	—	357	—	342	—	—	—	601	—	540
Nov. 2000	—	—	113	—	546	—	—	—	642	—	540
Dec. 2000	—	—	5	—	781	—	—	—	515	—	645
Jan. 2001	—	—	7	—	541	—	—	—	624	—	645
Feb. 2001	—	—	10	—	736	—	—	—	432	—	645
Week Ended											
Mar. 2, 2001	—	—	—	—	909	—	—	—	238	—	570
Mar. 9, 2001	—	—	—	—	837	—	—	—	311	—	635
Mar. 16, 2001	—	—	—	—	863	—	—	—	347	—	635
Mar. 23, 2001	—	—	—	—	880	—	—	—	213	—	605
Mar. 30, 2001	—	—	5	—	928	—	—	—	253	—	630

* : The rate of discount is 4.60 per cent per annum.

No. 20 : AUCTIONS OF 14-DAY GOVERNMENT OF INDIA TREASURY BILLS

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on		Total Issue (8+9+10+11)	Cut-off price (per cent)	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value		PDs/SDs*	RBI				
				Competitive	Non-Competitive		Competitive	Non-Competitive						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2000-01														
May 5	May 8	100	16	203.00	—	7	100.00	—	—	—	100.00	99.74	6.7776	350.00
May 12	May 15	100	18	136.00	150.00	12	100.00	150.00	—	—	250.00	99.72	7.3004	350.00
May 19	May 22	100	18	156.50	—	7	100.00	—	—	—	100.00	99.71	7.5619	350.00
May 26	May 29	100	21	191.00	150.00	8	100.00	150.00	—	—	250.00	99.69	8.0851	350.00
Jun. 2	Jun. 5	100	21	194.50	—	13	100.00	—	—	—	100.00	99.69	8.0851	350.00
Jun. 9	Jun. 12	100	18	163.00	200.00	2	—	200.00	—	100	300.00	99.69	8.0851	400.00
Jun. 16	Jun. 19	100	18	171.01	—	—	—	—	—	100	100.00	99.69	8.0851	400.00
Jun. 23	Jun. 26	100	16	161.00	150.00	1	—	150.00	—	100	250.00	99.69	8.0851	350.00
Jun. 30	Jul. 3	100	17	265.50	—	7	100.00	—	—	—	100.00	99.69	8.0851	350.00
Jul. 7	Jul. 10	100	22	463.50	150.00	3	100.00	150.00	—	—	250.00	99.74	6.7776	350.00
Jul. 14	Jul. 17	100	21	314.50	50.00	4	100.00	50.00	—	—	150.00	99.75	6.5163	400.00
Jul. 21	Jul. 24	100	16	161.00	150.00	14	100.00	150.00	—	—	250.00	99.66	8.8702	400.00
Jul. 28	Jul. 31	100	19	259.00	—	7	100.00	—	—	—	100.00	99.69	8.0851	350.00
Aug. 4	Aug. 7	100	17	161.00	150.00	2	2.00	150.00	—	98.00	250.00	99.69	8.0851	350.00
Aug. 11	Aug. 14	100	16	161.00	—	4	26.00	—	—	74.00	100.00	99.58	10.9661	350.00
Aug. 18	Aug. 22	100	18	178.50	270.00	6	32.00	270.00	—	68.00	370.00	99.58	10.9661	470.00
Aug. 25	Aug. 28	100	17	162.00	—	3	37.00	—	—	63.00	100.00	99.58	10.9661	470.00
Aug. 31	Sep. 4	100	17	169.50	130.00	11	100.00	130.00	—	—	230.00	99.58	10.9661	330.00
Sep. 8	Sep. 11	100	22	324.50	150.00	6	100.00	150.00	—	—	250.00	99.62	9.9177	480.00
Sep. 15	Sep. 18	100	17	308.00	280.00	5	100.00	280.00	—	—	380.00	99.67	8.6084	630.00
Sep. 22	Sep. 25	100	20	279.50	—	3	100.00	—	—	—	100.00	99.70	7.8235	480.00
Sep. 29	Oct. 3	100	19	246.50	225.00	3	100.00	225.00	—	—	325.00	99.71	7.5619	425.00
Oct. 6	Oct. 9	100	15	162.00	—	15	100.00	—	—	—	100.00	99.66	8.8702	425.00
Oct. 13	Oct. 16	100	18	162.00	165.00	13	100.00	165.00	—	—	265.00	99.61	10.1797	365.00
Oct. 20	Oct. 23	100	22	239.00	225.00	11	100.00	225.00	—	—	325.00	99.67	8.6084	590.00
Oct. 27	Oct. 30	100	17	187.00	—	13	100.00	—	—	—	100.00	99.68	8.3467	425.00
Nov. 3	Nov. 6	100	20	274.50	225.00	4	100.00	225.00	—	—	325.00	99.70	7.8235	425.00
Nov. 10	Nov. 13	100	16	162.00	130.00	6	82.50	130.00	—	17.50	230.00	99.65	9.1320	555.00
Nov. 17	Nov. 20	100	16	165.50	180.00	11	100.00	180.00	—	—	280.00	99.68	8.3467	510.00
Nov. 24	Nov. 27	100	17	389.50	—	1	100.00	—	—	—	100.00	99.73	7.0390	380.00
Dec. 1	Dec. 4	100	18	162.00	150.00	16	100.00	150.00	—	—	250.00	99.69	8.0851	350.00
Dec. 8	Dec. 11	100	23	364.00	150.00	8	100.00	150.00	—	—	250.00	99.75	6.5163	500.00
Dec. 15	Dec. 18	100	20	164.50	160.00	15	100.00	160.00	—	—	260.00	99.68	8.3467	510.00
Dec. 22	Dec. 26	100	18	169.50	—	5	30.00	—	—	70.00	100.00	99.68	8.3467	360.00
Dec. 29	Jan. 1	100	19	179.50	230.00	7	65.50	230.00	—	34.50	330.00	99.68	8.3467	430.00
Jan. 5	Jan. 8	100	19	227.00	—	6	100.00	—	—	—	100.00	99.69	8.0851	430.00
Jan. 12	Jan. 15	100	18	162.00	170.00	10	100.00	170.00	—	—	270.00	99.66	8.8702	370.00
Jan. 19	Jan. 22	100	19	162.00	250.00	13	100.00	250.00	—	—	350.00	99.64	9.3938	620.00
Jan. 25	Jan. 29	100	22	182.00	60.00	12	100.00	60.00	—	—	160.00	99.66	8.8702	510.00
Feb. 2	Feb. 5	100	19	224.50	280.00	6	100.00	280.00	—	—	380.00	99.69	8.0851	540.00
Feb. 9	Feb. 12	100	18	162.00	—	13	100.00	—	—	—	100.00	99.69	8.0851	480.00
Feb. 16	Feb. 20	100	20	204.50	250.00	11	100.00	250.00	—	—	350.00	99.68	8.3467	450.00
Feb. 23	Feb. 26	100	19	189.50	—	10	100.00	—	—	—	100.00	99.71	7.5619	450.00
Mar. 2	Mar. 5	100	18	162.00	200.00	14	100.00	200.00	—	—	300.00	99.72	7.3004	400.00
Mar. 9	Mar. 12	100	18	207.00	—	5	100.00	—	—	—	100.00	99.74	6.7776	400.00
Mar. 16	Mar. 19	100	16	162.00	100.00	9	100.00	100.00	—	—	200.00	99.70	7.8235	300.00
Mar. 23	Mar. 27	100	15	162.00	—	10	100.00	—	—	—	100.00	99.68	8.3467	300.00

* : Effective from auction dated May 14,1999, devolvement would be on RBI only.

No. 21 : AUCTIONS OF 91-DAY GOVERNMENT OF INDIA TREASURY BILLS

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on		Total Issue (8+9+10+11)	Cut-off Price (per cent)	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value		PDs/SDs*	RBI				
				Competitive	Non-Competitive		Competitive	Non-Competitive						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2000-01														
Apr. 7	Apr. 10	100.00	24	171.50	25.00	11	100.00	25.00	—	—	125.00	98.04	7.9967	1,545.00
Apr. 13	Apr. 17	100.00	18	143.50	25.00	12	100.00	25.00	—	—	125.00	98.01	8.1216	1,570.00
Apr. 20	Apr. 24	100.00	15	130.00	—	7	87.00	—	—	13.00	100.00	98.00	8.1633	1,570.00
Apr. 28	May 2	100.00	22	390.00	25.00	5	100.00	25.00	—	—	125.00	98.06	7.9135	1,595.00
May 5	May 8	100.00	18	166.00	75.00	12	100.00	75.00	—	—	175.00	98.04	7.9967	1,640.00
May 12	May 15	100.00	16	161.50	—	7	80.00	—	—	20.00	100.00	98.04	7.9967	1,620.00
May 19	May 22	100.00	17	122.50	35.00	7	62.00	35.00	—	38.00	135.00	97.99	8.2049	1,630.00
May 26	May 29	100.00	20	136.50	50.00	9	87.50	50.00	—	12.50	150.00	97.87	8.7054	1,655.00
Jun. 2	Jun. 5	100.00	22	139.50	25.00	14	100.00	25.00	—	—	125.00	97.82	8.9143	1,655.00
Jun. 9	Jun. 12	100.00	17	163.00	35.00	1	—	35.00	—	100.00	135.00	97.82	8.9143	1,655.00
Jun. 16	Jun. 19	100.00	17	171.00	50.00	1	—	50.00	—	100.00	150.00	97.82	8.9143	1,670.00
Jun. 23	Jun. 26	100.00	16	164.00	35.00	2	5.00	35.00	—	95.00	135.00	97.82	8.9143	1,680.00
Jun. 30	Jul. 3	100.00	17	180.50	—	7	55.00	—	—	45.00	100.00	97.82	8.9143	1,680.00
Jul. 7	Jul. 10	100.00	19	230.50	—	8	100.00	—	—	—	100.00	97.84	8.8307	1,655.00
Jul. 14	Jul. 17	100.00	17	296.00	—	2	100.00	—	—	—	100.00	97.92	8.4967	1,630.00
Jul. 21	Jul. 24	100.00	18	193.50	—	7	100.00	—	—	—	100.00	97.83	8.8725	1,630.00
Jul. 28	Jul. 31	100.00	21	192.00	—	8	100.00	—	—	—	100.00	97.74	9.2490	1,605.00
Aug. 4	Aug. 7	100.00	16	161.00	90.00	2	2.00	90.00	—	98.00	190.00	97.90	8.5802	1,620.00
Aug. 11	Aug. 14	100.00	15	161.00	—	3	47.00	—	—	53.00	100.00	97.52	10.1723	1,620.00
Aug. 18	Aug. 22	100.00	16	161.00	60.00	2	2.00	60.00	—	98.00	160.00	97.52	10.1723	1,645.00
Aug. 25	Aug. 28	100.00	16	161.00	75.00	3	37.00	75.00	—	63.00	175.00	97.45	10.4669	1,670.00
Aug. 31	Sep. 4	100.00	15	161.00	—	3	55.00	—	—	45.00	100.00	97.45	10.4669	1,645.00

No. 21 : AUCTIONS OF 91-DAY GOVERNMENT OF INDIA TREASURY BILLS *(Concld.)*

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on		Total Issue (8+9+10+11)	Cut-off Price (per cent)	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value		PDs/SDs*	RBI				
				Competitive	Non-Competitive		Competitive	Non-Competitive						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2000-01														
Sep. 8	Sep. 11	100.00	23	210.00	60.00	9	100.00	60.00	—	—	160.00	97.48	10.3406	1,670.00
Sep. 15	Sep. 18	100.00	19	193.50	80.00	6	100.00	80.00	—	—	180.00	97.51	10.2143	1,700.00
Sep. 22	Sep. 25	100.00	22	230.00	35.00	11	100.00	35.00	—	—	135.00	97.53	10.1302	1,700.00
Sep. 29	Oct. 3	100.00	19	199.50	—	7	100.00	—	—	—	100.00	97.56	10.0041	1,700.00
Oct. 6	Oct. 9	100.00	20	227.50	50.00	9	100.00	50.00	—	—	150.00	97.66	9.5843	1,750.00
Oct. 13	Oct. 16	100.00	21	212.50	—	6	100.00	—	—	—	100.00	97.58	9.9201	1,750.00
Oct. 20	Oct. 23	100.00	21	230.00	90.00	9	100.00	90.00	—	—	190.00	97.64	9.6682	1,840.00
Oct. 27	Oct. 30	100.00	19	211.50	—	9	100.00	—	—	—	100.00	97.68	9.5004	1,840.00
Nov. 3	Nov. 6	100.00	21	227.00	125.00	9	100.00	125.00	—	—	225.00	97.75	9.2072	1,875.00
Nov. 10	Nov. 13	100.00	16	262.00	—	5	100.00	—	—	—	100.00	97.78	9.0816	1,875.00
Nov. 17	Nov. 20	100.00	16	209.50	25.00	8	95.50	25.00	—	4.50	125.00	97.81	8.9561	1,840.00
Nov. 24	Nov. 27	100.00	17	191.50	75.00	10	100.00	75.00	—	—	175.00	97.78	9.0816	1,840.00
Dec. 1	Dec. 4	100.00	20	217.00	25.00	11	100.00	25.00	—	—	125.00	97.81	8.9561	1,865.00
Dec. 8	Dec. 11	100.00	21	187.00	—	14	100.00	—	—	—	100.00	97.83	8.8725	1,805.00
Dec. 15	Dec. 18	100.00	19	184.00	80.00	11	100.00	80.00	—	—	180.00	97.81	8.9561	1,805.00
Dec. 22	Dec. 26	100.00	21	195.00	175.00	11	100.00	175.00	—	—	275.00	97.81	8.9561	1,945.00
Dec. 29	Jan. 1	100.00	22	257.50	—	7	100.00	—	—	—	100.00	97.86	8.7472	1,945.00
Jan. 5	Jan. 8	100.00	18	169.50	50.00	10	100.00	50.00	—	—	150.00	97.86	8.7472	1,945.00
Jan. 12	Jan. 15	100.00	16	164.50	—	8	100.00	—	—	—	100.00	97.82	8.9143	1,945.00
Jan. 19	Jan. 22	100.00	17	207.00	90.00	6	100.00	90.00	—	—	190.00	97.83	8.8725	1,945.00
Jan. 25	Jan. 29	100.00	15	206.50	—	8	100.00	—	—	—	100.00	97.83	8.8725	1,945.00
Feb. 2	Feb. 5	100.00	16	205.00	75.00	8	100.00	75.00	—	—	175.00	97.87	8.7054	1,895.00
Feb. 9	Feb. 12	100.00	16	165.00	—	10	100.00	—	—	—	100.00	97.90	8.5802	1,895.00
Feb. 16	Feb. 20	100.00	21	222.00	75.00	11	100.00	75.00	—	—	175.00	97.92	8.4967	1,945.00
Feb. 23	Feb. 26	100.00	18	172.00	—	8	100.00	—	—	—	100.00	97.96	8.3299	1,870.00
Mar. 2	Mar. 5	100.00	18	222.00	90.00	10	100.00	90.00	—	—	190.00	98.05	7.9551	1,935.00
Mar. 9	Mar. 12	100.00	19	172.00	—	9	100.00	—	—	—	100.00	98.05	7.9551	1,935.00
Mar. 16	Mar. 19	100.00	18	172.00	50.00	13	100.00	50.00	—	—	150.00	97.92	8.4967	1,905.00
Mar. 23	Mar. 27	100.00	19	172.00	200.00	11	100.00	200.00	—	—	300.00	97.92	8.4967	1,930.00

* Effective from auction dated May 14, 1999, devolvement would be on RBI only.

No. 22 : AUCTIONS OF 182-DAY GOVERNMENT OF INDIA TREASURY BILLS

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on RBI	Total Issue (8+9+10)	Cut-off Price (per cent)	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1999-2000													
Aug. 4	Aug. 5	100.00	40	717.00	—	4	100.00	—	—	100.00	95.55	9.3145	600.00
Aug. 18	Aug. 19	100.00	18	169.00	—	11	100.00	—	—	100.00	95.29	9.8856	700.00
Sep. 1	Sep. 2	100.00	16	119.00	300.00	2	5.00	300.00	95.00	400.00	95.29	9.8856	1,100.00
Sep. 15	Sep. 16	100.00	18	131.00	300.00	2	5.00	300.00	95.00	400.00	95.29	9.8856	1,500.00
Sep. 29	Sep. 30	100.00	15	126.50	—	—	—	—	100.00	100.00	95.29	9.8856	1,600.00
Oct. 13	Oct. 14	100.00	15	114.00	—	—	—	—	100.00	100.00	95.29	9.8856	1,700.00
Oct. 27	Oct. 28	100.00	19	146.00	—	3	46.00	—	54.00	100.00	95.29	9.8856	1,800.00
Nov. 8	Nov. 11	100.00	16	205.50	—	6	100.00	—	—	100.00	95.34	9.7755	1,900.00
Nov. 24	Nov. 25	100.00	13	123.50	—	10	100.00	—	—	100.00	95.29	9.8856	1,900.00
Dec. 8	Dec. 9	100.00	38	306.50	—	9	100.00	—	—	100.00	95.50	9.4241	1,900.00
Dec. 22	Dec. 23	100.00	22	140.50	—	17	100.00	—	—	100.00	95.30	9.8636	1,900.00
Jan. 5	Jan. 6	100.00	27	337.00	—	9	100.00	—	—	100.00	95.32	9.8196	1,900.00
Jan. 19	Jan. 20	100.00	21	186.50	—	8	100.00	—	—	100.00	95.40	9.6436	1,900.00
Feb. 2	Feb. 3	100.00	29	280.00	—	9	100.00	—	—	100.00	95.52	9.3802	1,900.00
Feb. 16	Feb. 17	100.00	16	115.50	—	1	11.50	—	88.50	100.00	95.71	8.9646	1,900.00
Mar. 1	Mar. 2	100.00	19	194.00	—	6	100.00	—	—	100.00	95.62	9.1613	1,600.00
Mar. 15	Mar. 16	100.00	19	129.00	—	4	25.00	—	75.00	100.00	95.57	9.2707	1,300.00
Mar. 29	Mar. 30	100.00	19	160.50	—	4	63.00	—	37.00	100.00	95.48	9.4680	1,300.00
2000-01													
Apr. 11	Apr. 13	100.00	21	206.50	—	9	100.00	—	—	100.00	95.91	8.5288	1,300.00
Apr. 26	Apr. 27	100.00	22	243.00	—	8	100.00	—	—	100.00	95.91	8.5288	1,300.00
May 10	May 12	100.00	21	158.00	—	13	100.00	—	—	100.00	95.91	8.5288	1,300.00
May 24	May 25	100.00	20	214.00	—	5	100.00	—	—	100.00	95.78	8.8119	1,300.00
Jun. 7	Jun. 8	100.00	21	175.50	—	3	30.00	—	70.00	100.00	95.59	9.2269	1,300.00
Jun. 21	Jun. 22	100.00	18	183.50	—	1	20.00	—	80.00	100.00	95.59	9.2269	1,300.00
Jul. 5	Jul. 6	100.00	26	228.50	—	14	100.00	—	—	100.00	95.61	9.1831	1,300.00
Jul. 19	Jul. 20	100.00	21	212.50	—	11	100.00	—	—	100.00	95.62	9.1613	1,300.00
Aug. 2	Aug. 3	100.00	21	174.50	—	12	100.00	—	—	100.00	95.25	9.9738	1,300.00
Aug. 16	Aug. 17	100.00	21	186.00	—	12	99.50	—	0.50	100.00	95.05	10.4156	1,300.00
Aug. 30	Aug. 31	100.00	15	161.00	—	—	—	—	100.00	100.00	95.05	10.4156	1,300.00
Sep. 13	Sep. 14	100.00	23	237.50	—	16	100.00	—	—	100.00	95.05	10.4156	1,300.00
Sep. 27	Sep. 28	100.00	19	194.50	—	12	100.00	—	—	100.00	95.05	10.4156	1,300.00
Oct. 11	Oct. 12	100.00	20	252.50	—	3	100.00	—	—	100.00	95.13	10.2386	1,300.00
Oct. 25	Oct. 27	100.00	17	243.50	—	4	100.00	—	—	100.00	95.25	9.9738	1,300.00
Nov. 8	Nov. 9	100.00	16	262.00	—	2	100.00	—	—	100.00	95.34	9.7755	1,300.00
Nov. 22	Nov. 23	100.00	19	320.50	—	4	100.00	—	—	100.00	95.37	9.7096	1,300.00
Dec. 6	Dec. 7	100.00	24	239.50	—	10	100.00	—	—	100.00	95.43	9.5777	1,300.00
Dec. 20	Dec. 21	100.00	27	239.50	—	10	100.00	—	—	100.00	95.47	9.4899	1,300.00
Jan. 3	Jan. 4	100.00	21	232.00	—	5	100.00	—	—	100.00	95.53	9.3583	1,300.00
Jan. 17	Jan. 18	100.00	18	172.00	—	12	100.00	—	—	100.00	95.46	9.5118	1,300.00
Jan. 31	Feb. 1	100.00	20	242.00	—	11	100.00	—	—	100.00	95.55	9.3145	1,300.00
Feb. 14	Feb. 15	100.00	24	222.00	—	12	100.00	—	—	100.00	95.60	9.2050	1,300.00
Feb. 28	Mar. 1	100.00	21	229.50	—	10	100.00	—	—	100.00	95.96	8.4202	1,300.00
Mar. 14	Mar. 15	100.00	20	192.00	—	16	100.00	—	—	100.00	95.82	8.7247	1,300.00
Mar. 28	Mar. 29	100.00	21	254.00	—	6	100.00	—	—	100.00	95.73	8.9209	1,300.00

No. 23 : AUCTIONS OF 364-DAY GOVERNMENT OF INDIA TREASURY BILLS

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on		Total Issue (8+9 +10+11)	Cut-off Price (per cent)	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value		PDs/SDs*	RBI				
				Com-petitive	Non-Com-petitive $		Com-petitive	Non-Com-petitive $						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1999-2000														
Oct. 6	Oct. 7	500.00	20	572.50	—	3	110.00	—	—	390.00	500.00	90.64	10.3266	14,300.00
Oct. 20	Oct. 21	500.00	22	637.50	—	7	315.00	—	—	185.00	500.00	90.64	10.3266	14,400.00
Nov. 3	Nov. 4	500.00	42	1,352.50	—	14	500.00	—	—	—	500.00	90.73	10.2171	14,500.00
Nov. 17	Nov. 18	500.00	25	995.95	—	13	500.00	—	—	—	500.00	90.75	10.1928	14,500.00
Dec. 1	Dec. 2	500.00	41	1,142.50	—	23	500.00	—	—	—	500.00	90.77	10.1686	14,500.00
Dec. 15	Dec. 16	500.00	52	970.00	—	31	500.00	—	—	—	500.00	90.82	10.1079	14,500.00
Dec. 28	Dec. 29	500.00	44	821.80	—	27	500.00	—	—	—	500.00	90.77	10.1686	14,500.00
Jan. 12	Jan. 13	500.00	49	1,377.00	—	15	500.00	—	—	—	500.00	90.79	10.1443	14,250.00
Jan. 25	Jan. 27	500.00	62	2,209.50	—	14	500.00	—	—	—	500.00	90.98	9.9143	14,000.00
Feb. 9	Feb. 10	500.00	77	1,300.00	—	37	500.00	—	—	—	500.00	91.48	9.3135	13,750.00
Feb. 23	Feb. 24	500.00	33	735.00	—	25	500.00	—	—	—	500.00	91.40	9.4092	13,500.00
Mar. 8	Mar. 9	500.00	30	775.00	—	24	500.00	—	—	—	500.00	91.28	9.5530	13,250.00
Mar. 22	Mar. 23	500.00	33	652.50	—	27	500.00	—	—	—	500.00	90.97	9.9263	13,000.00
2000-01														
Apr. 4	Apr. 6	500.00	72	1,012.50	—	43	500.00	—	—	—	500.00	91.50	9.2896	13,000.00
Apr. 19	Apr. 20	500.00	48	1,117.65	—	21	500.00	—	—	—	500.00	91.54	9.2419	13,000.00
May 5	May 6	500.00	51	1,660.00	—	16	500.00	—	—	—	500.00	91.65	9.1107	13,000.00
May 17	May 19	500.00	48	1,340.00	—	11	500.00	—	—	—	500.00	91.66	9.0988	13,000.00
May 31	Jun. 1	500.00	47	971.38	—	33	500.00	—	—	—	500.00	91.54	9.2419	13,000.00
Jun. 14	Jun. 16	500.00	40	950.00	—	—	—	—	—	500.00	500.00	91.54	9.2419	13,000.00
Jun. 28	Jun. 29	500.00	48	870.00	—	—	—	—	—	500.00	500.00	91.54	9.2419	13,000.00
Jul. 12	Jul. 13	500.00	28	807.50	—	6	205.00	—	—	295.00	500.00	91.54	9.2419	13,000.00
Jul. 26	Jul. 27	500.00	44	1,127.61	—	17	500.00	—	—	—	500.00	90.67	10.2901	13,000.00
Aug. 9	Aug. 10	500.00	28	880.00	—	10	425.00	—	—	75.00	500.00	90.32	10.7174	13,000.00
Aug. 23	Aug. 24	500.00	41	825.00	—	30	460.00	—	—	40.00	500.00	90.16	10.9139	13,000.00
Sep. 6	Sep. 7	500.00	48	1,537.72	—	6	500.00	—	—	—	500.00	90.26	10.7910	13,000.00
Sep. 20	Sep. 21	500.00	45	1,237.72	—	6	83.22	—	—	416.78	500.00	90.16	10.9139	13,000.00
Oct. 4	Oct. 5	500.00	54	1,237.50	—	15	500.00	—	—	—	500.00	90.48	10.5217	13,000.00
Oct. 18	Oct. 19	500.00	52	1,207.50	—	21	500.00	—	—	—	500.00	90.59	10.3875	13,000.00
Nov. 1	Nov. 2	500.00	59	1,325.00	—	15	500.00	—	—	—	500.00	90.72	10.2293	13,000.00
Nov. 15	Nov. 16	500.00	49	1,307.00	—	17	500.00	—	—	—	500.00	90.81	10.1200	13,000.00
Nov. 29	Nov. 30	500.00	44	977.50	—	22	500.00	—	—	—	500.00	90.82	10.1079	13,000.00
Dec. 13	Dec. 14	750.00	76	1,477.22	—	39	750.00	—	—	—	750.00	90.87	10.0473	13,250.00
Dec. 27	Dec. 29	750.00	57	1,547.00	—	29	750.00	—	—	—	750.00	90.92	9.9868	13,500.00
Jan. 10	Jan. 11	750.00	78	1,988.38	—	25	750.00	—	—	—	750.00	91.18	9.6732	13,750.00
Jan. 24	Jan. 25	750.00	53	1,743.95	—	12	750.00	—	—	—	750.00	91.39	9.4212	14,000.00
Feb. 7	Feb. 8	750.00	62	1,389.50	—	31	750.00	—	—	—	750.00	91.52	9.2657	14,250.00
Feb. 20	Feb. 22	750.00	58	1,272.75	—	30	750.00	—	—	—	750.00	91.74	9.0037	14,500.00
Mar. 7	Mar. 8	750.00	55	1,415.75	—	32	750.00	—	—	—	750.00	92.03	8.6602	14,750.00
Mar. 21	Mar. 22	750.00	56	1,280.75	—	35	750.00	—	—	—	750.00	91.78	8.9562	15,000.00

* : Effective from auction dated May 19,1999, devolvement would be on RBI only.

