

## *Developments in India's Balance of Payments during the Third Quarter (October-December 2009) of 2009-10 and April- December 2009\**

The data on India's balance of payments (BoP) are compiled and published by the Reserve Bank on a quarterly basis with a lag of one quarter. Accordingly, preliminary data on India's BoP for the third quarter (Q3) *i.e.*, October-December 2009 of the financial year 2009-10 along with the partially revised data for the first two quarters *i.e.*, April-June 2009 (Q1) and July-September 2009 (Q2) and the data for the period April-December 2009 were released by the Reserve Bank on March 31, 2010.

The developments in India's BoP for 2009-10 so far are presented here.

### **1. Major Highlights**

- (i) Exports recorded a growth of 13.2 per cent during Q3 of 2009-10 over the corresponding quarter of the previous year, after consecutive declines in the preceding four quarters.
- (ii) Imports registered a growth of 2.6 per cent in Q3 of 2009-10 over the corresponding quarter of the previous year after recording consecutive declines in the preceding three quarters.
- (iii) Despite a low trade deficit, the current account deficit was higher at US\$ 12.0 billion during Q3 of 2009-10 mainly due to lower invisibles surplus.
- (iv) During April-December 2009, invisibles receipts recorded a decline of 7.7 per cent while invisibles payments increased by 3.7 per cent that resulted in a lower net invisibles surplus.
- (v) The current account deficit during April-December 2009 was higher at US\$ 30.3 billion as compared to US\$ 27.5 billion during April-December 2008.

\* Prepared in the Division of International Finance, Department of Economic Analysis and Policy, Reserve Bank of India.

(vi) Net capital inflows at US\$ 43.2 billion in April-December 2009 was much higher as compared with corresponding period last year mainly due to larger inflows under portfolio investments.

(vii) The increase in foreign exchange reserves on BoP basis (i.e., excluding valuation) was US\$ 11.3 billion in April-December 2009 (as against a sharp decline in reserves of US\$ 20.4 billion in April-December 2008).

## 2. Balance of Payments for October-December (Q3) of 2009-10

The major items of the BoP for the third quarter (Q3) of 2009-10 are set out below in Table 1.

### *Merchandise Trade*

(i) On a BoP basis, after consecutive declines in the last four quarters, India's merchandise exports grew by 13.2 per cent in Q3 of 2009-10 as

against a decline of 8.4 per cent in Q3 of 2008-09. According to the data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S) exports increased by 13.2 per cent during the quarter.

(ii) On a BoP basis, import payments, after recording consecutive declines in the last three quarters, registered a growth of 2.6 per cent in Q3 of 2009-10 as compared with an increase of 9.2 per cent in Q3 of 2008-09. Imports, on DGCI&S basis, witnessed a growth of 6.6 per cent during the quarter under review. The low growth in imports is attributed to decline in non-oil imports payments and lower oil related import payments due to lower crude oil prices during the period (Chart 1). Oil imports in Q3 of 2009-10 accounted for about 28.0 per cent of total imports (25.6 per cent in Q3 of 2008-09).

(iii) The trade deficit, on a BoP basis, was lower at US\$ 30.7 billion during Q3 of

Table 1: Major Items of India's Balance of Payments

Item	(US\$ million)					
	April-June		July-September		October-December	
	2008-09 (PR)	2009-10 (PR)	2008-09 (PR)	2009-10 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5	6	7
1. Exports	57,454	37,910	53,630	41,915	39,436	44,648
2. Imports	82,731	64,804	92,752	73,810	73,484	75,374
3. Trade Balance (1-2)	-25,277	-26,894	-39,121	-31,895	-34,049	-30,726
4. Invisibles, net	22,003	20,534	26,546	19,955	22,381	18,696
5. Current Account Balance (3+4)	-3,274	-6,360	-12,575	-11,940	-11,668	-12,030
6. Capital Account Balance*	5,509	6,475	7,841	21,358	-6,214	13,797
7. Change in Reserves# (-Indicates increase; + indicates decrease)	-2,235	-115	4,734	-9,418	17,881	-1,767