$: Effective from auction dated June 2,1999, the non-competitive bidders were allowed to participate.

No. 24 : TURNOVER IN GOVERNMENT SECURITIES MARKET (FACE VALUE) AT MUMBAI @

(Rs. crore)

Week / Month+	Govt. of India Dated Securities	State Govt. Securities	Treasury Bills				RBI*
			14 Day	91 Day	182 Day $	364 Day	
1	2	3	4	5	6	7	8
1999-2000							
April	62,451.22	149.76	578.64	1,100.26	—	6,632.62	7,221.16
May	61,439.59	2,172.12	914.00	782.14	—	2,757.80	7,787.78
June	50,230.25	473.14	1,074.68	1,080.98	123.00	3,679.24	3,828.12
July	64,095.08	354.40	978.96	1,506.76	674.02	3,337.72	280.15
August	76,443.62	895.38	640.34	1,079.84	234.60	7,144.58	5,773.18
September	36,264.86	539.20	72.00	994.94	434.18	3,052.82	1,160.31
October	58,373.93	225.23	515.70	776.16	352.96	6,609.52	2,226.35
November	73,951.27	456.77	777.91	766.87	585.15	2,706.67	3,510.00
December	81,801.06	715.70	1,079.28	1,822.32	1,076.70	6,087.14	0.35
January	77,556.29	318.86	1,273.18	1,997.71	1,045.43	3,687.82	69.71
February	1,18,222.41	619.81	629.86	1,612.18	451.08	6,575.97	8,609.02
March	54,329.23	436.01	585.18	2,007.23	640.53	14,296.59	4,474.69
2000-01							
April	76,261.35	253.09	580.29	1,737.93	988.52	5,003.25	45.55
May	69,519.10	364.90	816.33	954.12	830.70	4,485.83	302.38
June	49,071.33	69.84	748.95	1,147.75	1,219.25	2,804.81	1,686.66
July	78,385.93	310.38	874.57	1,090.00	511.80	5,842.60	8,821.94
August	38,347.16	1,073.62	508.84	1,148.74	795.44	5,657.32	4,641.98
September	51,882.36	333.89	1,086.87	1,389.62	1,201.51	8,720.10	1,684.93
October	46,727.44	357.23	807.93	1,504.14	864.52	6,389.69	66.16
November	1,01,186.12	632.74	554.02	1,262.40	1,193.72	5,721.86	11,540.03
December	97,822.26	822.90	727.46	1,962.05	848.74	7,592.07	1,696.75
January	1,34,842.76	659.21	535.82	762.78	434.00	6,965.60	86.51
February	1,35,778.10	478.54	1065.76	2062.08	901.46	8,309.82	1.80
Week-Ended							
Mar. 2, 2001	44,455.11	88.03	266.26	743.07	381.65	3,862.51	—
Mar. 9, 2001	24,993.52	29.62	185.62	370.58	223.30	3,039.58	8.63
Mar. 16, 2001	25,392.70	83.18	332.48	473.82	180.90	1,675.66	23.07
Mar. 23, 2001	20,200.86	79.94	169.30	554.02	236.82	2,349.72	6.45
Mar. 30, 2001	18,583.34	260.56	169.38	289.02	643.72	2,416.38	1.51

@ : Based on SGL outright transactions in government securities in secondary market at Mumbai. It excludes repo transactions.

+ : Turnover upto the last Friday of the month over the last Friday of preceding month.

$: Auction reintroduced from May 26, 1999.

* : RBI's Sales and Purchases include transactions in other offices also. It excludes transactions relating to the Government of India and the Welfare Commissioner, Bhopal.

No. 25 : REPO / REVERSE REPO AUCTIONS UNDER LIQUIDITY ADJUSTMENT FACILITY

(Amount in Rs. crore)

LAF Date	Repo/ Reverse Repo Period (Day(s))	REPO					REVERSE REPO					Net Injection (+) / Absorption (–) of liquidity [(11) – (6)]	Outstanding @ Amount
		Bids Received		Bids Accepted		Cut - off	Bids Received		Bids Accepted		Cut - off		
		Number	Amount	Number	Amount	Rate (%)	Number	Amount	Number	Amount	Rate (%)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Mar. 1, 2001	1	1	6,500	1	6,500	7.50	—	—	—	—	—	-6,500	6,500
Mar. 2, 2001	3	1	5,000	1	5,000	7.00	—	—	—	—	—	-5,000	5,000
Mar. 5, 2001	2	1	7,500	1	7,500	7.00	—	—	—	—	—	-7,500	7,500
Mar. 7, 2001	1	1	500	1	500	7.00	—	—	—	—	—	-500	500
Mar. 9, 2001	3	2	2,550	2	2,550	7.00	2	175	1	150	9.00	-2,400	2,400
Mar. 13, 2001	1	2	7,550	2	7,550	7.00	—	—	—	—	—	-7,550	7,550
Mar. 14, 2001	1	2	140	2	140	7.00	—	—	—	—	—	-140	140
Mar. 15, 2001	1	—	—	—	—	—	3	145	—	—	—	—	—
Mar. 16, 2001	3	1	7,500	1	7,500	7.00	8	1,035	8	1,035	9.00	-6,465	6,465
Mar. 19, 2001	1	1	8,000	1	8,000	7.00	—	—	—	—	—	-8,000	8,000
Mar. 20, 2001	1	2	7,600	2	7,600	7.00	—	—	—	—	—	-7,600	7,600
Mar. 21, 2001	1	1	5,000	1	5,000	7.00	1	10	—	—	—	-5,000	5,000
Mar. 23, 2001	4	2	4,600	2	4,600	7.00	—	—	—	—	—	-4,600	4,600
Mar. 27, 2001	1	—	—	—	—	—	7	1,285	7	1,285	9.00	1,285	-1,285
Mar. 28, 2001	1	—	—	—	—	—	28	3,630	27	3,580	9.00	3,580	-3,580
Mar. 29, 2001	1	—	—	—	—	—	29	4,420	29	4,420	9.00	4,420	-4,420
Mar. 30, 2001	4	—	—	—	—	—	32	5,015	32	5,015	9.00	5,015	-5,015
Mar. 31, 2001	3	8	8,675	8	8,675	7.00	28	2,305	28	2,305	9.00	-6,370	1,355

@ : Net of reverse repo.

No. 26 : OPEN MARKET OPERATIONS OF RESERVE BANK OF INDIA *

(Rs. crore)

Month End		Government of India dated Securities – Face Value			Treasury Bills		
		Purchase	Sale	Net Purchases (+) / Net Sales (–)	Purchase	Sale	Net Purchases (+) / Net Sales (–)
1		2	3	4	5	6	7
1999-2000							
April	1999	—	7,020.89	-7,020.89	—	—	—
May	1999	—	7,832.03	-7,832.03	—	—	—
June	1999	—	3,709.52	-3,709.52	—	75.00	-75.00
July	1999	50.00	57.80	-7.80	—	971.91	-971.91
August	1999	—	4,840.49	-4,840.49	—	135.00	-135.00
September	1999	—	1,187.44	-1,187.44	—	—	—
October	1999	—	56.22	-56.22	2,140.50	—	2,140.50
November	1999	—	3,500.35	-3,500.35	—	10.00	-10.00
December	1999	—	—	—	—	—	—
January	2000	—	69.71	-69.71	—	—	—
February	2000	1,194.00	8,330.11	-7,136.11	866.00	—	866.00
March	2000	—	8.95	-8.95	2,694.00	—	2,694.00
2000-01							
April	2000	—	40.55	-40.55	5.00	—	5.00
May	2000	—	1,176.69	-1,176.69	—	302.00	-302.00
June	2000	—	310.36	-310.36	—	200.00	-200.00
July	2000	1,648.00	7,262.14	-5,614.14	—	685.00	-685.00
August	2000	2,823.05	239.53	2,583.52	—	1,492.00	-1,492.00
September	2000	—	1,334.93	-1,334.93	—	—	—
October	2000	—	66.15	-66.15	—	—	—
November	2000	—	11,565.40	-11,565.40	—	—	—
December	2000	—	1,671.38	-1,671.38	—	—	—
January	2001	—	86.51	-86.51	—	—	—
February	2001	—	1.80	-1.80	—	—	—
March	2001	—	39.66	-39.66	—	—	—

* : Excluding transactions of RBI with the Government of India and the Welfare Commissioner, Bhopal.

No. 27 A : SECONDARY MARKET OUTRIGHT TRANSACTIONS IN GOVERNMENT DATED SECURITIES (FACE VALUE) @

(Amount in Rs. crore, YTM in per cent per annum)

Week ended	Government of India dated Securities – Maturing in the year										State Govt. Securities
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-09	2009-10	2010-11	Beyond 2011	
1	2	3	4	5	6	7	8	9	10	11	12
I. March 2, 2001											
a. Amount	—	119.31	423.66	1,065.17	220.02	396.50	2,009.85	906.77	2,455.30	3,292.26	21.62
b. YTM*											
Min.	—	8.3000	8.6837	8.8282	9.0695	9.0322	9.2224	9.7208	9.5404	9.8985	10.0152
Max.	—	9.2321	9.2954	9.2133	9.2561	9.6371	10.0932	10.4609	10.5186	10.7709	10.8705
II. March 9, 2001											
a. Amount	-—	442.47	566.75	1,560.00	147.28	450.00	3,730.61	181.09	2,490.03	2,928.54	14.81
b. YTM*											
Min.	—	8.5499	8.8161	8.9440	9.1662	9.2028	9.3963	9.9735	9.6091	9.9338	—
Max.	—	9.1243	9.1173	9.2522	9.3920	9.4295	10.3879	10.2311	10.5791	10.9205	—
III. March 16, 2001											
a. Amount	—	341.48	672.00	1,388.43	608.71	505.88	4,639.06	265.95	2,083.33	2,191.53	41.59
b. YTM*											
Min.	—	8.7152	8.7429	8.9587	9.1479	9.2038	9.4028	10.0906	9.8392	10.1292	9.1302
Max.	—	9.1920	9.3265	9.4112	9.6133	9.7666	10.7132	10.5647	10.8493	11.0376	11.1999
IV. March 23, 2001											
a. Amount	—	350.85	761.64	703.84	728.10	810.25	3,166.75	683.38	1,983.27	910.72	39.97
b. YTM*											
Min.	—	8.3987	8.9730	9.1218	9.3614	9.4103	9.5957	10.1312	9.9939	10.2903	10.4998
Max.	—	9.1804	9.2722	9.2921	9.6309	9.9951	10.3583	10.5651	10.6020	11.0543	10.9523
V. March 30, 2001											
a. Amount	—	533.87	436.21	1,087.86	330.58	620.43	2,351.79	444.17	1,363.07	2,123.71	130.28
b. YTM*											
Min.	—	8.8812	9.0082	9.1057	9.3734	9.3951	9.5660	10.2333	10.1035	10.4078	10.3784
Max.	—	9.6490	9.2417	9.4661	9.6649	10.1854	10.3885	10.6013	10.6411	11.0479	10.9253

@ : As reported in Subsidiary General Ledger (SGL) Accounts at RBI, Mumbai which presently accounts for nearly 98 per cent of total transactions in the country.

YTM : Yield to Maturity.

* : Minimum and Maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than Rs. 5 crore).

No. 27 B : SECONDARY MARKET OUTRIGHT TRANSACTIONS IN TREASURY BILLS (FACE VALUE) @

(Amount in Rs. crore, YTM in per cent per annum)

Week ended	Treasury Bills (14/91/182/364 day) Residual Maturity in Days			
	up to 14 days	15-91 days	92-182 days	183-364 days
1	2	3	4	5
I. March 2, 2001				
a. Amount	42.85	141.76	90.25	844.56
b. YTM*				
Min.	5.5362	7.8282	8.0510	8.2035
Max.	7.4787	8.3637	8.1326	8.9753
II. March 9, 2001				
a. Amount	131.17	494.08	164.65	1,119.64
b. YTM*				
Min.	4.9900	6.3797	8.0280	8.3071
Max.	7.8784	8.2771	8.2275	8.9754
III. March 16, 2001				
a. Amount	190.74	610.39	119.71	410.60
b. YTM*				
Min.	5.0593	7.2402	7.9783	8.4767
Max.	8.7243	9.4743	8.5365	8.8757
IV. March 23, 2001				
a. Amount	241.67	425.06	132.40	855.80
b. YTM*				
Min.	5.5850	7.2507	8.0776	8.3272
Max.	7.5805	8.5266	8.5765	8.8856
V. March 30, 2001				
a. Amount	506.20	299.76	290.11	663.18
b. YTM*				
Min.	5.2381	7.4422	8.2274	8.3271
Max.	9.6243	8.6761	8.9255	8.9753

@ : As reported in Subsidiary General Ledger (SGL) Accounts at RBI, Mumbai which presently accounts for nearly 98 per cent of total transactions in the country.

YTM : Yield to Maturity.

* : Minimum and Maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than Rs. 5 crore).

No. 28 : REDEMPTION YIELD ON GOVERNMENT OF INDIA SECURITIES BASED ON SGL TRANSACTIONS*

(per cent per annum)

Sr. No.	Nomenclature of the loan	1997-98	1998-99	1999-2000	1999	2000				2001
					Dec.	Jan.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11
A)	**Terminable under 5 years**									
1	05.75% 2001	5.75	8.84	12.96	10.55	10.74	16.66	..	..	..
2	06.50% 2001	11.80	10.21	13.94	12.47	12.80	10.79	..	..	..
3	07.50% 2001	15.51	11.21	13.89	13.28	13.60	..	..	..	..
4	10.75% 2001	12.19	10.77	9.41	9.05	8.98	10.34	10.25	..	..
5	10.85% 2001	10.84	11.32	10.49	10.28	10.20	10.41	10.23	10.04	9.78
6	11.00% 2001	9.68	9.79	11.07	10.88	10.87	..	..	10.31	9.90
7	11.47% 2001	—	11.40	10.39	10.40	10.38	10.49	10.28	..	9.90
8	11.55% 2001	—	11.47	10.18	10.27	10.17	10.41	9.64	10.07	9.70
9	11.75% 2001	11.26	11.38	10.20	10.28	10.17	10.45	10.23	10.05	9.77
10	12.08% 2001	11.42	11.52	9.95	9.99	9.89	13.70	..	9.92	9.72
11	12.08% 2001 (I)	16.80	15.86	10.38	10.55	10.47	..	..	..	..
12	12.70% 2001	9.83	11.12	9.68	10.44	10.29	10.34	..	9.93	9.38
13	13.31% 2001	12.56	11.64	10.07	10.44	10.32	10.63	..	..	9.90
14	13.55% 2001	11.36	11.79	10.20	10.47	10.31	10.41	10.09	9.90	9.70
15	13.75% 2001	11.21	11.52	9.52	10.29	10.08	10.57	8.66	9.92	9.47
16	13.85% 2001	11.22	11.67	9.19	10.44	10.21	10.22	9.88	9.61	8.88
17	05.75% 2002	7.01	9.98	13.56	12.62	12.84	11.90	..	11.54	11.70
18	06.50% 2002	7.42	10.52	9.73	6.50	7.40	12.35	..	10.15	9.83
19	11.00% 2002	11.38	11.50	10.56	10.51	10.35	10.52	10.26	10.17	9.76
20	11.15% 2002	11.04	11.49	10.57	10.38	10.28	10.51	10.30	10.15	9.80
21	11.55% 2002	11.40	11.52	10.51	10.43	10.29	10.51	10.43	10.21	9.63
22	11.68% 2002	—	11.62	10.48	10.38	10.29	10.57	10.32	10.10	9.87
23	12.69% 2002	11.14	11.56	10.32	10.45	10.31	..	10.42	10.35	9.94
24	12.75% 2002	12.00	11.51	10.37	10.59	10.50	..	..	..	..
25	13.40% 2002	11.47	10.74	10.08	10.56	10.47	..	..	10.36	9.87
26	13.80% 2002	11.40	11.57	10.27	10.45	10.69	..	10.25	..	9.66
27	13.82% 2002	11.53	12.01	10.41	10.57	10.57	10.72	10.38	10.21	9.90
28	05.75% 2003	5.75	8.12	12.83	11.43	10.58	11.91	10.06	11.81	..
29	06.50% 2003	6.50	8.59	12.19	12.64	12.78	12.41	..	11.06	..
30	11.00% 2003	11.70	11.06	11.08	11.08	11.08	..	..	..	..
31	11.10% 2003	—	10.92	10.65	10.47	10.36	10.61	10.40	10.23	9.89
32	11.75% 2003	—	11.72	10.66	10.61	10.54	..	10.38	10.26	9.68
33	11.78% 2003	—	11.85	10.73	10.42	10.38	10.66	10.53	10.21	..
34	11.83% 2003	11.32	11.33	10.61	10.54	10.38	10.67	10.49	10.27	9.81
35	06.50% 2004	6.50	8.62	9.91	6.50	8.55	..	..	12.03	9.53
36	09.50% 2004	11.36	11.56	11.72	11.86	11.89	..	..	..	..
37	11.30% 2004	11.42	11.93	12.09	12.05	12.06	..	10.75	10.43	..
38	11.50% 2004	—	11.21	10.84	10.71	10.53	10.72	10.54	10.34	9.99
39	11.57% 2004	—	11.82	11.26	10.80	11.20	..	..	..	..
40	11.75% 2004	—	11.83	10.84	10.69	10.57	..	10.61	10.41	9.99
41	11.95% 2004	—	11.92	10.81	10.72	10.62	10.81	10.60	10.42	10.06
42	11.98% 2004	—	11.93	10.83	10.71	10.53	10.79	10.58	10.37	9.99
43	12.35% 2004	11.88	11.39	11.37	11.64	11.10	..	..	..	..
44	12.50% 2004	11.75	11.85	10.77	10.71	10.53	10.70	10.51	10.30	9.91
45	12.59% 2004	11.47	11.84	10.77	10.73	10.58	10.53	10.58	10.40	10.08
B)	**Between 5 and 10 years**									
46	06.50% 2005	6.14	9.76	8.95	6.50	6.50	..	..	11.41	..
47	08.25% 2005	13.26	12.48	11.83	10.72	10.72	..	..	..	10.18
48	09.90% 2005	—	—	—	—	—	10.86	10.63	10.48	10.06
49	10.20% 2005	—	—	—	—		10.88	10.63	10.41	10.07
50	10.50% 2005	11.48	12.11	11.05	10.71	10.59	..	..	..	11.02
51	11.19% 2005	11.29	11.87	10.99	10.82	10.64	10.83	10.65	10.46	10.05
52	11.25% 2005	11.68	11.84	11.00	10.86	10.64	10.87	10.68	10.59	10.24
53	13.75% 2005	13.13	12.59	11.05	10.99	10.73	11.22	11.48	10.51	10.50
54	14.00% 2005	12.56	11.96	11.18	11.10	10.97	11.03	10.86	10.63	10.56
55	14.00% 2005(Inst)	12.14	12.02	10.85	10.92	10.93	11.01	10.78	10.59	10.52
56	06.75% 2006	7.87	7.43	12.95	12.40	12.45	..	..	11.58	..

No. 28 : REDEMPTION YIELD ON GOVERNMENT OF INDIA SECURITIES BASED ON SGL TRANSACTIONS* *(Concld.)*

(per cent per annum)

Sr. No.	Nomenclature of the loan	1997-98	1998-99	1999-2000	1999	2000				2001
					Dec.	Jan.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6	7	8	9	10	11
57	11.00% 2006	—	—	—	—	—	11.02	10.81	10.61	10.21
58	11.25% 2006	11.34	10.50	10.37	10.40	10.39	..	..	..	..
59	11.50% 2006	11.73	11.93	11.14	10.99	10.80	..	10.98	10.70	10.29
60	11.68% 2006	—	—	11.04	10.94	10.74	11.06	10.84	10.65	10.20
61	11.75% 2006	—	12.03	11.07	10.96	10.74	11.09	10.82	10.65	10.22
62	13.85% 2006	12.13	12.13	11.50	11.60	11.58	11.37	10.95	10.83	10.62
63	13.85% 2006(Inst)	12.14	12.09	11.79	11.85	11.84	..	10.95	10.50	10.03
64	14.00% 2006	11.98	11.97	11.43	11.03	11.01	11.25	11.18	..	10.43
65	06.75% 2007	9.73	9.45	8.38	6.75	6.75	..	..	12.12	..
66	11.50% 2007	11.99	12.05	11.22	11.07	10.84	11.33	11.06	10.72	10.31
67	11.90% 2007	—	13.43	11.20	11.06	10.83	11.24	10.97	10.74	10.30
68	12.50% 2007	12.25	12.13	11.42	11.32	11.15	11.35	..	..	10.20
69	13.05% 2007	11.99	12.10	11.25	11.15	11.03	11.35	11.26	10.92	10.59
70	13.65% 2007	12.02	12.17	11.86	11.75	11.21	..	11.25	11.17	..
71	09.50% 2008	12.12	12.09	11.38	11.18	10.88	11.25	11.62	10.75	10.48
72	10.80% 2008	12.04	11.82	11.52	11.42	11.03	..	11.19	11.04	10.59
73	11.40% 2008	—	—	—	—	—	11.42	11.14	10.87	10.40
74	11.50% 2008	12.27	12.03	11.30	11.19	10.94	11.42	11.11	10.91	10.47
75	12.00% 2008	—	10.76	11.29	11.19	10.95	11.42	11.19	10.99	10.46
76	12.10% 2008	—	13.12	11.42	11.26	11.01	11.48	11.23	11.05	10.42
77	12.15% 2008	—	12.10	12.20	12.20	12.20	..	11.02	10.93	10.56
78	12.22% 2008	—	12.19	11.56	11.41	11.38	..	11.24	..	10.64
79	12.25% 2008	—	12.20	11.32	11.18	10.96	11.87	11.25	11.07	10.51
80	07.00% 2009	7.00	7.61	10.53	11.54	11.05	..	11.93	11.72	10.55
81	11.50% 2009	12.19	12.10	11.45	11.34	11.04	11.49	11.26	11.04	10.58
82	11.99% 2009	—	—	11.39	11.31	11.04	11.52	11.23	10.98	10.50
C)	**Between 10 and 15 years**									
83	07.50% 2010	8.88	11.16	11.68	12.03	11.41	..	11.04	11.09	10.44
84	08.75% 2010	12.18	11.20	11.64	11.25	11.25	11.00	..	10.88	10.44
85	11.30% 2010	—	—	—	—	—	11.64	11.34	11.08	10.60
86	11.50% 2010	11.98	12.04	11.43	11.36	11.06	11.50	11.33	11.11	10.69
87	12.25% 2010	—	12.26	12.11	12.20	12.09	11.63	11.28	11.13	10.61
88	12.29% 2010	—	12.15	11.47	11.37	11.15	11.60	11.37	11.16	10.71
89	08.00% 2011	8.78	8.00	10.92	11.83	11.21	..	11.60	11.87	10.41
90	10.95% 2011	—	—	—	—	—	11.39	11.40	11.08	10.71
91	11.50% 2011	12.55	12.16	11.53	11.34	11.27	..	11.48	11.19	11.57
92	12.00% 2011	12.51	12.23	11.57	11.49	11.27	..	..	11.22	10.76
93	12.32% 2011	—	—	11.51	11.45	11.23	11.68	11.45	11.20	10.78
94	10.25% 2012	10.55	11.93	11.71	11.44	11.01	11.30	10.95	..	10.62
95	11.03% 2012	—	—	—	—	—	11.62	11.53	11.28	10.76
96	09.00% 2013	9.81	8.95	11.94	12.04	12.04	10.99	11.65	11.47	10.38
97	12.40% 2013	—	12.30	11.70	11.55	11.32	11.72	11.58	11.38	10.91
98	10.00% 2014	10.18	11.29	10.66	9.79	9.79	..	11.65	12.29	10.76
99	10.50% 2014	10.66	10.53	12.03	11.93	11.94	11.54	..	..	10.80
100	11.83% 2014	—	—	11.23	11.53	11.33	11.62	11.59	11.39	10.98
D)	**Over 15 years**									
101	10.79% 2015	—	—	—	—	—	11.18	11.11	..	..
102	11.43% 2015	—	—	—	—	—	..	11.59	11.45	10.96
103	11.50% 2015	11.74	11.75	11.87	11.51	11.31	11.55	11.56	11.42	11.03
104	12.30% 2016	—	—	11.64	11.66	11.43	11.80	11.80	11.44	11.02
105	12.60% 2018	—	12.54	11.88	11.72	11.48	11.89	11.56	11.57	11.14
106	10.70% 2020	—	—	—	—	—	11.61	11.55	11.40	11.04

* : Monthly redemption yield is computed from April 2000 as the mean of the daily weighted average yields of the transactions in each traded security. The weight is calculated as the share of the transaction in a given security in the aggregated value of transactions in the said security. Prior to April 2000, the redemption yield was not weighted and was computed as an average of daily prices of each security.

— : indicates that the relevant security was not available for trading.

.. : indicates that the relevant security was not traded during the month.

Inst : Security issued on instalment basis.

I : Compensation Bonds in respect of exports/project exports to Iraq.

No. 29 : GROUP - WISE INDEX NUMBERS

(Base : 1993-94 =

Industry Group	Industry	Weight	1995-96	1996-97	1997-98	1998-99	1999-2000 (P)
1	2	3	4	5	6	7	8
	General Index	**100.00**	**123.3**	**130.8**	**139.5**	**145.2**	**154.8**
Division 1	Mining and quarrying	10.47	120.5	118.2	126.4	125.4	126.7
Division 2-3	Manufacturing	79.36	124.5	133.6	142.5	148.8	159.4
Division 4	Electricity	10.17	117.3	122.0	130.0	138.4	147.6
20-21	Food products	9.08	129.8	134.3	133.8	134.7	140.3
22	Beverages, tobacco and related products	2.38	116.7	132.4	158.1	178.5	192.1
23	Cotton textiles	5.52	109.5	122.7	125.6	115.9	123.7
24	Wool, silk and man-made fibre textiles	2.26	131.3	145.1	172.0	176.8	197.8
25	Jute and other vegetable fibre textiles (except cotton)	0.59	102.4	97.8	114.3	106.0	105.0
26	Textile products (including wearing apparel)	2.54	133.7	146.3	158.7	153.1	156.1
27	Wood and wood products, furniture and fixtures	2.70	123.2	131.9	128.5	121.0	101.4
28	Paper and paper products and printing, publishing and allied industries	2.65	125.5	136.9	146.4	169.8	180.5
29	Leather and leather & fur products	1.14	98.5	107.8	110.2	119.1	135.5
30	Basic chemicals and chemical products (except products of petroleum and coal)	14.00	117.1	122.7	140.4	149.7	164.6
31	Rubber, plastic, petroleum and coal products	5.73	116.1	118.4	124.6	138.7	137.2
32	Non- metallic mineral products	4.40	133.9	144.5	163.9	177.5	220.8
33	Basic metal and alloy industries	7.45	131.0	139.8	143.5	139.9	146.9
34	Metal products and parts, except machinery and equipment	2.81	100.7	110.5	119.2	139.5	137.8
35-36	Machinery and equipment other than transport equipment	9.57	137.4	144.3	152.7	155.0	182.5
37	Transport equipment and parts	3.98	132.5	149.1	152.9	183.6	194.1
38	Other manufacturing industries	2.56	136.5	170.2	168.0	169.7	142.5

OF INDUSTRIAL PRODUCTION

100)

1999-2000 (P)					2000-01 (P)				
September	October	November	December	January	September	October	November	December	January
9	10	11	12	13	14	15	16	17	18
149.9	**147.4**	**152.0**	**166.1**	**163.2**	**158.7**	**157.4**	**163.0**	**171.6**	**167.7**
119.0	123.4	125.5	134.8	135.5	125.4	131.6	132.4	139.9	140.2
154.0	151.3	156.6	172.0	167.9	163.9	160.7	168.2	177.4	172.7
149.6	142.1	143.6	152.6	154.7	152.9	158.5	154.3	159.0	156.9
97.0	105.6	134.9	193.0	197.4	109.3	113.8	162.0	201.1	197.9
192.1	186.2	189.8	203.5	197.0	209.1	201.8	204.1	213.9	208.2
121.6	122.2	117.1	132.2	128.5	130.1	124.2	127.9	129.9	128.6
209.8	185.0	210.3	205.0	200.9	233.0	200.4	205.3	213.7	210.6
114.6	102.7	112.5	121.5	113.5	115.2	103.8	111.9	113.1	108.7
154.1	147.1	157.1	170.7	150.8	172.1	164.0	175.5	152.7	165.7
114.2	73.9	83.5	89.0	100.3	107.7	101.2	103.4	106.4	110.0
199.5	186.1	191.8	174.9	160.7	165.0	167.0	172.6	168.7	159.4
133.1	126.6	135.5	144.4	141.6	141.9	141.1	145.7	152.7	150.4
163.7	164.7	158.9	176.6	170.9	180.3	178.8	178.5	185.3	178.9
148.7	127.5	128.2	129.7	130.2	156.2	152.5	147.3	150.5	148.2
185.0	222.8	232.3	241.4	231.8	204.3	207.6	208.4	221.2	213.8
144.6	146.0	141.1	153.0	151.3	146.3	148.3	144.9	151.3	149.6
126.8	123.6	124.1	161.4	140.0	141.4	141.9	151.0	159.0	152.0
184.3	177.8	188.1	194.8	187.5	196.2	195.6	196.1	210.5	197.1
194.1	183.7	183.0	190.1	200.2	195.6	173.6	194.8	188.7	190.9
142.4	140.4	144.2	139.0	126.3	164.1	151.8	153.6	160.1	145.2

Note : Data are revised from 1994-95 onwards.
Also see 'Notes on Tables'.

Source : Central Statistical Organisation, Government of India.

No. 30 : INDEX NUMBER OF INDUSTRIAL PRODUCTION (USE - BASED CLASSIFICATION)

(Base : 1993-94 = 100)

Year / Month		Basic Goods	Capital Goods	Intermediate Goods	Consumer Goods	Consumer Durables	Consumer Non-durables
1		2	3	4	5	6	7
WEIGHT		**35.57**	**9.26**	**26.51**	**28.66**	**5.36**	**23.30**
1995-96		121.4	115.0	125.7	126.5	146.2	122.1
1996-97		125.0	128.2	135.9	134.3	152.9	130.2
1997-98		133.6	135.6	146.8	141.7	164.9	136.5
1998-99		135.8	152.7	155.8	144.8	174.1	138.1
1999-2000 (P)		143.1	163.3	169.5	153.0	198.7	142.5
1999-2000 (P)							
September	1999	139.6	160.7	170.9	139.9	195.4	127.1
October	1999	139.2	154.3	167.0	137.4	190.3	125.2
November	1999	140.0	164.3	165.8	150.3	194.6	140.1
December	1999	149.5	167.7	178.3	175.1	216.0	165.7
January	2000	150.2	161.9	170.8	172.7	204.4	165.4
2000-01 (P)							
September	2000	145.4	166.5	178.5	154.7	223.1	138.9
October	2000	151.5	157.5	172.5	150.8	219.2	135.0
November	2000	148.6	161.9	173.8	171.5	233.1	157.3
December	2000	153.7	171.1	184.2	182.3	230.4	171.2
January	2001	151.9	161.3	177.1	180.7	221.6	171.3

Note : Data are revised from 1994-95 onwards.
Also see 'Notes on Tables'.

Source : Central Statistical Organisation, Government of India.

No. 31 : NEW CAPITAL ISSUES BY NON-GOVERNMENT PUBLIC LIMITED COMPANIES

(Rs. crore)

Security & Type of Issue	1998-99 (April - March)		1999-2000 (April - March)		1999-2000 (April - January)		2000-01 (April - January)	
	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
1) Equity Shares (a+b)	33 (19)	2,562.7 (1,325.8)	69 (48)	2,752.5 (2,169.3)	47 (34)	1,869.2 (1,395.4)	121 (51)	2,430.7 (1,100.8)
a) Prospectus	15 (7)	340.5 (181.0)	46 (32)	1,657.4 (1,405.9)	28 (20)	892.7 (724.4)	108 (46)	2,150.5 (1,053.4)
b) Rights	18 (12)	2,222.2 (1,144.8)	23 (16)	1,095.1 (763.4)	19 (14)	976.5 (671.0)	13 (5)	280.2 (47.4)
2) Preference Shares (a+b)	3	59.7	—	—	—	—	1	51.2
a) Prospectus	—	—	—	—	—	—	—	—
b) Rights	3	59.7	—	—	—	—	1	51.2
3) Debentures (a+b)	5	190.7	2	50.8	1	30.0	1	54.0
a) Prospectus	2	61.3	1	20.8	—	—	—	—
b) Rights	3	129.4	1	30.0	1	30.0	1	54.0
of which: I) Convertible (a+b)	5	190.7	2	50.8	1	30.0	—	—
a) Prospectus	2	61.3	1	20.8	—	—	—	—
b) Rights	3	129.4	1	30.0	1	30.0	—	—
II) Non-Convertible (a+b)	—	—	—	—	—	—	1	54.0
a) Prospectus	—	—	—	—	—	—	—	—
b) Rights	—	—	—	—	—	—	1	54.0
4) Bonds (a+b)	7	2,200.0	8	2,350.0	7	1,470.8	5	1,150.0
a) Prospectus	7	2,200.0	8	2,350.0	7	1,470.8	5	1,150.0
b) Rights	—	—	—	—	—	—	—	—
5) Total (1+2+3+4)	48	5,013.1	79	5,153.3	55	3,370.0	128	3,685.9
a) Prospectus	24	2,601.8	55	4,028.2	35	2,363.5	113	3,300.5
b) Rights	24	2,411.3	24	1,125.1	20	1,006.5	15	385.4

Note : Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.
Source : Data are compiled from prospectus/circulars/advertisements issued by companies, replies given by the companies to the Reserve Bank's questionnaire and information received from stock exchanges, press reports, etc.

No. 32 : INDEX NUMBERS OF ORDINARY SHARE PRICES

Year / Month		BSE Sensitive Index (Base : 1978 - 79 = 100)			BSE - 100 (Base : 1983 - 84 = 100)			S & P CNX Nifty.* (Base : Nov. 3,1995 = 1000)		
		Average	High	Low	Average	High	Low	Average	High	Low
1		2	3	4	5	6	7	8	9	10
1997-98		3812.86	4548.02	3209.55	1650.07	1979.71	1401.38	1087.41	1292.95	941.35
1998-99		3294.78	4280.96	2764.16	1457.07	1889.93	1234.61	954.43	1247.15	800.10
1999-2000		4658.63	5933.56	3245.27	2278.16	3839.09	1408.80	1368.62	1756.00	931.35
March	2000	5261.77	5642.12	5001.28	3109.03	3450.90	2844.82	1605.66	1712.70	1528.45
April	2000	4905.30	5541.54	4511.05	2663.53	3044.77	2396.22	1469.03	1624.65	1359.45
May	2000	4253.11	4693.88	3920.18	2120.93	2389.13	1928.23	1312.65	1422.40	1224.40
June	2000	4675.40	4863.90	4325.47	2334.27	2474.68	2104.55	1451.74	1507.10	1349.00
July	2000	4647.34	4964.28	4188.34	2344.29	2496.46	2102.98	1445.26	1533.35	1317.75
August	2000	4330.31	4477.31	4186.16	2180.79	2306.07	2075.15	1350.94	1394.10	1310.75
September	2000	4416.61	4763.63	4032.37	2251.46	2421.95	2037.82	1371.27	1467.65	1266.40
October	2000	3819.69	4160.41	3593.63	1931.61	2096.37	1802.37	1201.60	1297.80	1136.00
November	2000	3928.10	4028.71	3788.53	2017.59	2085.60	1940.38	1240.59	1272.75	1200.80
December	2000	4081.41	4284.98	3826.82	2113.84	2259.46	1933.40	1291.43	1354.30	1212.00
January	2001	4152.39	4372.04	3955.08	2130.88	2231.67	2023.82	1316.96	1379.70	1254.30
February	2001	4310.13	4437.99	4069.68	2203.99	2290.24	2047.25	1371.91	1416.70	1295.55
March	2001	3807.64	4271.65	3540.65	1829.32	2138.89	1678.02	1214.47	1358.05	1124.70

* : NSE- 50, i.e., Nifty has been rechristened as 'S & P CNX Nifty' with effect from July 28, 1998.

Source : 1. The Stock Exchange, Mumbai.
2. National Stock Exchange of India Ltd.

No. 33 : VOLUME IN CORPORATE DEBT TRADED AT NSE *

(Rs. crore)

Week / Month / Year (April-March)			Volume
1			2
1998-99			**878.42**
1999-2000			**559.37**
April		1999	44.33
May		1999	70.65
June		1999	57.60
July		1999	73.90
August		1999	52.76
September		1999	45.61
October		1999	21.49
November		1999	11.22
December		1999	68.77
January		2000	25.09
February		2000	59.55
March		2000	28.40
2000-01			
April		2000	4.60
May		2000	60.27
June		2000	10.85
July		2000	30.16
August		2000	27.91
September		2000	74.09
October		2000	46.77
November		2000	168.68
December		2000	112.70
January		2001	58.62
February		2001	35.09
March		2001	79.14
Week ended			
February	3,	2001	5.36
February	10,	2001	16.19
February	17,	2001	10.65
February	24,	2001	0.0077
March	3,	2001	19.07
March	10,	2001	10.60
March	17,	2001	26.39
March	24,	2001	0.0035
March	31,	2001	31.32

* : Excluding trade in commercial paper.

Source: National Stock Exchange of India Ltd.

No. 34 : ASSISTANCE SANCTIONED AND DISBURSED BY ALL-INDIA FINANCIAL INSTITUTIONS

(Rs. crore)

Institution	April-February		April-March	
	1999-2000	2000-01	1998-99	1999-2000
1	2	3	4	5
Sanctions				
All-India Development Banks	**73,571.5**	**83,502.5**	**71,615.5**	**87,631.2**
1. IDBI	22,698.5	22,581.1	23,744.7	28,307.7
2. IFCI	1,695.0	1,033.8	4,445.2	2,376.2
3. ICICI	38,861.7	50,825.2	32,370.6	44,478.8
4. SIDBI	8,253.9	7,341.9	8,879.8	10,264.7
5. IIBI	2,062.4	1,720.5	2,175.2	2,203.8
Specialised Financial Institutions	**185.8**	**393.6**	**241.3**	**246.4**
6. IVCF*	8.1	2.8	10.7	8.1
7. ICICI VENTURE * *	102.5	298.8	19.4	155.9
8. TFCI	75.2	92.0	211.2	82.4
Investment Institutions	**12,825.9**	**13,762.1**	**10,042.9**	**15,689.4**
9. LIC	4,852.0	7,296.9	4,829.6	6,810.5
10. UTI	5,934.6	5,536.0	3,898.6	6,737.2
11. GIC @	2,039.3	929.2	1,314.7	2,141.7
Total	**86,583.2**	**97,658.2**	**81,899.7**	**1,03,567.0**
Disbursements				
All-India Development Banks	**40,772.5**	**46,104.9**	**46,488.2**	**54,426.7**
1. IDBI	12,853.7	12,851.2	14,470.1	17,059.3
2. IFCI	2,432.7	1,338.8	4,819.3	3,262.2
3. ICICI	20,125.4	26,963.9	19,225.1	25,835.7
4. SIDBI	4,207.3	3,643.8	6,285.2	6,963.5
5. IIBI	1,153.4	1,307.2	1,688.5	1,306.0
Specialised Financial Institutions	**201.7**	**321.5**	**160.8**	**259.8**
6. IVCF*	11.9	2.5	10.4	11.9
7. ICICI VENTURE * *	83.6	266.3	18.1	136.2
8. TFCI	106.2	52.7	132.3	111.7
Investment Institutions	**10,110.9**	**11,395.7**	**9,647.0**	**12,648.9**
9. LIC	4,043.7	6,327.5	4,824.9	5,611.4
10. UTI	4,268.2	4,186.3	3,435.9	5,069.9
11. GIC @	1,799.0	881.9	1,386.2	1,967.6
Total	**51,085.1**	**57,822.1**	**56,296.0**	**67,335.4**

* : IVCF (erstwhile RCTC).

** : TDICI Ltd. has been renamed as 'ICICI Venture Funds Management Company Limited' with effect from October 8, 1998.

@ : GIC and its subsidiaries, annual data include figures for Public Sector bonds.

Note : Data are provisional.

Source : IDBI for columns 2 and 3 and respective financial Institution for columns 4 and 5.

No. 35 : BULLION PRICES (SPOT) – MUMBAI

As on the last Friday / Friday (1)		Standard Gold (Rs. per 10 grams)		Silver (Rs. per kilogram)	
		Opening	Closing	Opening	Closing
1		2	3	4	5
1990 - 91		3,470	3,440	6,668	6,663
1997 - 98		4,030	4,050	8,665	8,590
1998 - 99		4,270	4,250	7,675	7,670
1999 - 2000		4,400	4,380	7,900	7,900
April	1998	4,260	4,270	8,800	8,800
May	1998	4,170	4,185	7,445	7,445
June	1998	4,260	4,280	7,925	7,955
July	1998	4,240	4,235	8,280	8,285
August	1998	4,095	4,050	7,405	7,375
September	1998	4,280	4,300	7,700	7,720
October	1998	4,300	4,305	7,575	7,540
November	1998	4,330	4,330	7,445	7,475
December	1998	4,225	4,220	7,375	7,375
January	1999	4,330	4,330	7,800	7,825
February	1999	4,360	4,375	8,340	8,375
March	1999	4,270	4,250	7,675	7,670
April	1999	4,440	4,430	8,185	8,215
May	1999	4,250	4,250	7,780	7,755
June	1999	4,120	4,120	7,965	7,940
July	1999	4,060	4,060	8,225	8,250
August	1999	4,040	4,050	8,005	8,040
September	1999	4,150	4,150	8,125	8,125
October	1999	4,650	4,640	8,205	8,190
November	1999	4,660	4,665	8,125	8,130
December	1999	4,530	4,530	8,260	8,225
January	2000	4,525	4,540	8,230	8,245
February	2000	4,700	4,700	8,185	8,130
March	2000	4,400	4,380	7,900	7,900
April	2000	4,370	4,370	7,850	7,870
May	2000	4,350	4,345	7,790	7,830
June	2000	4,580	4,570	7,985	7,980
July	2000	4,500	4,480	7,975	7,970
August	2000	4,515	4,520	7,990	7,990
September	2000	4,540	4,535	8,125	8,125
October	2000	4,530	4,530	7,975	7,970
November	2000	4,485	4,480	7,815	7,815
December	2000	4,560	4,550	7,715	7,720
January	2001	4,430	4,430	7,850	7,830
February	2001	4,325	4,325	7,420	7,440
Week Ended					
March 2,	2001	4,290	4,280	7,405	7,430
March 9,	2001	4,330	4,320	7,475	7,475
March 16,	2001	4,250	4,250	7,340	7,335
March 23,	2001	4,260	4,270	7,300	7,300
March 30,	2001	4,230	4,225	7,270	7,270

See 'Notes on Tables'.

Source : Bombay Bullion Association Ltd.

No. 36 : CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS – ALL-INDIA AND SELECTED CENTRES (Base : 1982 = 100)

Centre	Linking Factor (1)	1990-91	1998-99	1999-2000	2000					2001	
					Jan.	Feb.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
All India (2)	**4.93**	**193**	**414**	**428**	**431**	**430**	**449**	**450**	**446**	**445**	**443**
Ahmedabad	4.78	196	409	428	430	432	446	445	448	447	446
Alwaye	5.19	176	409	428	431	436	448	443	445	448	449
Asansol	4.77	189	392	403	404	399	422	420	416	406	401
Bangalore	5.66	183	395	410	416	414	439	440	431	431	430
Bhavnagar	4.99	198	434	453	460	458	464	470	471	477	464
Bhopal	5.46	196	443	444	444	442	456	457	457	461	469
Chandigarh	..	189	419	451	449	448	467	471	471	472	473
Chennai	5.05	189	432	452	458	462	486	489	483	479	471
Coimbatore	5.35	178	388	410	423	424	439	441	440	436	432
Delhi	4.97	201	461	486	490	491	522	519	513	513	513
Faridabad	..	187	432	437	432	432	444	446	442	444	448
Guwahati	..	195	416	443	453	450	469	467	461	459	457

See 'Notes on Tables'.