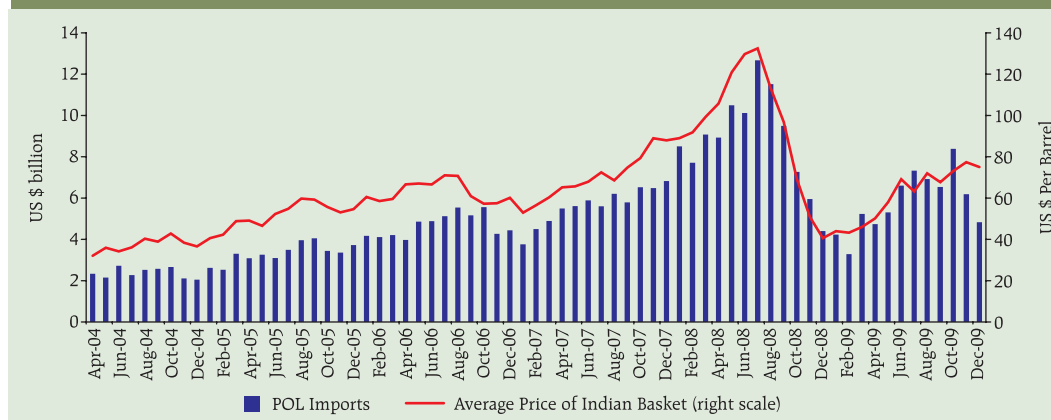
\*: Including errors and omissions.

#: On BoP basis (i.e. excluding valuation).

P: Preliminary.

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Chart 1: India's POL Imports and International Crude Prices



2009-10 as compared to US\$ 34.0 billion during Q3 of 2008-09 (Chart 2).

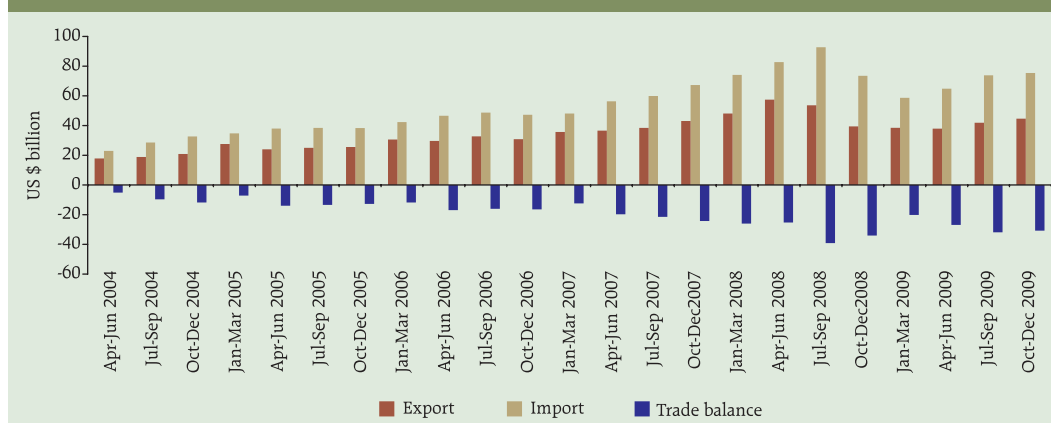
### *Invisibles and Current Account Balance*

(i) The decline in invisibles receipts, which started in the Q4 of 2008-09, continued during Q3 of 2009-10. Invisibles receipts registered a decline of 3.1 per cent during the quarter (as against an increase of 5.4 per cent in Q3 of 2008-09) mainly on account of

decline in business, communication and financial services, and investment income receipts. Although, software exports recorded a robust growth of 15.3 per cent, services exports as a whole witnessed a decline of 12.3 per cent during the quarter as against an increase of 11.8 per cent during the corresponding quarter of 2008-09.

(ii) Invisibles payments recorded a growth of 12.9 per cent during Q3 of 2009-10, as compared with a low growth of 2.4

Chart 2: Quarterly Movements in Trade Balance



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per cent in Q3 of 2008-09, mainly led by increase in payments under almost all components of services.

- (iii) As decline in services exports was partially made up by strong private transfers receipts (24.1 per cent in Q3 of 2009-10), net invisibles (invisibles receipts minus invisibles payments) recorded a surplus of US\$ 18.7 billion in Q3 of 2009-10 (US\$ 22.4 billion in Q3 of 2008-09).
- (iv) As size of invisibles surplus in Q3 of 2009-10 was lower than Q3 of the preceding year (Table 2), the current account deficit was higher at US\$ 12.0 billion in Q3 of 2009-10 (US\$ 11.7 billion in Q3 of 2008-09) despite lower trade deficit.

### Capital Account and Reserves

- (i) Continuing buoyancy in capital inflows mainly led by large inflows under foreign direct investments, portfolio investments and short-term trade credit resulted in a net capital account surplus of US\$ 14.7 billion during Q3 of 2009-10 as against a net deficit of US\$ 6.1 billion during Q3 of 2008-09 (Table 3).
- (ii) Net FDI flows (net inward FDI minus net outward FDI) amounted to US\$ 3.9 billion in Q3 of 2009-10 (US\$ 0.4 billion in Q3 of 2008-09). Net portfolio flows were higher at US\$ 5.7 billion mainly supported by strong net inflows by the foreign institutional investors (FIIs) amounting to US\$5.3 billion during Q3 of 2009-10.