No. 36 : CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS – ALL-INDIA AND SELECTED CENTRES (Base : 1982 = 100) *(Concld.)*

Centre	Linking Factor (1)	1990-91	1998-99	1999-2000	2000					2001	
					Jan.	Feb.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
Howrah	4.12	212	458	485	480	474	530	522	510	500	498
Hyderabad	5.23	182	385	399	401	403	428	427	426	427	424
Jaipur	5.17	190	391	392	392	395	408	410	406	409	408
Jamshedpur	4.68	187	392	398	402	397	409	413	411	410	414
Kolkata	4.74	203	427	439	434	430	484	480	461	456	450
Ludhiana	..	193	382	382	382	380	405	410	407	403	399
Madurai	5.27	192	407	428	431	430	452	458	456	446	445
Monghyr-Jamalpur	5.29	189	396	417	424	423	418	423	417	415	411
Mumbai	5.12	201	461	474	484	489	513	516	512	517	515
Mundakayam	4.67	184	425	448	453	455	456	451	452	451	450
Nagpur	4.99	201	435	439	438	435	475	478	476	477	470
Pondicherry	..	204	464	468	471	463	488	486	495	491	480
Rourkela	3.59	179	397	399	405	401	410	413	411	409	409
Saharanpur	5.06	195	379	391	392	392	410	407	405	403	403
Solapur	5.03	197	445	452	461	458	462	464	460	459	455
Srinagar	5.47	184	441	471	480	480	491	495	494	499	499

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

No. 37 : CONSUMER PRICE INDEX NUMBERS FOR URBAN NON-MANUAL EMPLOYEES – ALL-INDIA AND SELECTED CENTRES (Base : 1984 – 85 = 100)

Centre	1990-91	1998-99	1999-2000	2000						2001	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
All India (1)	**161**	**337**	**352**	**355**	**370**	**370**	**375**	**376**	**375**	**376**	**376**
Mumbai	154	339	353	359	371	371	375	378	378	379	379
Delhi	156	338	359	362	381	383	386	384	382	382	385
Kolkata	164	316	328	326	345	346	352	349	345	344	345
Chennai	168	368	386	393	419	418	426	428	424	433	431
Hyderabad	164	344	357	364	382	382	388	390	386	387	388
Bangalore	161	351	365	374	385	386	396	395	393	396	397
Lucknow	158	323	326	325	346	343	345	346	342	344	345
Ahmedabad	153	298	316	321	334	333	340	343	341	342	341
Jaipur	165	348	357	359	368	369	370	373	373	378	380
Patna	167	332	340	342	344	343	345	348	348	348	343
Srinagar	150	336	364	371	383	383	393	407	407	410	410
Thiruvananthapuram	152	322	338	348	360	360	365	365	366	371	370
Cuttack	154	331	357	358	364	361	369	370	368	365	363
Bhopal	166	339	343	344	358	361	364	366	365	366	366
Chandigarh	176	393	429	433	444	441	446	448	447	448	452
Shillong	179	343	359	363	380	379	385	386	386	394	393
Shimla	163	337	356	355	378	377	378	380	379	382	382
Jammu	161	336	354	358	371	370	376	379	377	380	380
Amritsar	152	294	301	299	315	316	322	323	321	321	321
Kozhikode	150	338	348	355	367	368	371	370	370	370	369
Kanpur	165	320	327	323	337	338	343	343	338	337	340
Indore	170	335	346	346	360	357	364	368	368	368	367
Pune	162	336	355	356	380	382	389	391	389	391	391
Jabalpur	164	320	330	330	342	344	345	346	343	344	343
Jodhpur	168	332	345	347	360	358	361	367	365	365	366

See ‘Notes on Tables’.

Source : Central Statistical Organisation, Government of India.

No. 38 : CONSUMER PRICE INDEX NUMBERS FOR AGRICULTURAL / RURAL LABOURERS
A: CONSUMER PRICE INDEX NUMBERS FOR AGRICULTURAL LABOURERS

(Base : July 1986 – June 1987 = 100)

State	1990-91 (1)	Linking Factor (2)	1998-99	1999-2000	2000					2001	
					Feb.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**830**	**5.89**	**294**	**309**	**306**	**306**	**305**	**306**	**303**	**301**	**299**
Andhra Pradesh	657	4.84	305	318	317	321	320	320	318	314	310
Assam	854	(3)	305	323	320	327	327	327	320	317	315
Bihar	858	6.22	279	300	298	287	288	287	281	276	274
Gujarat	742	5.34	294	310	307	312	310	312	313	311	313
Haryana		(5)	304	312	310	311	309	311	310	310	310
Himachal Pradesh		(5)	279	294	293	300	288	289	290	289	290
Jammu & Kashmir	843	5.98	298	323	317	327	328	326	321	321	323
Karnataka	807	5.81	302	316	315	310	302	301	300	300	295
Kerala	939	6.56	303	312	308	321	318	323	322	324	319
Madhya Pradesh	862	6.04	295	313	307	311	310	311	310	306	306
Maharashtra	801	5.85	289	304	303	307	302	307	304	301	299
Manipur		(5)	286	312	311	321	320	319	320	314	313
Meghalaya		(5)	312	338	332	349	350	348	346	342	341
Orissa	830	6.05	281	316	308	310	309	308	305	301	300
Punjab	930	(4)	303	314	311	318	318	317	314	313	312
Rajasthan	885	6.15	285	310	309	310	306	308	312	311	310
Tamil Nadu	784	5.67	285	302	301	298	300	302	301	298	295
Tripura		(5)	302	331	332	328	331	327	326	321	313
Uttar Pradesh	960	6.60	293	307	302	301	298	297	295	296	297
West Bengal	842	5.73	300	303	298	291	299	295	291	284	284

See 'Notes on Tables'.

No. 38 : CONSUMER PRICE INDEX NUMBERS FOR AGRICULTURAL / RURAL LABOURERS
B : CONSUMER PRICE INDEX NUMBERS FOR RURAL LABOURERS (6)
(Base : July 1986 – June 1987 = 100)

State	1995-96 (7)	1998-99	1999-2000	2000						2001	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**240**	**295**	**310**	**307**	**309**	**308**	**307**	**308**	**306**	**303**	**301**
Andhra Pradesh	244	306	318	317	325	322	321	321	319	315	312
Assam	243	304	321	318	325	325	326	326	319	316	314
Bihar	223	280	302	300	291	289	290	289	283	279	276
Gujarat	241	295	311	308	313	313	311	313	315	312	315
Haryana	237	304	312	310	316	312	310	313	312	311	312
Himachal Pradesh	221	280	295	293	300	300	290	291	292	291	292
Jammu & Kashmir	225	293	316	309	321	318	319	318	314	315	316
Karnataka	250	302	317	315	314	311	304	304	302	302	297
Kerala	260	304	314	310	320	324	321	326	325	327	323
Madhya Pradesh	239	296	314	309	317	314	313	314	312	309	309
Maharashtra	247	289	303	303	309	307	303	307	305	301	300
Manipur	245	287	312	311	321	321	321	320	320	315	314
Meghalaya	250	311	336	331	344	346	347	345	343	339	339
Orissa	236	281	315	308	312	309	309	308	305	301	300
Punjab	247	305	317	315	321	320	321	320	318	317	316
Rajasthan	239	287	310	308	313	311	308	309	313	311	310
Tamil Nadu	244	285	301	300	298	298	300	301	301	298	295
Tripura	219	300	328	329	343	322	326	321	321	315	307
Uttar Pradesh	231	293	307	302	305	303	301	300	298	299	300
West Bengal	232	301	304	299	293	292	302	298	292	286	285

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

No. 39 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (AVERAGES)
(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	1998-99	1999-2000	1999			2000			
		(April-March)			Oct.	Nov.	Dec.	Sep.	Oct.	Nov.	Dec.
1	2	3	4	5	6	7	8	9	10	11	12
ALL COMMODITIES	**100.000**	**112.6**	**140.7**	**145.3**	**146.9**	**147.0**	**146.1**	**154.7**	**157.9**	**158.2**	**158.5**
I. PRIMARY ARTICLES	**22.025**	**115.8**	**156.2**	**158.0**	**161.1**	**160.2**	**156.2**	**161.9**	**164.1**	**163.1**	**162.3**
(A) Food Articles	**15.402**	**112.8**	**159.4**	**165.5**	**169.2**	**169.1**	**163.8**	**170.2**	**172.8**	**170.8**	**168.9**
a. Foodgrains (Cereals+Pulses)	5.009	114.7	152.0	176.4	182.9	180.9	177.1	172.7	170.5	171.1	172.1
a1. Cereals	4.406	113.6	150.9	177.8	183.6	181.9	178.7	172.0	169.4	169.4	170.1
a2. Pulses	0.603	122.2	160.1	166.1	177.6	173.3	165.7	177.9	178.1	183.9	186.2
b. Fruits & Vegetables	2.917	108.0	185.4	154.5	167.6	167.6	149.3	159.6	176.7	173.2	164.1
b1. Vegetables	1.459	110.4	201.4	142.1	166.3	167.7	132.9	147.2	177.7	166.9	139.3
b2. Fruits	1.458	105.7	169.3	166.8	169.0	167.4	165.7	172.1	175.7	179.5	188.9
c. Milk	4.367	110.3	136.0	147.6	148.4	146.4	144.1	163.5	167.2	163.7	160.5
d. Eggs, meat & fish	2.208	116.1	169.4	174.0	163.2	172.4	176.6	186.8	179.4	177.2	181.0
e. Condiments & spices	0.662	126.2	220.2	226.4	232.7	229.3	220.6	203.9	204.2	202.3	199.0
f. Other food articles	0.239	111.6	162.5	150.1	161.7	158.4	147.2	126.3	124.6	116.1	120.2
(B) Non-Food Articles	**6.138**	**124.2**	**151.8**	**143.0**	**145.4**	**142.2**	**141.4**	**144.8**	**146.2**	**147.7**	**149.4**
a. Fibres	1.523	150.0	161.7	144.9	146.6	142.1	139.6	154.3	154.8	161.8	165.8
b. Oil seeds	2.666	118.5	148.5	133.4	138.3	130.8	130.3	131.8	128.1	125.1	125.2
c. Other non-food articles	1.949	112.0	148.6	154.6	154.3	157.8	157.8	155.2	164.3	167.5	169.8
(C) Minerals	**0.485**	**104.9**	**110.9**	**110.4**	**103.0**	**102.8**	**103.2**	**114.7**	**115.3**	**115.3**	**115.5**
a. Metallic minerals	0.297	103.8	117.3	115.0	102.8	102.8	103.3	121.2	121.2	121.2	122.0
b. Other minerals	0.188	106.7	100.8	103.1	130.2	102.8	103.0	104.5	105.9	106.2	105.2

See 'Notes on Tables'.

No. 39 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (AVERAGES) *(Contd.)*

(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	1998-99	1999-2000	1999			2000			
		(April-March)			Oct.	Nov.	Dec.	Sep.	Oct.	Nov.	Dec.
1	2	3	4	5	6	7	8	9	10	11	12
II. FUEL, POWER, LIGHT & LUBRICANTS	**14.226**	**108.9**	**148.5**	**162.0**	**164.9**	**167.2**	**167.2**	**202.8**	**219.0**	**220.0**	**217.9**
a. Coal mining	1.753	105.1	143.6	149.1	150.3	150.3	150.3	156.5	156.5	156.5	156.5
b. Minerals oils	6.990	106.1	142.9	159.9	167.5	172.1	172.1	214.8	248.7	249.6	245.0
c. Electricity	5.484	113.6	157.2	168.9	166.3	166.3	166.3	202.3	201.1	202.6	203.1
III. MANUFACTURED PRODUCTS	**63.749**	**112.3**	**133.6**	**137.2**	**137.9**	**137.9**	**137.9**	**141.6**	**142.2**	**142.7**	**143.9**
(A) Food Products	**11.538**	**114.1**	**149.7**	**151.3**	**154.1**	**153.2**	**152.1**	**146.3**	**145.6**	**145.3**	**145.1**
a. Dairy products	0.687	117.0	168.6	184.7	185.7	184.9	185.1	179.8	180.6	179.9	184.3
b. Canning, preserving & processing of fish	0.047	100.0	143.0	153.3	153.3	153.3	153.3	153.8	153.8	153.8	153.8
c. Grain mill products	1.033	103.7	151.7	159.8	168.2	166.7	163.6	149.2	150.9	152.2	153.5
d. Bakery products	0.441	107.7	160.2	173.2	173.9	174.8	174.8	173.7	172.8	170.7	170.9
e. Sugar, khandsari & gur	3.929	119.1	153.5	156.0	156.9	157.8	157.1	155.7	154.7	153.7	152.1
f. Manufacture of common salts	0.021	104.8	273.4	230.8	228.7	227.6	227.6	187.6	181.3	190.3	180.9
g. Cocoa, chocolate, sugar & confectionery	0.087	118.3	145.4	149.0	147.1	147.1	147.1	158.9	158.9	158.8	158.8
h. Edible oils	2.755	110.9	139.1	122.1	124.4	122.2	119.8	103.1	101.8	102.7	101.7
i. Oil cakes	1.416	121.6	133.8	138.6	140.6	141.4	140.5	142.1	141.4	140.2	140.8
j. Tea & coffee proccessing	0.967	104.4	164.1	185.5	196.2	187.7	187.7	188.9	187.9	187.9	189.1
k. Other food products n.e.c	0.154	111.6	157.6	176.8	178.5	179.9	180.6	185.5	185.7	184.9	185.3
(B) Beverages, Tobacco & Tobacco Products	**1.339**	**118.3**	**166.7**	**174.1**	**174.6**	**174.6**	**174.6**	**180.1**	**179.1**	**179.5**	**181.7**
a. Wine Industries	0.269	150.2	172.3	177.8	179.5	179.5	179.6	165.8	162.5	162.5	164.4
b. Malt liquor	0.043	109.1	177.4	180.2	178.9	178.9	178.9	185.0	176.1	176.1	182.5
c. Soft drinks & carbonated water	0.053	109.1	167.0	171.6	170.7	170.7	170.7	177.9	177.9	177.9	177.9
d. Manufacture of bidi, cigarettes, tobacco & zarda	0.975	110.4	164.7	173.0	173.3	173.3	173.3	183.9	183.9	184.4	186.7

No. 39 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (AVERAGES) *(Contd.)*
(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	1998-99	1999-2000	1999			2000			
		(April-March)			Oct.	Nov.	Dec.	Sep.	Oct.	Nov.	Dec.
1	2	3	4	5	6	7	8	9	10	11	12
(C) Textiles	**9.800**	**118.2**	**114.4**	**115.0**	**114.7**	**115.4**	**116.6**	**120.6**	**121.5**	**121.5**	**121.3**
a. Cotton textiles	4.215	132.7	144.8	144.2	143.5	144.2	144.5	153.7	152.8	151.9	152.7
a1. Cotton yarn	3.312	136.2	141.8	141.4	140.5	141.4	141.7	152.7	151.7	150.5	151.5
a2. Cotton cloth (Mills)	0.903	119.9	155.7	154.7	154.5	154.4	154.7	157.2	157.2	157.2	157.2
b. Man made textiles	4.719	105.9	81.7	82.7	83.2	83.6	85.0	86.7	89.0	89.0	87.6
b1. Man made fibre	4.406	105.6	78.5	79.6	80.2	80.6	82.1	83.7	86.1	86.2	84.6
b2. Man made cloth	0.313	109.9	126.0	126.3	126.3	126.3	126.3	129.0	129.0	129.0	129.0
c. Woollen textiles	0.190	132.6	152.9	147.3	145.2	146.8	147.1	136.5	138.4	143.7	143.9
d. Jute, hemp & mesta textiles	0.376	110.3	150.6	160.7	155.8	160.3	166.3	152.3	153.7	161.3	166.6
e. Other misc. textiles	0.300	109.0	133.7	134.6	134.0	134.7	138.0	139.2	139.2	139.2	139.2
(D) Wood & Wood Products	**0.173**	**110.9**	**198.9**	**193.9**	**190.9**	**190.9**	**190.9**	**173.4**	**180.4**	**168.7**	**169.3**
(E) Paper & Paper Products	**2.044**	**106.1**	**130.8**	**149.3**	**150.0**	**150.3**	**150.4**	**164.2**	**164.1**	**166.6**	**174.2**
a. Paper & pulp	1.229	108.7	131.4	136.8	137.8	138.3	138.4	157.9	157.8	158.0	158.4
b. Manufacture of board	0.237	110.9	124.5	127.3	128.3	128.3	128.2	140.2	140.3	140.3	139.8
c. Printing & publishing of newspapers, periodicals etc	0.578	98.5	132.0	184.8	184.7	184.8	184.8	187.1	187.1	195.8	221.7
(F) Leather & Leather Products	**1.019**	**109.7**	**133.2**	**154.6**	**156.2**	**156.2**	**156.2**	**148.4**	**145.6**	**148.4**	**149.3**

No. 39 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (AVERAGES) *(Contd.)*
(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	1998-99	1999-2000	1999			2000			
		(April-March)			Oct.	Nov.	Dec.	Sep.	Oct.	Nov.	Dec.
1	2	3	4	5	6	7	8	9	10	11	12
(G) Rubber & Plastic Products	**2.388**	**106.4**	**123.7**	**123.6**	**124.1**	**124.7**	**124.3**	**126.2**	**125.9**	**126.3**	**126.7**
a. Tyres & tubes	1.286	104.1	133.1	131.7	131.6	131.6	131.6	131.9	131.8	131.8	131.8
a1. Tyres	1.144	103.4	130.2	127.5	127.3	127.3	127.3	127.7	127.6	127.6	127.6
a2. Tubes	0.142	110.0	156.7	166.1	166.7	166.7	166.7	165.3	165.3	165.6	165.9
b. Plastic products	0.937	106.8	109.3	110.9	112.4	113.8	112.8	112.1	111.3	112.3	113.4
c. Other rubber & plastic products	0.165	121.0	132.8	132.8	132.8	132.8	132.8	162.5	162.5	162.5	162.5
(H) Chemicals & Chemical Products	**11.931**	**116.6**	**145.8**	**155.2**	**155.3**	**155.5**	**155.6**	**163.2**	**165.2**	**166.6**	**167.5**
a. Basic heavy inorganic chemicals	1.446	112.2	128.9	130.4	130.4	131.4	132.1	129.6	128.9	129.9	133.6
b. Basic heavy organic chemicals	0.455	118.7	93.8	93.8	95.1	93.6	93.7	105.1	122.3	139.0	139.7
c. Fertilisers & pesticides	4.164	117.7	136.0	140.3	139.2	139.3	139.3	153.2	153.9	154.4	155.7
c1. Fertilisers	3.689	115.8	138.0	142.8	141.6	141.6	141.6	157.3	158.0	158.5	160.1
c2. Pesticides	0.475	132.5	120.2	121.0	120.8	121.4	121.4	121.7	121.7	121.8	121.9
d. Paints, varnishes & lacquers	0.496	101.3	112.1	114.1	114.6	114.6	114.6	113.2	113.3	114.0	114.0
e. Dyestuffs & indigo	0.175	108.4	111.0	108.1	108.0	108.0	108.0	108.0	108.1	108.1	108.1
f. Drugs & medicines	2.532	129.4	199.9	230.7	233.2	233.2	233.3	244.3	249.7	249.8	249.8
g. Perfumes, cosmetics, toiletries etc	0.978	118.0	166.4	183.3	182.7	183.9	183.9	185.6	184.9	187.4	188.4
h. Turpentine, synthetic resins, plastic materials	0.746	107.6	113.0	109.5	109.1	109.1	109.1	115.2	115.8	115.4	113.4
i. Matches, explosives & other chemicals n.e.c.	0.940	98.3	123.8	123.0	122.5	122.9	122.9	120.8	120.8	123.6	123.7

No. 39 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (AVERAGES) *(Contd.)*
(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	1998-99	1999-2000	1999			2000			
		(April-March)			Oct.	Nov.	Dec.	Sep.	Oct.	Nov.	Dec.
1	2	3	4	5	6	7	8	9	10	11	12
(I) Non-Metallic Mineral Products	**2.516**	**110.9**	**130.2**	**127.4**	**127.5**	**126.8**	**125.3**	**129.4**	**129.4**	**130.3**	**144.7**
a. Structural clay products	0.230	100.0	131.1	134.9	134.6	134.6	134.6	136.0	136.4	143.4	146.2
b. Glass, earthernware, chinaware & their products	0.237	113.3	137.4	136.9	135.0	135.0	135.0	132.2	132.6	133.7	133.7
c. Cement	1.731	112.4	130.9	128.4	129.2	128.1	125.9	130.7	130.7	130.9	151.6
d. Cement, slate & graphite products	0.319	108.8	120.4	109.2	107.5	107.5	107.9	115.3	115.3	115.0	114.7
(J) Basic Metals Alloys & Metals Products	**8.342**	**108.4**	**132.8**	**135.0**	**135.3**	**135.6**	**135.8**	**141.4**	**141.6**	**141.6**	**141.6**
a. Basic Metals & Alloys	6.206	107.0	131.9	133.7	134.0	134.2	134.3	139.0	138.8	139.4	139.4
a1. Iron & Steel	3.637	106.0	132.8	134.5	134.4	134.7	134.7	137.6	137.5	137.3	137.6
a2. Foundries for Casting, Forging & Structurals	0.896	106.7	137.5	142.2	145.8	145.7	145.4	149.0	149.0	149.0	149.0
a3. Pipes, Wires Drawing & Others	1.589	109.5	126.7	127.0	126.4	126.6	127.0	136.9	136.3	139.2	138.4
a4. Ferro Alloys	0.085	104.5	133.5	133.7	133.8	133.8	133.8	133.8	133.8	133.8	133.8
b. Non-Ferrous Metals	1.466	115.9	142.5	147.5	147.6	147.9	149.3	159.6	159.3	158.4	158.4
b1. Aluminium	0.853	114.7	153.8	160.2	158.9	159.9	162.2	176.3	176.3	176.3	176.3
b2. Other Non-Ferrous Metals	0.613	117.7	126.9	129.9	131.8	131.2	131.3	136.3	135.8	133.4	133.4
c. Metal Products	0.669	105.0	119.6	120.5	120.6	121.2	121.2	123.7	123.7	124.3	124.8

No. 39 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (AVERAGES) *(Concld.)*

(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	1998-99	1999-2000	1999			2000			
		(April-March)			Oct.	Nov.	Dec.	Sep.	Oct.	Nov.	Dec.
1	2	3	4	5	6	7	8	9	10	11	12
(K) Machinery & Machine Tools	**8.363**	**106.0**	**116.0**	**116.1**	**116.4**	**116.3**	**116.4**	**122.6**	**125.0**	**125.6**	**126.1**
a. Non-electrical machinery & parts	3.379	108.6	134.2	136.5	136.5	136.6	136.8	142.2	142.9	143.7	144.6
a1. Heavy machinery & parts	1.822	111.0	139.5	142.9	142.7	143.0	143.1	152.3	153.3	153.6	153.6
a2. Industrial machinery for textiles, etc	0.568	108.5	144.9	145.2	145.2	145.2	145.2	152.6	153.0	155.2	158.6
a3. Refrigeration & other non-electrical machinery	0.989	104.3	118.3	119.8	120.0	120.0	120.3	117.8	117.8	118.8	120.1
b. Electrical machinery	4.985	104.2	103.6	102.2	102.7	102.5	102.7	109.2	112.9	113.3	113.5
b1. Electrical industrial machinery	1.811	105.2	118.8	118.0	118.3	118.3	118.1	126.3	127.5	128.0	128.0
b2. Wires & cables	1.076	109.0	99.5	96.6	96.8	96.3	96.7	109.5	123.4	123.4	124.1
b3. Dry & wet batteries	0.275	105.8	137.5	137.5	137.3	137.3	137.3	137.4	136.7	139.3	141.2
b4. Electrical apparatus, appliances & parts	1.823	100.1	85.8	84.7	85.5	85.5	85.5	88.0	88.7	88.7	88.7
(L) Transport Equipment & Parts	**4.295**	**107.4**	**131.4**	**135.4**	**136.0**	**136.6**	**136.7**	**144.1**	**144.1**	**144.3**	**146.4**
a. Locomotives, railway wagons & parts	0.318	105.3	106.4	108.5	107.2	107.2	107.2	108.8	108.8	108.8	108.8
b. Motor vehicles, motor cycles, scooters, bicycles & parts	3.977	107.6	133.4	137.6	138.4	139.1	139.0	146.9	146.9	147.2	149.5

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

No. 40 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (Month-end / Year-end)
(Base : 1993-94 = 100)

Last week of month / year ended Saturday	Weight	1994-95	1999-2000	2000-01 (P)	2000				2001		
		(April-March)			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
1	2	3	4	5	6	7	8	9	10	11	12
ALL COMMODITIES	**100.000**	**117.1**	**150.9**	**159.2**	**150.9**	**158.2**	**158.2**	**158.5**	**158.6**	**158.5**	**159.2**
I. PRIMARY ARTICLES	**22.025**	**120.8**	**159.2**	**161.9**	**159.2**	**164.4**	**162.8**	**161.7**	**161.3**	**160.9**	**161.9**
(A) Food Articles	**15.403**	**114.9**	**168.2**	**168.3**	**168.2**	**173.3**	**169.1**	**168.2**	**167.7**	**168.4**	**168.3**
a. Foodgrains											
(Cereals + Pulses)	5.009	118.9	175.5	169.9	175.5	170.1	171.4	171.9	169.9	170.2	169.9
a1. Cereals	4.406	118.2	176.5	168.1	176.5	168.9	169.4	170.1	168.8	169.3	168.1
a2. Pulses	0.603	123.9	168.6	183.2	168.6	178.7	186.0	184.9	178.3	176.5	183.2
b. Fruits & Vegetables	2.917	103.1	143.6	161.5	143.6	176.8	167.7	157.8	157.5	162.8	161.5
b1. Vegetables	1.459	95.0	125.1	114.0	125.1	177.9	152.6	123.2	117.5	116.5	114.0
b2. Fruits	1.458	111.2	162.2	209.0	162.2	175.6	182.8	192.4	197.6	209.1	209.0
c. Milk	4.368	111.3	162.8	163.5	162.8	170.0	162.6	157.7	160.2	160.2	163.5
d. Eggs,meat & fish	2.208	122.1	186.0	183.8	186.0	178.7	174.3	189.8	185.9	185.8	183.8
e. Condiments & Spices	0.662	131.6	218.0	185.9	218.0	204.5	202.7	197.6	192.4	188.3	185.9
f. Other food articles	0.239	127.4	113.0	116.7	113.0	122.7	115.7	129.9	144.7	135.5	116.7
(B) Non-Food Articles	**6.138**	**136.9**	**141.0**	**149.5**	**141.0**	**145.8**	**150.9**	**148.8**	**148.9**	**145.5**	**149.5**
a. Fibres	1.523	168.7	145.8	156.4	145.8	156.8	167.7	164.2	159.9	156.4	156.4
b. Oil seeds	2.666	127.8	127.3	130.4	127.3	124.1	127.1	125.2	127.6	121.6	130.4
c. Other non-food articles	1.949	124.4	156.0	170.1	156.0	167.0	170.2	169.2	169.4	169.7	170.1
(C) Minerals	**0.485**	**104.2**	**104.0**	**116.5**	**104.0**	**115.8**	**114.9**	**116.5**	**116.5**	**116.5**	**116.5**
a. Metallic Minerals	0.297	102.5	103.8	121.2	103.8	121.2	121.2	123.3	121.2	123.3	121.2
b. Other minerals	0.188	107.0	104.4	109.1	104.4	107.3	105.0	105.7	109.1	105.7	109.1

See 'Notes on Tables'.

No. 40 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (Month-end / Year-end) *(Contd.)*
(Base : 1993-94 = 100)

Last week of month / year ended Saturday	Weight	1994-95	1999-2000	2000-01 (P)	2000				2001		
		(April-March)			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
1	2	3	4	5	6	7	8	9	10	11	12
II. FUEL, POWER, LIGHT & LUBRICANTS	**14.226**	**109.1**	**193.4**	**223.2**	**193.4**	**219.9**	**217.9**	**217.9**	**220.2**	**221.4**	**223.2**
a. Coal mining	1.753	106.2	156.3	184.6	156.3	156.5	156.5	156.5	156.5	184.6	184.6
b. Mineral oils	6.990	106.2	204.2	240.5	204.2	250.6	245.0	245.0	245.0	245.0	240.5
c. Electricity	5.484	113.6	191.4	213.4	191.4	201.1	203.1	203.1	209.0	203.1	213.4
III. MANUFACTURED PRODUCTS	**63.749**	**117.6**	**138.6**	**144.0**	**138.6**	**142.3**	**143.3**	**144.1**	**143.9**	**143.7**	**144.0**
(A) Food Products	**11.538**	**113.2**	**149.6**	**144.8**	**149.6**	**145.5**	**145.5**	**145.1**	**143.6**	**143.5**	**144.8**
a. Dairy products	0.687	129.0	180.9	188.1	180.9	180.7	179.9	187.2	186.0	184.6	188.1
b. Canning & preserving of processing of fish	0.047	100.0	153.3	153.8	153.3	153.8	153.8	153.8	153.8	153.8	153.8
c. Grain mill products	1.033	109.0	159.6	154.4	159.6	150.3	154.1	153.3	153.9	153.0	154.4
d. Bakery products	0.441	111.0	176.8	169.7	176.8	170.2	170.7	170.9	170.9	170.9	169.7
e. Sugar, khandsari & gur	3.929	109.5	158.3	149.1	158.3	154.6	153.4	151.4	148.0	147.9	149.1
f. Manufacture of common salts	0.021	114.1	189.3	192.3	189.3	181.3	188.0	178.6	181.5	180.8	192.3
g. Cocoa, chocolate & sugar confectionery	0.087	124.1	147.0	158.8	147.0	158.9	158.8	158.8	158.8	158.8	158.8
h. Edible oils	2.775	118.4	111.2	103.5	111.2	102.1	103.0	101.6	100.3	100.9	103.5
i. Oil cakes	1.416	118.3	139.1	140.8	139.1	141.4	140.4	141.1	141.0	141.2	140.8
j. Tea & coffee processing	0.967	99.5	188.1	189.3	188.1	187.9	187.9	190.0	189.4	188.7	189.3
k. Other food products n.e.c.	0.154	117.3	183.1	187.5	183.1	186.1	185.3	185.3	187.5	185.3	187.5
(B) Beverages, Tobacco & Tobacco Products	**1.339**	**124.3**	**174.7**	**192.2**	**174.7**	**178.9**	**181.2**	**181.7**	**182.3**	**181.9**	**192.2**
a. Wine Industries	0.269	163.5	166.6	173.1	166.6	162.5	162.5	164.4	164.4	164.4	173.1
b. Malt liquor	0.043	125.5	183.7	180.5	183.7	176.1	176.1	182.5	182.5	182.5	180.5
c. Soft drinks & carbonated water	0.053	109.1	177.9	177.9	177.9	177.9	177.9	177.9	177.9	177.9	177.9
d. Manufacture of bidi, cigarettes, tobacco & zarda	0.975	114.2	176.4	198.7	176.4	183.6	186.7	186.7	187.4	186.9	198.7

No. 40 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (Month-end / Year-end) *(Contd.)*

(Base : 1993-94 = 100)

Last week of month / year ended Saturday	Weight	1994-95	1999-2000	2000-01 (P)	2000				2001		
		(April-March)			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
1	2	3	4	5	6	7	8	9	10	11	12
(C) Textiles	**9.800**	**128.1**	**116.2**	**120.6**	**116.2**	**121.6**	**121.7**	**121.3**	**121.1**	**121.5**	**120.6**
a. Cotton textiles	4.215	148.3	143.0	151.6	143.0	153.2	152.2	152.6	151.9	153.0	151.6
a1. Cotton yarn	3.312	152.1	139.7	150.1	139.7	152.1	150.8	151.4	150.7	151.8	150.1
a2. Cotton cloth (Mills)	0.903	134.4	155.2	157.2	155.2	157.2	157.2	157.2	156.2	157.2	157.2
b. Man made textiles	4.719	110.9	85.2	87.0	85.2	89.0	88.9	87.5	87.5	87.5	87.0
b1. Man made fibre	4.406	110.6	82.3	84.0	82.3	86.2	86.0	84.6	84.6	84.5	84.0
b2. Man made cloth	0.313	114.7	126.3	129.0	126.3	129.0	129.0	129.0	129.0	129.0	129.0
c. Woollen textiles	0.190	139.9	148.2	144.9	148.2	138.4	143.9	143.9	143.6	141.6	144.9
d. Jute,hemp & mesta textiles	0.376	120.5	170.2	169.0	170.2	153.7	165.1	169.0	170.9	171.8	169.0
e. Other Misc. Textiles	0.300	117.9	138.2	137.6	138.2	139.2	139.2	139.2	138.7	138.7	137.6
(D) Wood & Wood Products	**0.173**	**113.3**	**190.9**	**170.3**	**190.9**	**192.2**	**168.7**	**170.3**	**170.3**	**170.3**	**170.3**
(E) Paper & Paper Products	**0.204**	**117.0**	**153.3**	**175.1**	**153.3**	**164.1**	**174.0**	**174.1**	**174.4**	**174.5**	**175.1**
a. Paper & pulp	1.229	122.9	143.5	159.6	143.5	157.8	158.1	158.4	159.0	158.9	159.6
b. Manufacture of board	0.237	113.0	126.7	140.1	126.7	140.3	140.3	139.0	139.0	140.1	140.1
c. Printing & publishing of newspapers,periodicals, etc.	0.578	106.2	184.9	222.3	184.9	187.1	221.7	221.7	221.7	221.7	222.3
(F) Leather & Leather Products	**1.019**	**117.8**	**152.7**	**149.3**	**152.7**	**145.6**	**149.3**	**149.3**	**149.3**	**149.3**	**149.3**

No. 40 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (Month-end / Year-end) *(Contd.)*
(Base : 1993-94 = 100)

Last week of month / year ended Saturday	Weight	1994-95	1999-2000	2000-01 (P)	2000				2001		
		(April-March)			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
1	2	3	4	5	6	7	8	9	10	11	12
(G) Rubber & Plastic Products	**2.388**	**117.0**	**123.4**	**121.6**	**123.4**	**125.9**	**126.6**	**126.7**	**126.9**	**121.5**	**121.6**
a. Tyres & tubes	1.268	119.6	131.6	122.6	131.6	131.8	131.8	131.8	132.2	122.2	122.6
a1. Tyres	1.144	120.3	127.3	117.5	127.3	127.6	127.6	127.6	128.0	117.1	117.5
a2. Tubes	0.142	114.1	166.7	163.7	166.7	165.3	165.9	165.9	165.9	163.7	163.7
b. Plastic products	0.937	108.8	110.6	112.9	110.6	111.3	113.2	113.4	113.4	113.4	112.9
c. Other rubber & plastic products	0.165	143.9	132.8	162.5	132.8	162.5	162.5	162.5	162.5	162.5	162.5
(H) Chemicals & Chemical Products	**11.931**	**121.6**	**160.2**	**167.8**	**160.2**	**165.8**	**167.2**	**167.4**	**167.6**	**167.6**	**167.8**
a. Basic heavy inorganic chemical	1.446	125.6	130.9	135.4	130.9	128.9	130.5	133.8	134.1	133.5	135.4
b. Basic heavy organic chemical	0.455	131.4	93.8	138.8	93.8	139.0	139.0	139.7	144.8	138.2	138.8
c. Fertilizers & pesticides	4.164	123.0	150.8	155.7	150.8	153.9	155.7	155.7	155.7	155.7	155.7
c1. Fertilizers	3.690	121.8	154.6	160.1	154.6	158.0	160.1	160.1	160.1	160.1	160.1
c2. Pesticides	0.475	132.5	121.7	121.6	121.7	121.7	121.9	121.9	121.4	121.9	121.6
d. Paints, varnishes & lacquer	0.496	101.4	115.6	114.0	115.6	113.5	114.0	114.0	114.0	114.0	114.0
e. Dyestuffs & indigo	0.175	115.0	108.0	108.1	108.0	108.1	108.1	108.1	108.1	108.1	108.1
f. Drugs & medicines	2.532	132.9	234.8	248.9	234.8	249.7	249.9	249.6	248.9	249.6	248.9
g. Perfumes, cosmetics & toietries,etc.	0.978	119.0	184.8	189.1	184.8	184.3	188.4	188.4	188.7	188.4	189.1
h. Turpentine,synthetic resins and plastic materials	0.746	111.9	112.5	112.6	112.5	116.2	114.7	113.4	113.4	113.4	112.6
i. Matches, explosives and other chemicals n.e.c.	0.940	96.3	123.6	127.7	123.6	120.8	123.7	123.7	123.7	126.9	127.7

No. 40 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (Month-end / Year-end) *(Contd.)*

(Base : 1993-94 = 100)

Last week of month / year ended Saturday	Weight	1994-95	1999-2000	2000-01 (P)	2000				2001		
		(April-March)			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
1	2	3	4	5	6	7	8	9	10	11	12
(I) Non-Metallic Mineral Products	**2.516**	**122.4**	**126.5**	**146.1**	**126.5**	**129.8**	**130.7**	**146.4**	**147.1**	**146.8**	**146.1**
a. Structural clay products	0.230	101.4	135.1	155.3	135.1	136.1	145.8	147.7	147.7	155.3	155.3
b. Glass, earthenware, chinaware & their products	0.237	126.3	136.9	134.4	136.9	133.7	133.7	133.7	134.4	133.7	134.4
c. Cement	1.731	126.9	126.8	152.6	126.8	131.1	131.2	153.8	155.0	153.4	152.6
d. Cement,Slate & graphite products	0.319	110.3	111.0	113.2	111.0	115.3	114.7	114.7	113.0	114.7	113.2
(J) Basic Metals, Alloys & Metal Products	**8.342**	**115.6**	**137.3**	**141.6**	**137.3**	**141.0**	**141.7**	**141.5**	**141.7**	**141.4**	**141.6**
a. Basic metals & alloys	6.206	112.7	135.3	139.1	135.3	138.7	139.5	139.3	139.1	139.2	139.1
a1. Iron & steel	3.637	112.6	135.6	137.5	135.6	137.4	137.3	137.6	137.4	137.5	137.5
a2. Foundries for casting , forging & structurals	0.896	113.5	145.4	149.0	145.4	149.0	149.0	149.0	148.8	149.0	149.0
a3. Pipes,wire drawings & others	1.589	112.9	129.0	137.6	129.0	136.3	139.3	138.0	137.9	137.9	137.6
a4. Ferro alloys	0.085	102.9	133.8	133.8	133.8	133.8	133.8	133.8	133.8	133.8	133.8
b. Non-ferrous metals	1.467	130.8	152.2	159.4	152.2	158.9	158.4	158.4	159.8	157.8	159.4
b1. Aluminium	0.853	132.4	166.1	179.2	166.1	176.3	176.3	176.3	179.1	176.3	179.2
b2. Other non-ferrous metals	0.613	128.6	132.9	131.9	132.9	134.6	133.4	133.4	133.0	132.0	131.9
c. Metal products	0.669	108.7	123.0	125.2	123.0	123.7	124.9	124.8	125.9	125.4	125.2

No. 40 : INDEX NUMBERS OF WHOLESALE PRICES IN INDIA – BY GROUPS AND SUB-GROUPS (Month-end / Year-end) *(Concld.)*
(Base : 1993-94 = 100)

Last week of month / year ended Saturday	Weight	1994-95	1999-2000	2000-01 (P)	2000				2001		
		(April-March)			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
1	2	3	4	5	6	7	8	9	10	11	12
(K) Machinery & Machine Tools	**8.363**	**109.0**	**115.6**	**126.3**	**115.6**	**125.1**	**125.9**	**126.5**	**126.7**	**126.7**	**126.3**
a. Non-electrical machinery & parts	3.379	111.1	137.2	146.5	137.2	143.0	144.3	144.8	145.2	145.1	146.5
a1. Heavy machinery & parts	1.822	114.8	144.5	156.4	144.5	153.3	153.6	153.6	154.0	154.1	156.4
a2. Industrial machinery for textiles,etc	0.568	108.4	145.2	158.6	145.2	154.1	158.6	158.6	158.6	158.6	158.6
a3. Refrigeration & other non-electrical machinery	0.990	106.0	119.1	121.3	119.1	117.8	118.8	120.6	121.4	120.9	121.3
b. Electrical machinery	4.985	107.5	101.0	112.6	101.0	113.0	113.4	114.1	114.2	114.2	112.6
b1. Electrical industrial machinery	1.811	108.8	117.7	128.2	117.7	127.8	128.0	128.0	127.9	128.2	128.2
b2. Wires & cables	1.077	119.0	96.5	121.9	96.5	123.4	123.4	126.9	126.9	126.9	121.9
b3. Dry & wet batteries	0.275	109.7	137.4	142.1	137.4	136.4	141.2	141.2	142.5	141.2	142.1
b4. Electrical apparatus, appliances & parts	1.823	99.2	81.6	87.1	81.6	88.7	88.7	88.7	88.7	88.7	87.1
(L) Transport Equipment & Parts	**4.295**	**110.6**	**138.6**	**147.0**	**138.6**	**144.1**	**144.7**	**147.4**	**147.8**	**147.4**	**147.0**
a. Locomotives, railways wagons & parts	0.318	105.4	108.8	108.8	108.8	108.8	108.8	108.8	108.8	108.8	108.8
b. Motor vehicles,motorcycles scooters,bicycles & parts	3.977	111.0	141.0	150.1	141.0	146.9	147.6	150.5	150.9	150.5	150.1

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

No. 41 : FOREIGN TRADE (ANNUAL AND MONTHLY)

Year/ Month	Rupees crore			US dollar million			SDR million		
	Export	Import	Balance	Export	Import	Balance	Export	Import	Balance
1	2	3	4	5	6	7	8	9	10
1990-91	32,558	43,193	-10,635	18,145	24,073	-5,927	13,102	17,382	-4,280
1991-92	44,042	47,851	-3,809	17,865	19,411	-1,545	13,173	14,313	-1,139
1992-93	53,688	63,375	-9,686	18,537	21,882	-3,344	14,455	17,063	-2,608
1993-94	69,751	73,101	-3,350	22,238	23,306	-1,068	15,894	16,657	-763
1994-95	82,674	89,971	-7,297	26,331	28,654	-2,324	18,055	19,648	-1,593
1995-96	1,06,353	1,22,678	-16,325	31,795	36,675	-4,880	21,070	24,304	-3,234
1996-97	1,18,817	1,38,920	-20,103	33,470	39,132	-5,663	23,350	27,300	-3,951
1997-98	1,30,101	1,54,176	-24,076	35,006	41,484	-6,478	25,674	30,425	-4,751
1998-99	1,39,753	1,78,332	-38,579	33,219	42,389	-9,170	24,299	31,007	-6,708
1999-2000 (P)	1,62,925	2,04,583	-41,658	37,599	47,212	-9,613	27,642	34,710	-7,068
1999-2000 (P)									
April	11,445	14,033	-2,588	2,679	3,284	-606	1,977	2,425	-447
May	11,807	15,637	-3,830	2,760	3,656	-895	2,046	2,710	-664
June	12,201	16,125	-3,924	2,829	3,738	-910	2,111	2,790	-679
July	13,514	16,128	-2,614	3,122	3,726	-604	2,331	2,782	-451
August	13,685	17,993	-4,307	3,149	4,140	-991	2,308	3,035	-727
September	13,922	18,058	-4,136	3,198	4,148	-950	2,324	3,014	-690
October	13,764	16,989	-3,225	3,168	3,910	-742	2,280	2,815	-534
November	14,472	16,473	-2,000	3,335	3,796	-461	2,421	2,755	-335
December	13,914	17,721	-3,807	3,200	4,075	-876	2,331	2,969	-638
January	12,841	16,046	-3,205	2,948	3,684	-736	2,151	2,688	-537
February	14,956	16,818	-1,862	3,429	3,856	-427	2,550	2,867	-317
March	16,218	18,043	-1,825	3,721	4,140	-419	2,770	3,082	-312
2000-01 (P)									
April	14,936	20,076	-5,140	3,423	4,600	-1,178	2,556	3,435	-880
May	15,157	20,005	-4,848	3,446	4,548	-1,102	2,629	3,469	-841
June	15,316	18,633	-3,316	3,427	4,169	-742	2,576	3,133	-558
July	15,914	19,441	-3,526	3,554	4,342	-788	2,685	3,280	-595
August	16,454	19,099	-2,645	3,602	4,181	-579	2,752	3,195	-442
September	17,707	19,148	-1,441	3,859	4,173	-314	2,983	3,225	-243
October	17,343	20,064	-2,720	3,742	4,329	-587	2,910	3,366	-456
November	16,551	21,552	-5,000	3,538	4,607	-1,069	2,758	3,591	-833
December	16,861	17,890	-1,028	3,607	3,827	-220	2,787	2,957	-170
January	16,154	17,909	-1,755	3,471	3,848	-377	2,665	2,955	-290
February	17,491	15,714	1,776	3,760	3,378	382	2,906	2,611	295

Note : Data conversion is through period average exchange rates.
Also see 'Notes on Tables'.

Source : DGCI & S.

No. 42 : INDIA'S OVERALL BALANCE OF PAYMENTS IN RUPEES

(Rs. crore)

Items	1998 - 99			1999 - 2000			Apr. - Dec. 1999			Apr. - Dec. 2000		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7	8	9	10	11	12	13
A. CURRENT ACCOUNT												
I. MERCHANDISE	**144436**	**199914**	**-55478**	**165993**	**240112**	**-74119**	**121081**	**170163**	**-49082**	**149538**	**209328**	**-59790**
II. INVISIBLES (a+b+c)	**108460**	**69769**	**38691**	**131498**	**75378**	**56120**	**91624**	**55868**	**35756**	**113721**	**71980**	**41741**
a) Services	55528	46411	9117	68186	51424	16762	45664	38344	7320	60164	51226	8938
i) Travel	12604	7326	5278	13166	9268	3898	9269	6943	2326	10341	9223	1118
ii) Transportation	8109	11265	-3156	7560	10450	-2890	5474	8140	-2666	6399	10862	-4463
iii) Insurance	945	472	473	1025	525	500	779	368	411	875	379	496
iv) G.n.i.e.	2520	1359	1161	2523	1167	1356	1822	868	954	2276	1105	1171
v) Miscellaneous	31350	25989	5361	43912	30014	13898	28320	22025	6295	40273	29657	10616
b) Transfers	44799	257	44542	54939	150	54789	39886	113	39773	45585	194	45391
vi) Official	1305	5	1300	1659	2	1657	1078	—	1078	996	5	991
vii) Private	43494	252	43242	53280	148	53132	38808	113	38695	44589	189	44400
c) Income	8133	23101	-14968	8373	23804	-15431	6074	17411	-11337	7972	20560	-12588
i) Investment Income	7953	23032	-15079	7727	23747	-16020	5611	17369	-11758	7591	20534	-12943
ii) Compensation to Employees	180	69	111	646	57	589	463	42	421	381	26	355
Total Current Account (I+II)	**252896**	**269683**	**-16787**	**297491**	**315490**	**-17999**	**212705**	**226031**	**-13326**	**263259**	**281308**	**-18049**
B. CAPITAL ACCOUNT												
1. Foreign Investment (a+b)	**24825**	**15088**	**9737**	**53125**	**30941**	**22184**	**32299**	**18705**	**13594**	**41929**	**33468**	**8461**
a) In India	24210	14041	10169	52607	30106	22501	31894	18086	13808	41757	31863	9894
i) Direct	10550	162	10388	9409	13	9396	6503	11	6492	8796	99	8697
ii) Portfolio	13660	13879	-219	43198	30093	13105	25391	18075	7316	32961	31764	1197
b) Abroad	615	1047	-432	518	835	-317	405	619	-214	172	1605	-1433
2. Loans (a+b+c)	**61871**	**43008**	**18863**	**56646**	**49695**	**6951**	**37388**	**34496**	**2892**	**87082**	**64319**	**22763**
a) External Assistance	11508	8107	3401	13342	9471	3871	9076	7044	2032	8310	8660	-350
i) By India	2	85	-83	3	47	-44	3	41	-38	1	78	-77
ii) To India	11506	8022	3484	13339	9424	3915	9073	7003	2070	8309	8582	-273
b) Commercial Borrowings (MT & LT)	30645	12067	18578	13910	12463	1447	8625	8837	-212	39411	18402	21009
i) By India	22	—	22	87	—	87	87	—	87	29	6	23
ii) To India	30623	12067	18556	13823	12463	1360	8538	8837	-299	39382	18396	20986
c) Short Term To India	19718	22834	-3116	29394	27761	1633	19687	18615	1072	39361	37257	2104
3. Banking Capital (a+b)	**34547**	**28168**	**6379**	**48774**	**36995**	**11779**	**37880**	**26324**	**11556**	**39765**	**42583**	**-2818**
a) Commercial Banks	28529	26966	1563	47058	34486	12572	36178	24163	12015	38563	40774	-2211
i) Assets	5713	11421	-5708	11486	8079	3407	10914	5613	5301	10311	16186	-5875
ii) Liabilities	527	566	-39	877	983	-106	682	405	277	768	1421	-653
iii) Non-Resident Deposits	22289	14979	7310	34695	25424	9271	24582	18145	6437	27484	23167	4317
b) Others	6018	1202	4816	1716	2509	-793	1702	2161	-459	1202	1809	-607
4. Rupee Debt Service	**—**	**3308**	**-3308**	**—**	**3059**	**-3059**	**—**	**2445**	**-2445**	**—**	**2038**	**-2038**
5. Other Capital	**16563**	**11879**	**4684**	**17416**	**10881**	**6535**	**9895**	**8723**	**1172**	**12870**	**9239**	**3631**
Total Capital Account (1 to 5)	**137806**	**101451**	**36355**	**175961**	**131571**	**44390**	**117462**	**90693**	**26769**	**181646**	**151647**	**29999**
C. Errors & Omissions	**—**	**1323**	**-1323**	**1379**	**—**	**1379**	**—**	**154**	**-154**	**1179**	**—**	**1179**
D. Overall Balance (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**390702**	**372457**	**18245**	**474831**	**447061**	**27770**	**330167**	**316878**	**13289**	**446084**	**432955**	**13129**
E. Monetary Movements (i+ii)	**—**	**18245**	**-18245**	**—**	**27770**	**-27770**	**—**	**13289**	**-13289**	**—**	**13129**	**-13129**
i) I.M.F.	—	1652	-1652	—	1122	-1122	—	1009	-1009	—	115	-115
ii) Foreign Exchange Reserves (Increase - / Decrease +)	—	16593	-16593	—	26648	-26648	—	12280	-12280	—	13014	-13014

See 'Notes on Tables'.