Table 2: Net Invisibles

(US\$ million)						
Item	April-June		July-September		October-December	
	2008-09 (PR)	2009-10 (PR)	2008-09 (PR)	2009-10 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5	6	7
<b>A. Services (1 to 5)</b>	<b>10,710</b>	<b>9,689</b>	<b>14,400</b>	<b>7,230</b>	<b>13,851</b>	<b>7,683</b>
1. Travel	341	293	75	137	979	847
2. Transportation	-713	-287	-710	345	-528	-375
3. Insurance	123	73	71	43	77	103
4. Govt. not included elsewhere	19	-3	-14	-30	-136	-5
5. Miscellaneous	10,940	9,613	14,978	6,735	13,460	7,113
<i>of which:</i>						
<i>Software</i>	11,237	10,613	11,185	10,444	10,694	12,665
<i>Non-Software</i>	-297	-1,000	3,793	-3,709	2,766	-5,552
<b>B. Transfers</b>	<b>12,143</b>	<b>12,874</b>	<b>12,942</b>	<b>13,700</b>	<b>10,151</b>	<b>12,966</b>
<i>Private</i>	12,102	12,938	12,988	13,757	9,964	12,770
<i>Official</i>	40	-64	-46	-57	187	196
<b>C. Income</b>	<b>-849</b>	<b>-2,029</b>	<b>-796</b>	<b>-975</b>	<b>-1,621</b>	<b>-1,953</b>
<i>Investment Income</i>	-676	-1,918	-755	-823	-1,475	-1,710
<i>Compensation of Employees</i>	-174	-111	-41	-152	-146	-243
<b>Invisibles (A+B+C)</b>	<b>22,003</b>	<b>20,534</b>	<b>26,546</b>	<b>19,955</b>	<b>22,381</b>	<b>18,696</b>

P: Preliminary. PR: Partially Revised.

- (iii) Net External Commercial Borrowings (ECBs) remained lower at US\$ 1.5 billion in Q3 of 2009-10 (US\$ 3.8 billion in Q3 of 2008-09) mainly due to increased repayments and low disbursements of commercial loans to India. Short-term trade credit to India recorded a net inflow of US\$ 3.3 billion in Q3 of 2009-10 as against a net outflow of US\$ 4.2 billion during Q3 of 2008-09.
- (iv) Net inflows under banking capital was higher at US\$ 1.9 billion mainly due to drawdown of foreign assets of commercial banks and a net inflow of US\$ 0.6 billion under Non-Resident Indian (NRI) deposits.
- (v) There was an increase in foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) of US\$ 1.8 billion in Q3 of 2009-10 as against a decline of

US\$ 17.9 billion in Q3 of 2008-09. In nominal terms (including valuation changes), foreign exchange reserves rose by US\$ 2.2 billion during Q3 of 2009-10.

### 3. Balance of Payments (BoP) for April-December 2009

Taking into account the partially revised data for Q1 and Q2 of 2009-10 and the preliminary data for Q3 of 2009-10, the BoP data for April-December 2009 have been compiled. Table 4 and Statement I present developments in major items of BoP during April-December 2009. Major developments are set out below:

#### *Merchandise Trade*

- (i) On a BoP basis, India's merchandise exports posted a decline of 17.3 per cent in April-December 2009 (as against

Table 3: Net Capital Flows

Item	(US\$ million)					
	April-June		July-September		October-December	
	2008-09 (PR)	2009-10 (PR)	2008-09 (PR)	2009-10 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5	6	7
1. Foreign Direct Investment	8,964	6,087	4,903	6,529	446	3,918
Inward FDI	11,876	8,712	8,778	10,738	6,327	7,114
Outward FDI	2,912	2,625	3,876	4,209	5,881	3,196
2. Portfolio Investment	-4,207	8,268	-1,311	9,677	-5,820	5,655
Of which						
FIIs	-5,177	8,227	-1,437	7,038	-5,794	5,254
ADRs/GDRs	999	43	136	2,664	7	445
3. External Assistance	351	96	518	499	992	617
4. External Commercial Borrowings	1,479	-457	1,687	1,209	3,778	1,538
5. NRI Deposits	814	1,818	259	1,047	1,042	609
6. Banking Capital excluding NRI Deposits	1,882	-5,184	2,016	3,375	-5,998	1,323
7. Short-term Trade Credit	4,503	-1,463	402	846	-4,221	3,282
8. Rupee Debt Service	-30	-23	-3	-1	0	0
9. Other Capital	-8,904	-3,227	-1372	-616	3,668	-2,215
<b>Total (1 to 9)</b>	<b>4,853</b>	<b>5,915</b>	<b>7,099</b>	<b>22,565</b>	<b>-6114</b>	<b>14,727</b>