No. 42 : INDIA'S OVERALL BALANCE OF PAYMENTS IN RUPEES (Concld.)

(Rs. crore)

Items	Jan. - Mar. 2000			Apr. - Jun. 2000 PR			Jul. - Sep. 2000 PR			Oct. - Dec. 2000		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19	20	21	22	23	24	25
A. CURRENT ACCOUNT												
I. MERCHANDISE	**44912**	**69949**	**-25037**	**45854**	**66774**	**-20920**	**51562**	**71974**	**-20412**	**52122**	**70580**	**-18458**
II. INVISIBLES (a+b+c)	**39874**	**19510**	**20364**	**31812**	**20241**	**11571**	**38031**	**24139**	**13892**	**43878**	**27600**	**16278**
a) Services	22522	13080	9442	14423	12726	1697	19841	17243	2598	25900	21257	4643
i) Travel	3897	2325	1572	3129	3205	-76	3204	2896	308	4008	3122	886
ii) Transportation	2086	2310	-224	1802	3913	-2111	2225	3453	-1228	2372	3496	-1124
iii) Insurance	246	157	89	273	128	145	284	115	169	318	136	182
iv) G.n.i.e.	701	299	402	516	295	221	859	485	374	901	325	576
v) Miscellaneous	15592	7989	7603	8703	5185	3518	13269	10294	2975	18301	14178	4123
b) Transfers	15053	37	15016	15165	69	15096	15365	56	15309	15055	69	14986
vi) Official	581	2	579	266	—	266	286	5	281	444	—	444
vii) Private	14472	35	14437	14899	69	14830	15079	51	15028	14611	69	14542
c) Income	2299	6393	-4094	2224	7446	-5222	2825	6840	-4015	2923	6274	-3351
i) Investment Income	2116	6378	-4262	2089	7437	-5348	2697	6833	-4136	2805	6264	-3459
ii) Compensation to Employees	183	15	168	135	9	126	128	7	121	118	10	108
Total Current Account (I+II)	**84786**	**89459**	**-4673**	**77666**	**87015**	**-9349**	**89593**	**96113**	**-6520**	**96000**	**98180**	**-2180**
B. CAPITAL ACCOUNT												
1. Foreign Investment (a+b)	**20826**	**12236**	**8590**	**18609**	**13374**	**5235**	**15007**	**12409**	**2598**	**8313**	**7685**	**628**
a) In India	20713	12020	8693	18566	13030	5536	14997	12270	2727	8194	6563	1631
i) Direct	2906	2	2904	3014	89	2925	2351	10	2341	3431	—	3431
ii) Portfolio	17807	12018	5789	15552	12941	2611	12646	12260	386	4763	6563	-1800
b) Abroad	113	216	-103	43	344	-301	10	139	-129	119	1122	-1003
2. Loans (a+b+c)	**19258**	**15199**	**4059**	**16069**	**17673**	**-1604**	**24851**	**23594**	**1257**	**46162**	**23052**	**23110**
a) External Assistance	4266	2427	1839	2308	3852	-1544	2019	2187	-168	3983	2621	1362
i) By India	—	6	-6	—	32	-32	—	14	-14	1	32	-31
ii) To India	4266	2421	1845	2308	3820	-1512	2019	2173	-154	3982	2589	1393
b) Commercial Borrowings (MT & LT)	5285	3626	1659	3650	5501	-1851	6520	7618	-1098	29241	5283	23958
i) By India	—	—	—	5	—	5	5	1	4	19	5	14
ii) To India	5285	3626	1659	3645	5501	-1856	6515	7617	-1102	29222	5278	23944
c) Short Term To India	9707	9146	561	10111	8320	1791	16312	13789	2523	12938	15148	-2210
3. Banking Capital (a+b)	**10894**	**10671**	**223**	**16049**	**10532**	**5517**	**13487**	**14374**	**-887**	**10229**	**17677**	**-7448**
a) Commercial Banks	10880	10323	557	14865	10515	4350	13486	13403	83	10212	16856	-6644
i) Assets	572	2466	-1894	3119	1643	1476	4498	6640	-2142	2694	7903	-5209
ii) Liabilities	195	578	-383	52	493	-441	133	683	-550	583	245	338
iii) Non-Resident Deposits	10113	7279	2834	11694	8379	3315	8855	6080	2775	6935	8708	-1773
b) Others	14	348	-334	1184	17	1167	1	971	-970	17	821	-804
4. Rupee Debt Service	**—**	**614**	**-614**	**—**	**2030**	**-2030**	**—**	**6**	**-6**	**—**	**2**	**-2**
5. Other Capital	**7521**	**2158**	**5363**	**4055**	**5668**	**-1613**	**4869**	**2371**	**2498**	**3946**	**1200**	**2746**
Total Capital Account (1 to 5)	**58499**	**40878**	**17621**	**54782**	**49277**	**5505**	**58214**	**52754**	**5460**	**68650**	**49616**	**19034**
C. Errors & Omissions	**1533**	**—**	**1533**	**—**	**659**	**-659**	**—**	**818**	**-818**	**2656**	**—**	**2656**
D. Overall Balance (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**144818**	**130337**	**14481**	**132448**	**136951**	**-4503**	**147807**	**149685**	**-1878**	**167306**	**147796**	**19510**
E. Monetary Movements (i+ii)	**—**	**14481**	**-14481**	**4618**	**115**	**4503**	**1878**	**—**	**1878**	**—**	**19510**	**-19510**
i) I.M.F.	—	113	-113	—	115	-115	—	—	—	—	—	—
ii) Foreign Exchange Reserves (Increase - / Decrease +)	—	14368	-14368	4618	—	4618	1878	—	1878	—	19510	-19510

PR : Partially Revised.

No. 43 : INDIA'S OVERALL BALANCE OF PAYMENTS IN DOLLARS

(US $ million)

Items	1998-99			1999-2000			Apr. - Dec. 1999			Apr. - Dec. 2000		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7	8	9	10	11	12	13
A. CURRENT ACCOUNT												
I. MERCHANDISE	**34298**	**47544**	**-13246**	**38285**	**55383**	**-17098**	**27980**	**39334**	**-11354**	**32921**	**46114**	**-13193**
II. INVISIBLES (a+b+c)	**25770**	**16562**	**9208**	**30324**	**17389**	**12935**	**21174**	**12914**	**8260**	**24992**	**15822**	**9170**
a) Services	13186	11021	2165	15721	11865	3856	10553	8864	1689	13191	11240	1951
i) Travel	2993	1743	1250	3036	2139	897	2142	1606	536	2274	2034	240
ii) Transportation	1925	2680	-755	1745	2410	-665	1266	1880	-614	1408	2397	-989
iii) Insurance	224	112	112	236	122	114	180	86	94	192	83	109
iv) G.n.i.e.	597	325	272	582	270	312	421	201	220	499	244	255
v) Miscellaneous	7447	6161	1286	10122	6924	3198	6544	5091	1453	8818	6482	2336
b) Transfers	10649	62	10587	12672	34	12638	9218	26	9192	10048	43	10005
vi) Official	308	1	307	382	—	382	249	—	249	218	1	217
vii) Private	10341	61	10280	12290	34	12256	8969	26	8943	9830	42	9788
c) Income	1935	5479	-3544	1931	5490	-3559	1403	4024	-2621	1753	4539	-2786
i) Investment Income	1893	5462	-3569	1783	5478	-3695	1297	4015	-2718	1669	4533	-2864
ii) Compensation to Employees	42	17	25	148	12	136	106	9	97	84	6	78
Total Current Account (I+II)	**60068**	**64106**	**-4038**	**68609**	**72772**	**-4163**	**49154**	**52248**	**-3094**	**57913**	**61936**	**-4023**
B. CAPITAL ACCOUNT												
1. Foreign Investment (a+b)	**5892**	**3580**	**2312**	**12240**	**7123**	**5117**	**7461**	**4316**	**3145**	**9313**	**7414**	**1899**
a) In India	5743	3331	2412	12121	6930	5191	7368	4173	3195	9275	7064	2211
i) Direct	2518	38	2480	2170	3	2167	1503	3	1500	1939	22	1917
ii) Portfolio	3225	3293	-68	9951	6927	3024	5865	4170	1695	7336	7042	294
b) Abroad	149	249	-100	119	193	-74	93	143	-50	38	350	-312
2. Loans (a+b+c)	**14771**	**10353**	**4418**	**13060**	**11459**	**1601**	**8641**	**7972**	**669**	**19011**	**14141**	**4870**
a) External Assistance	2726	1927	799	3074	2183	891	2095	1627	468	1821	1916	-95
i) By India	—	21	-21	—	10	-10	—	9	-9	—	17	-17
ii) To India	2726	1906	820	3074	2173	901	2095	1618	477	1821	1899	-78
b) Commercial Borrowings (MT & LT)	7231	2864	4367	3207	2874	333	1994	2042	-48	8533	4056	4477
i) By India	5	—	5	20	—	20	20	—	20	6	1	5
ii) To India	7226	2864	4362	3187	2874	313	1974	2042	-68	8527	4055	4472
c) Short Term To India	4814	5562	-748	6779	6402	377	4552	4303	249	8657	8169	488
3. Banking Capital (a+b)	**8197**	**6717**	**1480**	**11259**	**8532**	**2727**	**8760**	**6083**	**2677**	**8800**	**9344**	**-544**
a) Commercial Banks	6768	6434	334	10859	7955	2904	8363	5586	2777	8528	8950	-422
i) Assets	1344	2741	-1397	2653	1863	790	2522	1297	1225	2275	3529	-1254
ii) Liabilities	124	135	-11	201	227	-26	156	94	62	166	315	-149
iii) Non-Resident Deposits	5300	3558	1742	8005	5865	2140	5685	4195	1490	6087	5106	981
b) Others	1429	283	1146	400	577	-177	397	497	-100	272	394	-122
4. Rupee Debt Service	**—**	**802**	**-802**	**—**	**711**	**-711**	**—**	**570**	**-570**	**—**	**461**	**-461**
5. Other Capital	**3958**	**2801**	**1157**	**4018**	**2510**	**1508**	**2292**	**2015**	**277**	**2836**	**2064**	**772**
Total Capital Account (1 to 5)	**32818**	**24253**	**8565**	**40577**	**30335**	**10242**	**27154**	**20956**	**6198**	**39960**	**33424**	**6536**
C. Errors & Omissions	**—**	**305**	**-305**	**323**	**—**	**323**	**—**	**25**	**-25**	**222**	**—**	**222**
D. Overall Balance (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**92886**	**88664**	**4222**	**109509**	**103107**	**6402**	**76308**	**73229**	**3079**	**98095**	**95360**	**2735**
E. Monetary Movements (i+ii)	**—**	**4222**	**-4222**	**591**	**6993**	**-6402**	**—**	**3079**	**-3079**	**—**	**2735**	**-2735**
i) I.M.F.	—	393	-393	—	260	-260	—	234	-234	—	26	-26
ii) Foreign Exchange Reserves (Increase - / Decrease +)	—	3829	-3829	591	6733	-6142	—	2845	-2845	—	2709	-2709

See 'Notes on Tables'.

No. 43 : INDIA'S OVERALL BALANCE OF PAYMENTS IN DOLLARS (Concld.)

(US $ million)

Items	Jan. - Mar. 2000			Apr. - Jun. 2000 PR			Jul. - Sep. 2000 PR			Oct. - Dec. 2000		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19	20	21	22	23	24	25
A. CURRENT ACCOUNT												
I. MERCHANDISE	**10305**	**16049**	**-5744**	**10397**	**15140**	**-4743**	**11345**	**15836**	**-4491**	**11179**	**15138**	**-3959**
II. INVISIBLES (a+b+c)	**9150**	**4475**	**4675**	**7213**	**4590**	**2623**	**8368**	**5311**	**3057**	**9411**	**5921**	**3490**
a) Services	5168	3001	2167	3270	2886	384	4366	3794	572	5555	4560	995
i) Travel	894	533	361	709	727	-18	705	637	68	860	670	190
ii) Transportation	479	530	-51	409	887	-478	490	760	-270	509	750	-241
iii) Insurance	56	36	20	62	29	33	62	25	37	68	29	39
iv) G.n.i.e.	161	69	92	117	67	50	189	107	82	193	70	123
v) Miscellaneous	3578	1833	1745	1973	1176	797	2920	2265	655	3925	3041	884
b) Transfers	3454	8	3446	3438	16	3422	3381	12	3369	3229	15	3214
vi) Official	133	—	133	60	—	60	63	1	62	95	—	95
vii) Private	3321	8	3313	3378	16	3362	3318	11	3307	3134	15	3119
c) Income	528	1466	-938	505	1688	-1183	621	1505	-884	627	1346	-719
i) Investment Income	486	1463	-977	474	1686	-1212	593	1503	-910	602	1344	-742
ii) Compensation to Employees	42	3	39	31	2	29	28	2	26	25	2	23
Total Current Account (I+II)	**19455**	**20524**	**-1069**	**17610**	**19730**	**-2120**	**19713**	**21147**	**-1434**	**20590**	**21059**	**-469**
B. CAPITAL ACCOUNT												
1. Foreign Investment (a+b)	**4779**	**2807**	**1972**	**4228**	**3031**	**1197**	**3299**	**2731**	**568**	**1786**	**1652**	**134**
a) In India	4753	2757	1996	4218	2953	1265	3297	2700	597	1760	1411	349
i) Direct	667	—	667	682	20	662	519	2	517	738	—	738
ii) Portfolio	4086	2757	1329	3536	2933	603	2778	2698	80	1022	1411	-389
b) Abroad	26	50	-24	10	78	-68	2	31	-29	26	241	-215
2. Loans (a+b+c)	**4419**	**3487**	**932**	**3643**	**4006**	**-363**	**5467**	**5191**	**276**	**9901**	**4944**	**4957**
a) External Assistance	979	556	423	523	873	-350	444	481	-37	854	562	292
i) By India	—	1	-1	—	7	-7	—	3	-3	—	7	-7
ii) To India	979	555	424	523	866	-343	444	478	-34	854	555	299
b) Commercial Borrowings (MT & LT)	1213	832	381	827	1247	-420	1434	1676	-242	6272	1133	5139
i) By India	—	—	—	1	—	1	1	—	1	4	1	3
ii) To India	1213	832	381	826	1247	-421	1433	1676	-243	6268	1132	5136
c) Short Term To India	2227	2099	128	2293	1886	407	3589	3034	555	2775	3249	-474
3. Banking Capital (a+b)	**2499**	**2449**	**50**	**3639**	**2389**	**1250**	**2967**	**3163**	**-196**	**2194**	**3792**	**-1598**
a) Commercial Banks	2496	2369	127	3371	2385	986	2967	2949	18	2190	3616	-1426
i) Assets	131	566	-435	707	373	334	990	1461	-471	578	1695	-1117
ii) Liabilities	45	133	-88	12	112	-100	29	150	-121	125	53	72
iii) Non-Resident Deposits	2320	1670	650	2652	1900	752	1948	1338	610	1487	1868	-381
b) Others	3	80	-77	268	4	264	—	214	-214	4	176	-172
4. Rupee Debt Service	**—**	**141**	**-141**	**—**	**460**	**-460**	**—**	**1**	**-1**	**—**	**—**	**—**
5. Other Capital	**1726**	**495**	**1231**	**919**	**1285**	**-366**	**1071**	**522**	**549**	**846**	**257**	**589**
Total Capital Account (1 to 5)	**13423**	**9379**	**4044**	**12429**	**11171**	**1258**	**12804**	**11608**	**1196**	**14727**	**10645**	**4082**
C. Errors & Omissions	**348**	**—**	**348**	**—**	**159**	**-159**	**—**	**175**	**-175**	**556**	**—**	**556**
D. Overall Balance (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**33226**	**29903**	**3323**	**30039**	**31060**	**-1021**	**32517**	**32930**	**-413**	**35873**	**31704**	**4169**
E. Monetary Movements (i+ii)	**—**	**3323**	**-3323**	**1047**	**26**	**1021**	**413**	**—**	**413**	**—**	**4169**	**-4169**
i) I.M.F.	—	26	-26	—	26	-26	—	—	—	—	—	—
ii) Foreign Exchange Reserves (Increase - / Decrease +)	—	3297	-3297	1047	—	1047	413	—	413	—	4169	-4169

PR : Partially Revised.

No. 44 : FOREIGN EXCHANGE RESERVES

End of	SDRs			Gold		Foreign Currency Assets		Total	
	In millions of SDRs	Rupees crore	In millions of U.S.$	Rupees crore	In millions of U.S.$	Rupees crore	In millions of U.S.$	Rupees crore	In millions of U.S.$
1	2	3	4	5	6	7	8	9	10
1990-91	76	200	102	6,828	3,496	4,388	2,236	11,416	5,834
1991-92	66	233	90	9,039	3,499	14,578	5,631	23,850	9,220
1992-93	13	55	18	10,549	3,380	20,140	6,434	30,745	9,832
1993-94	76	339	108	12,794	4,078	47,287	15,068	60,420	19,254
1994-95	5	23	7	13,752	4,370	66,006	20,809	79,780	25,186
1995-96	56	280	82	15,658	4,561	58,446	17,044	74,384	21,687
1996-97	1	7	2	14,557	4,054	80,368	22,367	94,932	26,423
1997-98	1	4	1	13,394	3,391	1,02,507	25,975	1,15,905	29,367
1998-99	6	34	8	12,559	2,960	1,25,412	29,522	1,38,005	32,490
1999-2000	3	16	4	12,973	2,974	1,52,924	35,058	1,65,913	38,036
2000-01 (P)	2	11	2	12,711	2,725	1,84,482	39,554	1,97,204	42,281
June 1999	—	1	—	11,732	2,706	1,32,505	30,559	1,44,238	33,265
July 1999	6	37	8	11,491	2,654	1,33,161	30,760	1,44,688	33,422
August 1999	7	39	9	11,563	2,659	1,33,054	30,601	1,44,656	33,269
September 1999	1	5	1	11,850	2,717	1,32,946	30,485	1,44,801	33,203
October 1999	8	47	11	13,965	3,216	1,32,770	30,578	1,46,782	33,805
November 1999	3	18	4	13,189	3,038	1,35,948	31,317	1,49,156	34,359
December 1999	3	18	4	12,791	2,939	1,39,134	31,992	1,51,943	34,935
January 2000	7	42	10	12,853	2,945	1,39,389	31,941	1,52,283	34,896
February 2000	3	16	4	13,537	3,104	1,43,018	32,795	1,56,570	35,903
March 2000	3	16	4	12,973	2,974	1,52,924	35,058	1,65,913	38,036
April 2000 (P)	6	36	8	12,639	2,895	1,52,779	34,993	1,65,454	37,896
May 2000 (P)	1	8	2	12,709	2,851	1,53,322	34,392	1,66,038	37,245
June 2000 (P)	6	38	8	13,173	2,948	1,50,901	33,774	1,64,112	36,730
July 2000 (P)	6	37	8	13,153	2,924	1,49,811	33,299	1,63,002	36,231
August 2000 (P)	1	8	2	12,963	2,830	1,50,163	32,787	1,63,134	35,619
September 2000 (P)	1	8	2	13,057	2,834	1,50,195	32,602	1,63,260	35,438
October 2000 (P)	6	38	8	13,104	2,800	1,50,184	32,091	1,63,327	34,899
November 2000 (P)	1	7	2	12,889	2,752	1,69,962	36,286	1,82,859	39,040
December 2000 (P)	1	7	2	13,143	2,811	1,74,207	37,264	1,87,358	40,077
January 2001 (P)	6	37	8	12,766	2,751	1,78,032	38,361	1,90,835	41,120
February 2001 (P)	1	7	1	12,637	2,711	1,81,294	38,896	1,93,938	41,608
March 2001 (P)	2	11	2	12,711	2,725	1,84,482	39,554	1,97,204	42,281
March 2, 2001 (P)	1	7	1	12,637	2,711	1,82,855	39,265	1,95,499	41,977
March 9, 2001 (P)	1	7	1	12,637	2,711	1,83,050	39,340	1,95,694	42,052
March 16, 2001 (P)	1	7	1	12,637	2,711	1,84,279	39,486	1,96,923	42,198
March 23, 2001 (P)	2	11	2	12,637	2,711	1,83,352	39,287	1,96,000	42,000
March 30, 2001 (P)	2	11	2	12,637	2,711	1,84,428	39,543	1,97,076	42,256

See 'Notes on Tables'.

No. 45 : NRI DEPOSITS - OUTSTANDINGS @

(As at the end of March) (US $ million)

SCHEME	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1	2	3	4	5	6	7	8	9	10	11
1. FCNR(A)	10103	9792	10617	9300	7051	4255	2306	1	—	—
2. FCNR(B)	—	—	—	1108	3063	5720	7496	8467	8323	9069
3. NR(E)RA	3618	3025	2740	3523	4556	3916	4983	5637	6220	6992
4. NR(NR)RD	—	—	621	1754	2486	3542	5604	6262	6758	7037
Total	**13721**	**12817**	**13978**	**15685**	**17156**	**17433**	**20389**	**20367**	**21301**	**23098**

(End-Month) (US $ Million)

SCHEME	1999-2000 (P)											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B)	8248	8331	8561	8625	8664	8718	8826	8947	8942	9017	9007	9069
2. NR(E)RA	6278	6315	6314	6383	6428	6475	6530	6661	6645	6773	6932	6992
3. NR(NR)RD	6792	6773	6739	6779	6690	6706	6806	6891	6890	6972	6941	7037
Total	**21318**	**21419**	**21614**	**21787**	**21782**	**21899**	**22162**	**22499**	**22477**	**22762**	**22880**	**23098**

(End-Month) (US $ Million)

SCHEME	2000-01 (P)										
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
1. FCNR(B)	9167	9034	9273	9372	9397	9545	9462	9082	8986	9167	9210
2. NR(E)RA	7147	7115	7226	7231	7126	7185	7047	7140	7181	7340	7331
3. NR(NR)RD	7150	7049	7002	7009	6880	6949	6951	6879	6927	7065	7076
Total	**23464**	**23198**	**23501**	**23612**	**23403**	**23679**	**23460**	**23101**	**23094**	**23572**	**23617**

@ : All figures are inclusive of accrued interest.

Notes : 1. Foreign Currency Non-Resident (Accounts) revised from July 1997 onwards.