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**Table 4: Major Items of India's Balance of Payments**

(US\$ million)				
Item	April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5
1. Exports	166,162	189,001	150,520	124,473
2. Imports	257,629	307,651	248,967	213,988
3. Trade Balance (1-2)	-91,467	-118,650	-98,446	-89,515
4. Invisibles, net	75,731	89,923	70,931	59,185
5. Current Account Balance (3+4)	-15,737	-28,728	-27,516	-30,330
6. Capital Account Balance*	107,901	8,648	7,136	41,630
7. Change in Reserves# (-Indicates increase; + indicates decrease)	-92,164	20,080	20,380	-11,300
*: Including errors and omissions. #: On BoP basis (i.e., excluding valuation)				
P: Preliminary.		PR: Partially Revised.		R: Revised.

a high growth of 27.5 per cent in the corresponding period of the previous year).

- (ii) Imports payments, on a BoP basis, also remained lower recording a decline of 14.0 per cent during April-December 2009 as compared with a high growth of 35.6 per cent in the corresponding period of the previous year.
- (iii) According to the DGCI&S data, exports declined by 17.3 per cent, and imports growth was negative at 22.0 per cent led by the decline in both oil imports (a decline of 29.7 per cent) and non-oil imports (a decline of 18.4 per cent) during April-December 2009. In absolute terms, the oil imports accounted for about 29.4 per cent of total imports during April-December 2009 (31.9 per cent in the corresponding period of the previous year).
- (iv) On a BoP basis, the merchandise trade deficit decreased to US\$ 89.5 billion during April-December 2009 from US\$ 98.4 billion in April-December 2008.

### *Invisibles and Current Account Balance*

- (i) Invisibles receipts recorded a decline of 7.7 per cent during April-December 2009, as compared with an increase of 22.2 per cent in the corresponding period of the previous year, mainly due to the lower receipts under almost all components of services coupled with lower investment income receipts (Table 5 and Chart 3).
- (ii) Private transfer receipts, comprising mainly remittances from Indians working overseas, increased to US\$ 40.8 billion in April-December 2009 from US\$ 37.1 billion in the corresponding period of the previous year. Private transfer receipts constituted 16.9 per cent of current receipts in April-December 2009 (13.4 per cent in the corresponding period of the previous year).
- (iii) A major portion of NRI deposits are withdrawn locally that constituted 63.2 per cent of total outflows during April-December 2009, same as the corresponding period of last year (Table 6).

Table 5: Invisibles Gross Receipts and Payments

(US\$ million)

Item	Invisibles Receipts				Invisibles Payments			
	April-March		April-December		April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5	6	7	8	9
<b>A. Services (1 to 5)</b>	<b>90,342</b>	<b>101,678</b>	<b>77,929</b>	<b>65,171</b>	<b>51,490</b>	<b>52,047</b>	<b>38,969</b>	<b>40,569</b>
1. Travel	11,349	10,894	8,214	7,925	9,258	9,425	6,820	6,648
2. Transportation	10,014	11,286	8,370	8,047	11,514	12,820	10,320	8,364
3. Insurance	1,639	1,419	1,071	1,179	1,044	1,130	801	960
4. Govt. not included elsewhere	331	389	308	324	376	793	439	362
5. Miscellaneous	67,010	77,691	59,967	47,696	29,298	27,879	20,589	24,235
<i>of which:</i>								
<i>Software</i>	40,300	46,300	35,475	34,884	3,358	2,814	2,358	1,162
<i>Non-Software</i>	26,710	31,391	24,492	12,812	25,940	25,065	18,231	23,073
<b>B. Transfers</b>	<b>44,261</b>	<b>47,547</b>	<b>37,567</b>	<b>41,216</b>	<b>2,316</b>	<b>2,749</b>	<b>2,330</b>	<b>1,676</b>
<i>Private</i>	43,508	46,903	37,083	40,810	1,802	2,336	2,028	1,345
<i>Official</i>	753	645	484	406	514	413	302	331
<b>C. Income</b>	<b>14,272</b>	<b>14,309</b>	<b>10,909</b>	<b>10,332</b>	<b>19,339</b>	<b>18,816</b>	<b>14,176</b>	<b>15,289</b>
<i>Investment Income</i>								
<i>Compensation of Employees</i>	13,811	13,483	10,273	9,649	18,244	17,506	13,179	14,100
<i>Employees</i>	461	825	636	683	1,095	1,309	998	1,189
<b>Invisibles (A+B+C)</b>	<b>148,875</b>	<b>163,534</b>	<b>126,406</b>	<b>116,719</b>	<b>73,144</b>	<b>73,612</b>	<b>55,475</b>	<b>57,534</b>