2. FCNR (A) : Foreign Currency Non-Resident (Accounts).

3. FCNR (B) : Foreign Currency Non-Resident (Banks).

4. NR (E) RA : Non-Resident (External) Rupee Accounts.

5. NR (NR) RD : Non-Resident (Non-Repatriable) Rupee Deposits.

No. 46 : FOREIGN INVESTMENT INFLOWS

(US $ million)

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 (P)
1	2	3	4	5	6	7	8	9	10	11
A. Direct Investment	**97**	**129**	**315**	**586**	**1314**	**2144**	**2821**	**3557**	**2462**	**2155**
a. Government (SIA/FIPB)	—	66	222	280	701	1249	1922	2754	1821	1410
b. RBI	—	—	42	89	171	169	135	202	179	171
c. NRI	—	63	51	217	442	715	639	241	62	84
d. Acquisition of shares *	—	—	—	—	—	11	125	360	400	490
B. Portfolio Investment	**6**	**4**	**244**	**3567**	**3824**	**2748**	**3312**	**1828**	**-61**	**3026**
a. GDRs/ADRs #	—	—	240	1520	2082	683	1366	645	270	768
b. FIIs **	—	—	1	1665	1503	2009	1926	979	-390	2135
c. Offshore funds and others	6	4	3	382	239	56	20	204	59	123
Total (A+B)	**103**	**133**	**559**	**4153**	**5138**	**4892**	**6133**	**5385**	**2401**	**5181**

(US $ million)

	1999-2000 (P)												
	Apr.	**May**	**Jun.**	**Jul.**	**Aug.**	**Sep.**	**Oct.**	**Nov.**	**Dec.**	**Jan.**	**Feb.**	**Mar.**	**Apr.-Mar.**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**
A. Direct Investment	**140**	**149**	**154**	**205**	**345**	**96**	**128**	**113**	**159**	**119**	**290**	**257**	**2155**
a. Government (SIA/FIPB)	89	74	108	105	265	65	63	98	120	60	189	174	1410
b. RBI	3	20	10	21	34	12	15	5	7	29	5	10	171
c. NRI	4	3	5	5	13	10	7	1	23	5	5	3	84
d. Acquisition of shares *	44	52	31	74	33	9	43	9	9	25	91	70	490
B. Portfolio Investment	**458**	**400**	**44**	**252**	**36**	**162**	**4**	**203**	**357**	**142**	**477**	**491**	**3026**
a. GDRs/ADRs #	—	—	—	—	—	315	86	218	—	—	—	149	768
b. FIIs **	457	343	42	233	33	-154	-100	-23	356	129	477	342	2135
c. Offshore funds and others	1	57	2	19	3	1	18	8	1	13	—	—	123
Total (A+B)	**598**	**549**	**198**	**457**	**381**	**258**	**132**	**316**	**516**	**261**	**767**	**748**	**5181**

(US $ million)

	2000-01 (P)											
	Apr.	**May**	**Jun.**	**Jul.**	**Aug.**	**Sep.**	**Oct.**	**Nov.**	**Dec.**	**Jan.**	**Feb.**	**Apr.-Feb.**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
A. Direct Investment	**83**	**349**	**230**	**254**	**172**	**91**	**443**	**113**	**181**	**335**	**193**	**2444**
a. Government (SIA/FIPB)	57	195	136	181	97	33	413	70	80	242	103	1607
b. RBI	4	106	13	59	4	30	5	14	95	52	40	422
c. NRI	6	5	13	3	4	9	6	3	2	5	8	64
d. Acquisition of shares *	16	43	68	11	67	19	19	26	4	36	42	351
B. Portfolio Investment	**597**	**264**	**-258**	**-121**	**54**	**148**	**-335**	**3**	**-56**	**158**	**411**	**865**
a. GDRs/ADRs #	275	146	—	172	75	11	17	—	—	3	—	699
b. FIIs **	322	95	-259	-299	-42	137	-375	3	-58	151	409	84
c. Offshore funds and others	—	23	1	6	21	—	23	—	2	4	2	82
Total (A+B)	**680**	**613**	**-28**	**133**	**226**	**239**	**108**	**116**	**125**	**493**	**604**	**3309**

* : Relates to acquisition of shares of Indian companies by non-residents under Section 5 of FEMA 1999. Data on such acquisitions have been included as part of FDI since January 1996.

: Represents the amount raised by Indian corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

** : Represents fresh inflow of funds by Foreign Institutional Investors (FIIs).

No. 47 : DAILY FOREIGN EXCHANGE SPOT RATES

(Rupees per Foreign Currency)

Date	RBI Re-US Dollar Reference Rate	FEDAI Indicative Rates							
		US Dollar		Pound Sterling		Euro		One Hundred Japanese Yen	
		Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
1	2	3	4	5	6	7	8	9	10
March 1, 2001	46.5300	46.5200	46.5300	67.2250	67.2650	42.9325	42.9650	39.6750	39.7025
March 2, 2001	46.5700	46.5750	46.5850	67.7675	67.8275	43.2925	43.3250	39.5000	39.5350
March 5, 2001	46.5600	46.5550	46.5650	68.3700	68.4075	43.3900	43.4225	38.9800	39.0225
March 6, 2001+									
March 7, 2001	46.5200	46.5200	46.5300	68.4825	68.5150	43.5525	43.5850	38.9575	38.9825
March 8, 2001	46.5400	46.5400	46.5500	68.0050	68.0650	43.2950	43.3150	38.7200	38.7375
March 9, 2001	46.5300	46.5200	46.5300	68.4025	68.4550	43.3525	43.3900	38.9225	38.9625
March 12, 2001	46.5500	46.5400	46.5500	68.2000	68.2525	43.4125	43.4300	38.5750	38.6150
March 13, 2001	46.6100	46.6050	46.6150	68.2300	68.2675	43.2175	43.2500	38.7675	38.8075
March 14, 2001	46.6900	46.6800	46.6900	67.6075	67.6400	42.6525	42.6850	38.8425	38.8825
March 15, 2001	46.6500	46.6450	46.6550	67.3875	67.4200	42.4000	42.4425	38.6675	38.7025
March 16, 2001	46.6700	46.6500	46.6600	67.0500	67.0825	41.8550	41.8950	38.0875	38.1275
March 19, 2001	46.6900	46.6900	46.7000	66.6175	66.6775	41.7650	41.7975	37.8600	37.9000
March 20, 2001	46.7000	46.6950	46.7050	66.6050	66.6425	41.9975	42.0300	38.0325	38.0700
March 21, 2001	46.7000	46.7000	46.7100	67.0575	67.0950	42.3750	42.4175	37.9850	38.0100
March 22, 2001	46.6800	46.6750	46.6850	66.7275	66.7775	41.8250	41.8525	37.7275	37.7600
March 23, 2001	46.6700	46.6650	46.6750	66.3525	66.3900	41.4800	41.5125	37.9675	37.9900
March 26, 2001+									
March 27, 2001	46.6300	46.6250	46.6350	66.8825	66.9450	41.7350	41.7575	38.0675	38.1075
March 28, 2001	46.6200	46.6200	46.6300	66.8075	66.8450	41.6500	41.6825	38.1525	38.1925
March 29, 2001	46.6600	46.6550	46.6650	67.0200	67.0400	41.3600	41.3925	38.0075	38.0225
March 30, 2001	46.6400	46.6350	46.6450	66.5475	66.6100	41.0025	41.0200	37.4250	37.4425

FEDAI : Foreign Exchange Dealers' Association of India.

\+ : Market Closed.

Source : FEDAI for FEDAI rates.

No. 48 : SALE / PURCHASE OF US DOLLAR BY THE RESERVE BANK OF INDIA

Month		Foreign Currency (US $ Million)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end - March 1999)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)
		Purchase (+)	Sale (–)	Net @ (+/–)		(US $ Million)	(Rs. crore)	
1		2	3	4	5	6	7	8
1999-2000								
April	1999	2437.00	2399.00	(+) 38.00	(+) 110.18	(+) 38.00	(+) 110.18	(-) 732.00
May	1999	2542.50	1568.00	(+) 974.50	(+) 4,128.79	(+) 1012.50	(+) 4,238.98	(-) 732.00
June	1999	2348.00	2504.75	(-) 156.75	(-) 704.19	(+) 856.09	(+) 3,534.78	(-) 972.00
July	1999	1796.00	2159.00	(-) 363.00	(-) 1,576.21	(+) 493.09	(+) 1,958.57	(-) 877.00
August	1999	1770.00	2011.70	(-) 241.70	(-) 1,058.86	(+) 251.39	(+) 899.71	(-) 997.00
September	1999	1345.00	1870.55	(-) 525.55	(-) 2,293.05	(-) 274.15	(-) 1,393.34	(-) 997.00
October	1999	1338.50	1348.49	(-) 9.99	(-) 54.92	(-) 284.14	(-) 1,448.26	(-) 912.00
November	1999	1748.80	1128.00	(+) 620.80	(+) 2,681.92	(+) 336.65	(+) 1,233.66	(-) 744.00
December	1999	1904.25	1553.00	(+) 351.25	(+) 1,512.94	(+) 687.90	(+) 2,746.60	(-) 744.00
January	2000	1254.00	1084.50	(+) 169.50	(+) 719.05	(+) 857.40	(+) 3,465.66	(-) 922.00
February	2000	1872.50	1129.00	(+) 743.50	(+) 3,226.88	(+) 1600.90	(+) 6,692.54	(-) 825.00
March	2000	3720.00	2071.82	(+) 1648.18	(+) 7,163.90	(+) 3249.07	(+) 13,856.45	(-) 675.00

Month		Foreign Currency (US $ Million)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end - March 2000)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)
		Purchase (+)	Sale (–)	Net @ (+/–)		(US $ Million)	(Rs. crore)	
1		2	3	4	5	6	7	8
2000-01								
April	2000	2272.00	1904.00	(+) 368.00	(+) 1,597.18	(+) 368.00	(+) 1,597.65	(-) 670.00
May	2000	3183.00	4080.15	(-) 897.15	(-) 3,922.35	(-) 529.15	(-) 2,324.69	(-) 1380.00
June	2000	2780.00	3831.20	(-) 1051.20	(-) 4,690.39	(-) 1580.35	(-) 7,015.08	(-) 1693.00
July	2000	2426.00	2834.75	(-) 408.25	(-) 1,815.49	(-) 1988.60	(-) 8,830.57	(-) 1903.00
August	2000	1183.50	1650.25	(-) 466.75	(-) 2,073.02	(-) 2455.35	(-) 10,903.59	(-) 2225.00
September	2000	728.00	1015.09	(-) 287.09	(-) 1,293.94	(-) 2742.44	(-) 12,197.52	(-) 2225.00
October	2000	510.50	1004.50	(-) 494.00	(-) 2,248.31	(-) 3236.44	(-) 14,445.83	(-) 2225.00
November	2000	8078.61	4392.50	(+) 3686.11	(+) 17,295.42	(+) 449.68	(+) 2,849.59	(-) 2025.00
December	2000	2049.36	2204.50	(-) 155.14	(-) 664.45	(+) 294.53	(+) 2,185.14	(-) 1643.00
January	2001	2166.25	1334.70	(+) 831.55	(+) 3,891.43	(+) 1126.08	(+) 6,076.57	(-) 1638.00
February	2001	1080.44	456.50	(+) 623.94	(+) 2,913.39	(+) 1750.02	(+) 8,989.96	(-) 1438.00
March	2001	1745.00	1138.68	(+) 606.32	(+) 2,834.52	(+) 2356.34	(+) 11,824.48	(-) 1259.00

(+) : Implies Purchase including purchase leg under swaps and outright forwards.

(–) : Implies Sales including sale leg under swaps and outright forwards.

@ : Includes transactions under Resurgent India Bonds (RIBs) and India Millenium Bonds (IMDs).

Note : This table is based on value dates.

No. 49 : TURNOVER IN FOREIGN EXCHANGE MARKET

(US $ Million)

Position Date	Merchant						Inter-bank					
	FCY / INR			FCY / FCY			FCY / INR			FCY / FCY		
	Spot	Forward	Forward Cancellation	Spot	Forward	Forward Cancellation	Spot	Swap	Forward	Spot	Swap	Forward
1	2	3	4	5	6	7	8	9	10	11	12	13
Purchases												
March 1, 2001	503	112	25	12	16	16	759	1689	127	356	97	14
March 2, 2001	326	65	32	13	18	18	646	1235	94	584	114	8
March 5, 2001	448	97	39	15	20	12	535	1275	111	499	94	4
March 6, 2001+												
March 7, 2001	545	81	59	7	23	7	678	1314	69	522	97	8
March 8, 2001	375	50	45	9	17	11	617	1421	55	531	186	4
March 9, 2001	327	78	71	4	12	6	544	1566	77	447	90	10
March 12, 2001	389	98	20	6	13	5	531	1490	66	445	96	6
March 13, 2001	382	81	79	5	46	22	897	1436	118	420	157	23
March 14, 2001	463	152	60	12	29	15	907	1878	91	470	110	5
March 15, 2001	357	153	63	31	23	15	565	1287	116	556	107	9
March 16, 2001	298	95	74	16	19	21	853	1606	171	355	193	20
March 19, 2001	386	66	75	14	9	2	608	1039	103	401	82	31
March 20, 2001	407	80	62	16	20	10	590	1384	120	343	156	8
March 21, 2001	361	59	33	14	48	15	710	868	153	475	59	9
March 22, 2001	334	172	119	4	6	7	594	1283	166	408	185	13
March 23, 2001	341	52	34	7	8	7	636	972	153	397	89	3
March 26, 2001+												
March 27, 2001	582	102	138	13	30	13	780	1623	156	347	125	10
March 28, 2001	618	129	128	26	31	11	896	1735	88	522	250	26
March 29, 2001	493	112	203	18	14	21	782	1321	143	365	198	17
March 30, 2001	475	106	37	19	27	21	623	948	88	327	128	22
Sales												
March 1, 2001	357	200	13	8	19	13	857	1343	117	324	101	15
March 2, 2001	309	93	29	14	18	12	601	1169	92	600	112	8
March 5, 2001	584	206	14	14	16	20	508	1053	101	499	94	4
March 6, 2001+												
March 7, 2001	426	190	15	7	22	8	749	1120	77	556	93	8
March 8, 2001	344	152	8	10	23	10	565	1037	69	525	187	4
March 9, 2001	371	121	14	5	9	12	525	1599	78	452	86	10
March 12, 2001	363	162	12	4	14	7	463	1096	46	473	104	6
March 13, 2001	369	225	42	5	45	41	804	1255	72	473	124	22
March 14, 2001	435	251	27	10	29	39	808	1320	82	467	91	4
March 15, 2001	410	203	38	31	22	10	591	1164	113	577	108	9
March 16, 2001	272	240	25	15	18	17	814	1704	115	354	197	20
March 19, 2001	371	225	19	13	13	5	544	924	76	415	77	32
March 20, 2001	389	215	17	17	15	5	543	1344	89	363	102	8
March 21, 2001	243	187	15	23	27	15	730	894	76	520	48	8
March 22, 2001	295	343	15	4	6	5	595	1279	120	432	184	12
March 23, 2001	289	153	13	5	8	6	645	863	94	428	90	5
March 26, 2001+												
March 27, 2001	468	258	26	10	25	12	1023	1556	103	352	118	10
March 28, 2001	292	187	65	21	19	11	1278	1470	181	464	467	26
March 29, 2001	571	305	84	18	13	20	698	1305	155	416	191	17
March 30, 2001	538	131	54	18	20	22	574	852	101	363	128	22

FCY : Foreign Currency. INR : Indian Rupees. + : Market Closed.

Note : Data relate to sales and purchases of foreign exchange on account of merchant and inter-bank transactions. Data are provisional.

No. 50 : INDICES OF REAL EFFECTIVE EXCHANGE RATE (REER) AND NOMINAL EFFECTIVE EXCHANGE RATE (NEER) OF THE INDIAN RUPEE

(36 – country bilateral weights)

(Base : 1985 = 100)

Year-Month		Export Based Weights				Trade Based Weights			
		REER	Percentage Variation	NEER	Percentage Variation	REER	Percentage Variation	NEER	Percentage Variation
1		2	3	4	5	6	7	8	9
1990-91		73.33	-5.2	66.19	-7.6	75.58	-3.6	67.20	-6.9
1991-92		61.36	-16.3	51.12	-22.8	64.20	-15.1	52.51	-21.9
1992-93		54.42	-11.3	42.30	-17.3	57.08	-11.1	43.46	-17.2
1993-94		59.09	8.6	43.48	2.8	61.59	7.9	44.69	2.8
1994-95		63.29	7.1	42.20	-2.9	66.04	7.2	43.37	-2.9
1995-96		60.94	-3.7	38.74	-8.2	63.62	-3.7	39.73	-8.4
1996-97		61.14	0.3	38.09	-1.7	63.81	0.3	38.97	-1.9
1997-98		63.76	4.3	38.93	2.2	67.02	5.0	40.01	2.7
1998-99		60.13	-5.7	35.32	-9.3	63.44	-5.3	36.34	-9.2
1999-2000 (P)		59.70	-0.7	34.30	-2.9	63.29	-0.2	35.46	-2.4
1998	Jan.	63.27	2.3	38.39	1.9	66.87	2.5	39.60	2.0
	Feb.	62.91	-0.6	38.41	—	66.38	-0.7	39.55	-0.1
	Mar.	62.15	-1.2	37.90	-1.3	65.51	-1.3	38.97	-1.5
	Apr.	62.83	1.1	37.72	-0.5	66.19	1.0	38.79	-0.5
	May	62.39	-0.7	37.25	-1.3	65.68	-0.8	38.25	-1.4
	Jun.	61.08	-2.1	36.13	-3.0	64.29	-2.1	37.07	-3.1
	Jul.	61.20	0.2	35.96	-0.5	64.49	0.3	36.92	-0.4
	Aug.	60.99	-0.3	35.94	-0.1	64.32	-0.3	36.92	—
	Sep.	59.67	-2.2	35.09	-2.4	62.92	-2.2	36.06	-2.3
	Oct.	58.61	-1.8	34.12	-2.8	61.89	-1.6	35.14	-2.5
	Nov.	59.21	1.0	34.28	0.5	62.51	1.0	35.32	0.5
	Dec.	58.50	-1.2	33.93	-1.0	61.80	-1.1	34.96	-1.0
1999	Jan.	57.91	-1.0	33.97	0.1	61.23	-0.9	35.02	0.2
	Feb.	59.18	2.2	34.50	1.6	62.56	2.2	35.56	1.6
	Mar.	59.96	1.3	34.98	1.4	63.40	1.3	36.07	1.4
	Apr.	59.81	-0.3	34.88	-0.3	63.25	-0.2	35.95	-0.3
	May	60.06	0.4	34.96	0.2	63.45	0.3	36.01	0.2
	Jun.	60.04	—	34.81	-0.4	63.51	0.1	35.89	-0.3
	Jul.	60.12	0.1	34.80	—	63.64	0.2	35.92	0.1
	Aug.	59.23	-1.5	34.07	-2.1	62.73	-1.4	35.18	-2.0
	Sep.	59.06	-0.3	33.84	-0.7	62.59	-0.2	34.99	-0.5
	Oct.	59.01	-0.1	33.51	-1.0	62.58	0.0	34.66	-0.9
	Nov.	59.69	1.2	33.91	1.2	63.40	1.3	35.12	1.3
	Dec.	59.19	-0.8	33.91	—	62.91	-0.8	35.16	0.1
2000	Jan.	59.09	-0.2	33.91	—	62.74	-0.3	35.13	-0.1
	Feb.	59.94	1.4	34.45	1.6	63.66	1.5	35.67	1.5
	Mar. (P)	61.18	2.1	34.56	0.3	65.07	2.2	35.83	0.5
	Apr. (P)	62.23	1.7	34.69	0.4	66.29	1.9	36.01	0.5
	May (P)	63.07	1.3	35.18	1.4	67.21	1.4	36.53	1.4
	Jun. (P)	61.34	-2.7	34.15	-2.9	65.30	-2.9	35.40	-3.1
	Jul. (P)	61.68	0.5	34.31	0.5	65.65	0.5	35.57	0.5
	Aug. (P)	61.15	-0.9	33.95	-1.0	65.15	-0.8	35.23	-1.0
	Sep. (P)	61.97	1.3	34.23	0.8	66.07	1.4	35.56	0.9
	Oct. (P)	63.26	2.1	34.27	0.1	67.53	2.2	35.64	0.2
	Nov. (P)	62.96	-0.5	34.09	-0.5	67.19	-0.5	35.45	-0.5
	Dec. (P)	62.36	-0.9	33.72	-1.1	66.38	-1.2	34.97	-1.4
2001	Jan. (P)	62.12	-0.4	33.78	0.2	65.99	-0.6	34.94	-0.1
	Feb. (P)	62.78	1.1	34.05	0.8	66.68	1.1	35.23	0.8

Note: The indices on REER have been recalculated from April 1994 onwards using the new Wholesale Price Index (WPI) series with base year 1993-94 = 100.

No. 51 : INDICES OF REAL EFFECTIVE EXCHANGE RATE (REER) AND NOMINAL EFFECTIVE EXCHANGE RATE (NEER) OF THE INDIAN RUPEE (5-country trade based weights)

Year / Month / Day		Base: 1991-92 (April-March) =100		Base: 1993-94 (April-March) =100		Base: 1998-99 (April-March) =100	
		NEER	REER	NEER	REER	NEER	REER
1		2	3	4	5	6	7
1990-91		133.07	121.64	175.04	141.69	228.96	144.62
1991-92		100.00	100.00	131.54	116.48	172.05	118.88
1992-93		89.57	96.42	117.81	112.31	153.57	114.62
1993-94		76.02	85.85	100.00	100.00	130.80	102.00
1993-94		76.02	85.27	100.00	100.00	130.80	102.26
1994-95		73.06	90.23	96.09	105.81	125.69	108.21
1995-96		66.67	87.23	87.69	102.29	114.72	104.61
1996-97		65.67	88.20	86.38	103.43	113.09	105.78
1997-98		65.71	90.25	86.43	105.84	113.12	108.23
1998-99		58.12	83.38	76.45	97.79	100.00	100.00
1999-2000 (P)		56.42	82.49	74.22	96.74	97.08	98.93
1993-94	April	75.39	85.23	99.16	99.95	129.71	102.21
	May	75.17	84.81	98.88	99.46	129.34	101.71
	June	75.46	85.08	99.26	99.78	129.83	102.04
	July	76.49	86.20	100.61	101.09	131.61	103.38
	August	75.90	85.36	99.84	100.11	130.59	102.38
	September	74.98	84.13	98.63	98.67	129.01	100.90
	October	75.57	84.65	99.40	99.27	130.02	101.52
	November	76.57	85.78	100.72	100.60	131.74	102.88
	December	76.78	85.95	100.99	100.80	132.10	103.08
	January	77.34	86.38	101.73	101.31	133.07	103.60
	February	76.70	85.38	100.88	100.13	131.96	102.40
	March	75.94	84.27	99.89	98.83	130.66	101.07
1994-95	April	75.88	90.25	99.81	105.84	130.56	108.24
	May	75.27	90.03	99.01	105.58	129.51	107.97
	June	74.60	90.55	98.13	106.19	128.36	108.60
	July	73.18	89.78	96.25	105.29	125.90	107.67
	August	73.31	90.18	96.42	105.75	126.13	108.15
	September	72.82	89.48	95.78	104.94	125.28	107.31
	October	72.05	89.01	94.78	104.39	123.97	106.74
	November	72.33	89.70	95.14	105.19	124.45	107.58
	December	73.28	91.85	96.39	107.72	126.08	110.15
	January	72.67	92.17	95.59	108.09	125.03	110.54
	February	72.14	91.84	94.89	107.70	124.11	110.14
	March	69.14	87.90	90.94	103.08	118.95	105.42
1995-96	April	68.18	88.07	89.68	103.28	117.31	105.62
	May	68.92	89.53	90.66	104.99	118.59	107.37
	June	68.69	89.46	90.35	104.92	118.18	107.29
	July	68.96	90.88	90.71	106.57	118.65	108.99
	August	70.37	92.41	92.56	108.37	121.07	110.82
	September	68.04	89.19	89.50	104.60	117.06	106.97
	October	64.80	85.18	85.23	99.90	111.49	102.16
	November	64.63	85.21	85.01	99.93	111.19	102.19
	December	64.64	84.82	85.03	99.47	111.22	101.72
	January	63.75	83.44	83.85	97.86	109.68	100.07
	February	62.39	81.62	82.06	95.72	107.41	97.89
	March	66.62	86.90	87.63	101.91	114.76	104.22

See 'Notes on Tables'.

No. 51 : INDICES OF REAL EFFECTIVE EXCHANGE RATE (REER) AND NOMINAL EFFECTIVE EXCHANGE RATE (NEER) OF THE INDIAN RUPEE *(Concld.)*
(5-country trade based weights)

Year / Month / Day		Base: 1991-92 (April-March) =100		Base: 1993-94 (April-March) =100		Base: 1998-99 (April-March) =100	
		NEER	REER	NEER	REER	NEER	REER
1		2	3	4	5	6	7
1996-97	April	67.47	88.05	88.75	102.56	102.68	96.68
	May	66.19	86.94	87.07	101.27	100.74	95.46
	June	66.26	87.36	87.16	101.75	100.85	95.91
	July	65.03	87.12	85.54	101.47	98.97	95.65
	August	64.28	86.99	84.56	101.33	97.83	95.52
	September	64.63	87.85	85.01	102.33	98.36	96.46
	October	65.13	88.64	85.67	103.24	99.12	97.32
	November	64.28	87.95	84.56	102.45	97.83	96.57
	December	64.67	88.53	85.07	103.11	98.42	97.20
	January	65.49	89.50	86.14	104.24	99.67	98.27
	February	67.11	91.94	88.27	107.09	102.13	100.94
	March	67.44	92.10	88.71	107.27	102.64	101.12
1997-98	April	67.84	92.62	89.24	107.88	103.25	101.70
	May	67.03	91.40	88.16	106.46	102.01	100.36
	June	66.71	91.03	87.74	106.03	101.52	99.95
	July	67.40	92.31	88.66	107.52	102.58	101.36
	August	68.45	93.95	90.04	109.44	104.18	103.16
	September	67.19	92.55	88.38	107.80	102.26	101.61
	October	67.05	93.21	88.20	108.57	102.05	102.34
	November	65.03	90.46	85.54	105.36	98.97	99.32
	December	62.71	87.93	82.48	102.42	95.43	96.54
	January	63.04	89.50	82.92	104.24	95.94	98.26
	February	63.39	89.72	83.38	104.50	96.47	98.51
	March	62.65	88.24	82.40	102.79	95.34	96.89
1998-99	April	62.55	89.18	82.27	103.88	95.20	97.92
	May	61.45	88.19	80.82	102.72	93.52	96.83
	June	59.35	86.10	78.08	100.29	90.33	94.53
	July	59.07	86.81	77.70	101.11	89.91	95.31
	August	59.04	87.05	77.66	101.40	89.86	95.58
	September	57.56	85.55	75.71	99.64	87.60	93.93
	October	56.01	83.60	73.68	97.37	85.25	91.79
	November	56.50	84.31	74.31	98.20	85.98	92.57
	December	55.84	82.63	73.45	96.25	84.98	90.73
	January	55.75	82.31	73.33	95.87	84.85	90.37
	February	56.78	84.03	74.69	97.88	86.42	92.26
	March	57.54	84.61	75.69	98.55	87.58	92.90
1999-2000	April	57.47	82.77	75.59	97.07	98.87	99.26
	May	57.70	83.22	75.90	97.71	99.28	99.92
	June	57.55	83.41	75.69	97.82	99.00	100.03
	July	57.45	83.47	75.57	97.89	98.85	100.10
	August	56.09	81.85	73.78	95.99	96.50	98.16
	September	55.48	81.11	72.97	95.12	95.46	97.27
	October	54.99	81.15	72.33	95.16	94.62	97.32
	November	55.60	82.18	73.14	96.38	95.67	98.56
	December	55.67	81.70	73.22	95.82	95.78	97.99
	January	55.60	81.45	73.13	95.52	95.66	97.68
	February	56.64	82.93	74.50	97.25	97.45	99.45
	March	56.82	84.55	74.74	99.16	98.02	101.40
2000-01	April (P)	56.97	85.80	74.94	100.62	98.02	102.89
	May (P)	57.78	87.04	76.00	102.08	99.41	104.39
	June (P)	56.05	84.62	73.73	99.24	96.44	101.48
	July (P)	56.24	85.04	73.97	99.73	96.76	101.98
	August (P)	55.78	84.54	73.38	99.14	95.98	101.39
	September (P)	56.38	85.74	74.17	100.55	97.01	102.83
	October (P)	56.08	87.04	73.77	102.07	96.49	104.38
	November (P)	55.79	86.65	73.39	101.62	96.00	103.92
	December (P)	55.23	85.99	72.65	100.85	95.03	103.13
	January (P)	55.09	85.63	72.46	100.42	94.78	102.70
	February (P)	55.49	85.88	72.99	100.71	95.47	102.99
	March (P)	56.06	87.10	73.74	102.15	96.45	104.46
	As on						
	March 23 (P)	56.71	87.74	74.59	102.89	97.56	105.22
	March 30 (P)	56.92	88.15	74.87	103.38	97.93	105.72
	April 4 (P)	56.80	88.04	74.71	103.24	97.72	105.58
	April 12 (P)	56.41	87.43	74.20	102.54	97.05	104.86

Notes : 1. Rise in indices indicates appreciation of rupee and vice versa.
2. For “Note on Methodology” on the indices presented here, please see Page S 653 of July 1998 issue of this Bulletin.
3. It may be recalled that in the aforesaid Note on Methodology, it was indicated that the base year 1996-97 would be a moving one. Accordingly, with effect from April 1999, the base year 1996-97 has been shifted forward to 1997-98. Again, with effect from April 2000, the base year 1997-98 has been shifted forward to 1998-99.
4. The indices on REER have been recalculated from April 1993 onwards using the new Wholesale Price Index (WPI) series with base year 1993-94=100.

NOTES ON TABLES

Table No. 1

(1) Annual data are averages of the months.

(2) Figures relate to last Friday of the month / year.

(3) Total of Rupee Securities held in Issue and Banking Departments.

(4) Relates to loans and advances only.

(5) Figures relate to the last Friday / last reporting Friday (in case of March).

(6) Total for Mumbai, Chennai, Calcutta and New Delhi only. Data relating to New Delhi for November, December 2000 and January, February and March 2001 are not available.

(7) Figures relate to last reporting Friday / March 31.

(8) Rates presented as low / high for the period indicated. The source of data prior to April 2000 issue of the Bulletin has been DFHI. The data from April 2000 issue of the Bulletin is not strictly comparable with that pertaining to earlier periods due to wider coverage of Call Market business.

(9) Relating to major banks.

(10) Relating to five major banks. PLR concept was introduced with effect from October 1994.

(11) Relates to maturity of 46 days to 1 year.

(12) Relates to maturity of 15 days and above.

(13) Monthly data are averages of the weeks and annual data are averages of the months.

(14) Figures relate to the end of the month / year.

(15) Data relate to January – December.

(16) Cash Reserve Ratio of Scheduled Commercial Banks (excluding Regional Rural Banks).

Table No. 2

The gold reserves of Issue Department were valued at Rs. 84.39 per 10 grams up to October 16, 1990 and from October 17, 1990 they are valued close to international market prices.

(1) Includes Government of India one rupee notes issued from July 1940.

(2) Includes (i) Paid-up Capital of Rs. 5 crore (ii) Reserve Fund of Rs. 6,500 crore (iii) National Industrial Credit (Long-Term Operations) Fund of Rs. 4,633 crore and (iv) National Housing Credit (Long-Term Operations) Fund of Rs. 883 crore from the week ended July 7, 2000. For details about earlier periods, reference may be made to the Notes on Table given on page S 736 of August 1997 issue of this Bulletin.

(3) Includes cash, short-term securities and fixed deposits.

(4) Includes temporary overdrafts to State Governments.

(5) Figures in bracket indicate the value of gold held under other assets.

Table Nos. 3 & 4

The expression 'Banking System' or 'Banks' means (a) State Bank of India and its associates (b) Nationalised Banks (c) Banking companies as defined in clause 'C' of Section 5 of the Banking Regulation Act, 1949 (d) Co-operative banks (as far as scheduled co-operative banks are concerned) (e) Regional Rural Banks and (f) any other financial institution notified by the Central Government in this behalf.

(1) Excludes borrowings of any scheduled state co-operative bank from the State Government and any Reserve Fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank.

(2) Deposits of co-operative banks with scheduled state co-operative banks are excluded from this item but are included under 'Aggregate deposits'.

(3) Excludes borrowings of regional rural banks from their sponsor banks.

(4) Wherever it has not been possible to provide the data against the item 'Other demand and time liabilities' under 'Liabilities to the Banking System' separately, the same has been included in the item 'Other demand and time liabilities' under 'Liabilities to others'.

(5) Includes Rs. 17,945 crore on account of proceeds from Resurgent India Bonds(RIBs), since August 1998 and Rs. 25,662 crore on account of proceeds from India Millennium Deposits (IMDs), since November 2000.

(6) Other than from the Reserve Bank of India, Industrial Development Bank of India, NABARD and Export-Import Bank of India.

(7) Figures relating to scheduled banks' borrowings in India are those shown in the statement of affairs of the Reserve Bank of India. Borrowings against usance bills and/or promissory notes are under section 17(4) of the Reserve Bank of India Act, 1934.

(8) Includes borrowings by scheduled state co-operative banks under Section 17(4AA) of the Reserve Bank of India Act, 1934.

(9) As per the Statement of Affairs of the Reserve Bank of India.

(10) Advances granted by scheduled state co-operative banks to co-operative banks are excluded from this item but included under 'Loans, cash-credits and overdrafts'.

(11) At book value; it includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(12) Includes participation certificates (PCs) issued by scheduled commercial banks to other banks and financial institutions.

(13) Includes participation certificates (PCs) issued by scheduled commercial banks to others.

(14) Figures in brackets relate to advances of scheduled commercial banks for financing food procurement operations.

Table No. 6

(1) Total of demand and time deposits from 'Others'.

(2) Includes borrowings from the Industrial Development Bank of India and National Bank for Agriculture and Rural Development.

(3) At book value; includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(4) Total of 'Loans, cash credits and overdrafts' and 'Bills purchased and discounted'.

(5) Includes advances of scheduled state co-operative banks to central co-operative banks and primary co-operative banks.

Table No. 7

With a view to enabling the banks to meet any unanticipated additional demand for liquidity in the context of the century date change, a 'Special Liquidity Support' (SLS) facility was made available to all scheduled commercial banks (excluding RRBs) for a temporary period from December 1, 1999 to January 31, 2000.

(1) With effect from April 13,1996, banks are provided export credit refinance against their rupee export credit and post-shipment export credit denominated in U.S. Dollars taken together.

(2) General Refinance Facility was replaced by Collateralised Lending Facility (CLF)/Additional Collateralised Facility (ACLF) effective April 21, 1999. ACLF was withdrawn with the introduction of Liquidity Adjustment Facility (LAF), effective June 5, 2000.

(3) Special Liquidity Support Facility which was introduced effective September 17, 1998 was available upto March 31, 1999.

(4) For period upto 1995-96, Total Refinance includes dollar-denominated refinance under export credit refinance and government securities refinance. Post-shipment credit denominated in US dollars (PSCFC) scheme was withdrawn effective February 8, 1996 and the refinance facility thereagainst was withdrawn effective April 13, 1996. The scheme of government securities refinance was terminated effective July 6, 1996.

Table No. 8

The data include inter-bank and high value clearing in respect of Mumbai, Calcutta, New Delhi and Chennai, inter-bank clearing for Hyderabad from 1991-92 onwards and for Bangalore and Ahmedabad from 1993-94 onwards. High value clearing started at Kanpur effective January 1, 1997 and high value clearing and MICR clearing has been introduced in Nagpur Bankers' Clearing House effective March 2, 1998 and April 16, 1998 respectively.

Table No. 10

(a) For details of money stock measures according to the revised series, reference may be made to January 1977 issue of this Bulletin (pages 70-134).

(b) Banks include commercial and co-operative banks.

(c) Financial year data relate to March 31, except scheduled commercial banks' data which relate to the last reporting Friday of March. For details, see the note on page S 963 of October 1991 issue of this Bulletin.

(d) The data for 1994-95 are not strictly comparable with those for other years, as the data for 1994-95 include scheduled commercial banks data for 27 fortnights while for other years, they include 26 fortnights.

(e) Data are provisional from January 1996 onwards.

(1) Net of return of about Rs. 43 crore of Indian notes from Pakistan upto April 1985.

(2) Estimated : ten-rupee commemorative coins issued since October 1969, two-rupee coins issued since November 1982 and five-rupee coins issued since November 1985 are included under rupee coins.

(3) Exclude balances held in IMF Account No.1, Reserve Bank of India Employees' Provident Fund, Pension Fund, Gratuity and Superannuation Fund and Co-operative Guarantee Fund, the amount collected under the Additional Emoluments (Compulsory Deposit) Act, 1974 and the Compulsory Deposit Scheme (Income-Tax Payers') Act.

(4) Scheduled commercial banks' time deposits include Rs.17,945 crore on account of proceeds arising from Resurgent India Bonds (RIBs), since August 28,1998 and Rs. 25,662 crore on account of proceeds from India Millennium Deposits (IMDs), since November 17, 2000.

(f) Revised in line with the new accounting standards and consistant with the Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Table Nos. 11 & 13

(a) On the establishment of National Bank for Agriculture and Rural Development (NABARD), on July 12, 1982, certain assets and liabilities of the Reserve Bank were transferred to NABARD, necessitating some reclassification of aggregates in the sources of money stock from that date.

(b) Please see item (c) of notes to Table 10.

(c) Data are provisional from January 1996 onwards.

(d) Data for 1996-97 relate to after closure of Government accounts.

(1) Includes special securities and also includes Rs. 751.64 crore (equivalent of SDRs 211.95 million) incurred on account of Reserve Assets subscription to the IMF towards the quota increase effective December 11, 1992.

(2) Represents investments in bonds/shares of financial institutions, loans to them and holdings of internal bills purchased and discounted. Excludes since the establishment of NABARD, its refinance to banks.

(3) Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities.

Table 11A

The conceptual basis of the compilation of the Commercial Bank Survey are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998, which recommended changes in the reporting system of commercial banks and the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) Time Deposits of Residents : These do not reckon non-residents' foreign currency repatriable fixed deposits (such as FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs)) based on the residency criterion and excludes banks' pension and provident funds because they are in the nature of other liabilities and are included under 'other demand and time liabilities'.

(2) Short-term Time Deposits : Refers to contractual maturity of time deposits of up to and including one year. This is presently estimated at 45.0 per cent of total domestic time deposits.

(3) Domestic Credit : It includes investments of banks in non-SLR securities, comprising commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market, apart from investment in government and other approved securities and conventional bank credit (by way of loans, cash credit, overdrafts and bills purchased and discounted).

(4) Net Foreign Currency Assets of Commercial Banks : Represent their gross foreign currency assets netted for foreign currency liabilities to non-residents.

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) : It is the residual balancing the components and sources of the Commercial Banking Survey and includes scheduled commercial banks' other demand and time liabilities, net branch adjustments, net inter-bank liabilities *etc*.

Table 11B

The conceptual basis of the compilation of new monetary aggregates are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998. A link series between the old and present monetary series has been published in the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) NM_2 and NM_3 : Based on the residency concept and hence does not directly reckon non-resident foreign currency repatriable fixed deposits in the form of FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs).

(2) NM_2 : This includes M_1 and residents' short-term time deposits (including and up to the contractual maturity of one year) with commercial banks.

(3) Domestic Credit : Consistent with the new definition of bank credit which includes investments of banks in non-SLR securities, comprising of commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market. The RBI's loans and advances to NABARD would be included in the RBI credit to commercial sector. Other components such as credit to Government, investments in other approved securities and conventional bank credit remain unchanged.

(4) Net Foreign Assets of The Banking Sector : It comprise the RBI's net foreign assets and scheduled commercial banks' net foreign currency assets (refer to note 4 of Table 11A).

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) of the Banking System : It is the residual balancing the components and sources of money stock, representing other demand and time liabilities *etc.* of the banking system.

Table 11C

The conceptual basis of the compilation of the Reserve Bank Survey is given in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998 and the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999. The components of reserve money (to be referred as M_0) remain unchanged. On the sources side, the RBI's refinance to the National Bank for Agriculture and Rural Development (NABARD), which was hitherto part of RBI's claims on banks has been classified as part of RBI credit to commercial sector. The Reserve Bank's net non-monetary liabilities are classified into capital account (comprising capital and reserves) and other items (net).

Table No. 12

Please see item (c) of notes to Table 10.

Table Nos. 29 & 30

Table 29 contains data on manufacturing sector at two digit level of 17 groups along with general index and sectoral indices, viz., Mining and Quarrying, Manufacturing and Electricity. Table 30 presents Index Numbers of Industrial Production (Use-Based Classification). Due to revision of the indices of the mining sector and also the deletion of four items, viz., radio receivers, photosensitised paper, chassis (assembly) for HCVs (bus, truck) and engines from the item–basket of the manufacturing sector, the IIP data have been revised from 1994-95 onwards. This has also resulted in the change in redistribution of weights in use-based classification of IIP.

Table No. 31

(a) Figures exclude data on private placement and offer for sale but include amounts raised by private financial institutions.

(b) Equity shares exclude bonus shares.

(c) Preference shares include cumulative convertible preference shares and equi-preference shares.

(d) Debentures include bonds.

(e) Convertible debentures include partly convertible debentures.

(f) Non-convertible debentures include secured premium notes and secured deep discount bonds.

(g) Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Table No. 35

The ban on forward trading in gold and silver, effective November 14, 1962 and January 10, 1963, respectively, still continues to operate.

(1) In case Friday is a holiday, prices relate to the preceding working day.

Table No. 36

Annual data relate to average of the months April to March.

(1) The new series of index numbers with base 1982=100 was introduced from October 1988 and with that the compilation of the index numbers with the base year 1960 was discontinued. The linking factor can be used to work out the index numbers with the base year 1960 for October 1988 and subsequent months. Details of the new series were published in May 1989 issue of the Bulletin.

(2) Based on indices relating to 70 centres.

Table No. 37

Annual data relate to average of the months April to March. The new series of index numbers with base 1984-85=100 was introduced from November 1987.

(1) Based on indices relating to 59 centres.

Table No. 38

Annual data relate to the average of the months July to June.

(1) With respect to base: July 1960-June 1961=100.

(2) The new series of index numbers with base : July 1986 to June 1987 = 100 was introduced from November 1995 and with that the compilation of index numbers with base : July 1960 to June 1961 was discontinued. The linking factor given in this column can be used to work out the index numbers with old base (i.e., 1960-61 = 100) for November 1995 and subsequent months.

(3) In the case of Assam, the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region viz. Assam, Manipur, Meghalaya and Tripura while the index of the new series (i.e., with base 1986-87 = 100) has been compiled for each of the constituent States separately. The index for Assam region on old base can be estimated from the corresponding indices of the new series as under :

$I^{A}_{O} = 5.89 [(0.8126 X I^{A}_{N}) + (0.0491 X I^{Ma}_{N}) +(0.0645 X I^{Me}_{N}) + (0.0738 X I^{T}_{N})]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts A, Ma, Me and T indicate Assam, Manipur, Meghalaya and Tripura, respectively.

(4) Similarly, in the case of Punjab, where the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region, viz., Punjab, Haryana and Himachal Pradesh, the index for the Punjab region on old base can be estimated as under :

$$I^P_O = 6.36\ [(0.6123 \times I^P_N) + (0.3677 \times I^{Ha}_N) + (0.0200 \times I^{Hi}_N)]$$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts P, Ha and Hi indicate Punjab, Haryana and Himachal Pradesh, respectively.

(5) Indices for the State compiled for the first time from November, 1995.

(6) Consumer Price Index for Rural Labourers (including agricultural labourers) are compiled from November 1995 only.

(7) Average of 8 months (November 1995 - June 1996).

Table No. 39 & 40

The new series of index numbers with base 1993-94=100 was introduced in April 2000. Details regarding the scope and coverage of new series are published in June 2000 issue of the Bulletin.

Table No. 41

(a) The foreign trade data relate to total sea, air and land trade, on private and Government accounts. Direct transit trade, transhipment trade, ships' stores and passengers' baggage are excluded. Data include silver (other than current coins), notes and coins withdrawn from circulation or not yet issued, indirect transit trade and trade by parcel post. Exports include re-exports. Imports include dutiable articles by letter post and exclude certain consignments of foodgrains and stores on Government account awaiting adjustment, diplomatic goods and defence stores. Imports and exports are based on general system of recording. Imports are on c.i.f. basis and exports are on f.o.b. basis inclusive of export duty.

(b) In the case of data in rupee terms, monthly figures may not add up to the annual total due to rounding off.

(c) Monthly data in US dollar and SDR terms may not add up to the annual total due to the exchange rate factor.

Tables Nos. 42 & 43

(1) Data up to 1980-81 are final, subsequent data are preliminary actuals.

(2) Interest accrued during the year and credited to NRI deposits has been treated as notional outflow under invisible payments and added as reinvestment in NRI deposits under Banking Capital – NRD.

(3) The item "Non-monetary Gold Movement" has been deleted from Invisibles in conformity with the IMF Manual on BOP (4th edition) from May 1993 onwards.; these entries have been included under merchandise.

(4) Since 1990-91 the value of defence related imports are recorded under imports (merchandise debit) with credits financing such imports shown under "Loans (External commercial Borrowings to India)" in the capital account. Interest payments on defence debt owed to the General Currency Area (GCA)are recorded under Investment Income debit and principal repayments under debit to "Loans (External commercial Borrowings to India)". In the case of the Rupee payment Area (RPA), interest payment on and principal repayment of debt is clubbed together and shown separately under the item "Rupee Debt Service" in the capital account. This is in line with the recommendations of the High Level Committee on Balance of Payments (Chairman : Dr. C. Rangarajan).

(5) In accordance with the provisions of IMF's Balance of Payments Manual (5th Edition), gold purchased from the Government of India by the RBI has been excluded from the BOP statistics. Data from the earlier years have, therefore, been amended by making suitable adjustments in "Other Capital Receipts" and "Foreign Exchange Reserves". Similarly, item "SDR Allocation" has been deleted from the table.

(6) In accordance with the recommendations of Report of the Technical Group on reconciling of Balance of Payments and DGCI & S Data on Merchandise Trade, data on gold and silver brought in by the Indians returning from abroad have been included under imports payments with contra entry under Private Transfer Receipts since 1992-93.

(7) In accordance with the IMF's Balance of Payments Manual (5^{th} edition), 'compensation of employees' has been shown under head, "income" with effect from 1997-98; earlier, 'compensation of employees' was recorded under the head "Services – miscellaneous".

(8) Since April 1998, the sales and purchases of foreign currency by the Full Fledged money Changers (FFMC) are included under " travel" in services.

(9) Exchange Rates : Foreign currency transactions have been converted into rupees at the par/central rates up to June 1972 and on the basis of average of the Bank's spot buying and selling rates for sterling and the monthly averages of cross rates of non-sterling currencies based on London market thereafter. Effective March 1993, conversion is made by crossing average spot buying and selling rate for US dollar in the forex market and the monthly averages of cross rates of non-dollar currencies based on the London market.

Table No. 44

(a) Gold was valued at Rs. 84.39 per 10 grams till October 16,1990. It has been valued close to international market price with effect from October 17, 1990. Conversion of SDRs into US dollars is done at exchange rates released by the International Monetary Fund (IMF).

(b) With effect from April 1, 1999 the conversion of foreign currency assets into US dollars is done at week-end (for week-end figures) and month-end (for month-end figures) New York closing exchange rates. Prior to April 1, 1999 conversion of foreign currency assets into US dollars was done at representative exchange rates released by the IMF.

(c) Since March 1993, foreign exchange holdings are converted into rupees at rupee-US dollar market exchange rates.

Table No. 50

(a) The indices presented here are in continuation of the series published in the July 1993 issue of this Bulletin (pp 967-977).

(b) The indices for 1990-1992 are based on official exchange rate and the indices from 1993 onwards are based on FEDAI indicative rates.

(c) Depreciations are shown with (-) sign.