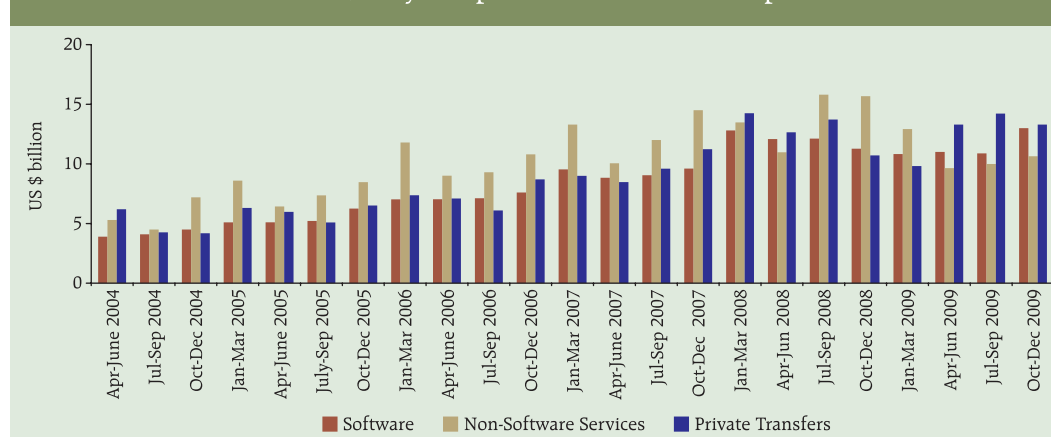
P: Preliminary. PR: Partially Revised. R: Revised.

**Note:** Details of Non-software services under Miscellaneous (Item 5) are given in Table 8.

(iv) Under private transfers, the inward remittances for family maintenance accounted for about 52.7 per cent of the

total private transfer receipts, while local withdrawals accounted for about 43.7 per cent in April-December 2009 (Table 7).

Chart 3: Key Components of Invisible Receipts



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**Table 6: Inflows and Outflows from NRI Deposits and Local Withdrawals**

(US\$ million)			
Year	Inflows	Outflows	Local Withdrawals
1	2	3	4
2007-08 (R)	29,400	29,222	18,919
2008-09 (PR)	37,147	32,858	20,617
April- December 2008 (PR)	27,816	25,703	16,236
April- December 2009 (P)	31,691	28,217	17,823

R: Revised. P: Preliminary. PR: Partially Revised.

- (v) Software receipts at US\$ 34.9 billion showed a marginal decline of 1.7 per cent in April-December 2009. According to the data released by the NASSCOM, the software exports are estimated to be about US\$ 49.7 billion during 2009-10.
- (vi) Miscellaneous receipts, excluding software exports, declined sharply to US \$ 12.8 billion in April-December 2009 from US\$ 24.5 billion in April-December 2008 mainly due to significant decline in communication, financial and business services (Table 8).
- (vii) The key components of the business services receipts and payments were mainly the trade related services,

business and management consultancy services, architectural, engineering and other technical services and services relating to maintenance of offices abroad (Table 9). All the components of business services receipts showed a decline during April-December 2009 reflecting lagged impact of the global crisis. However, payments under almost all components of business services increased during the same period.

- (viii) Receipts under investment income declined to US \$ 9.6 billion in April-December 2009 from US\$ 10.3 billion in the corresponding period of last year on account of significant decline in interest rates abroad (Table 10).
- (ix) Invisibles payments witnessed a positive growth of 3.7 per cent in April-December 2009 (10.4 per cent in April-December 2008) mainly supported by higher business, communication and financial services, and increase in payments under investment income account.
- (x) Due to lower import volumes, transportation payments declined by 19.0 per cent in April-December 2009 as against an increase of 27.0 per cent

**Table 7: Details of Private Transfers to India**

(US \$ million)					
Year	Total Private Transfers	Of which:			
		Inward remittances for family maintenance		Local withdrawals/redemptions from NRI Deposits	
		Amount	Percentage Share in Total	Amount	Percentage Share in Total
1	2	3	4	5	6
2007-08 (R)	43,508	21,922	50.4	18,919	43.5
2008-09 (PR)	46,903	23,886	50.9	20,617	44.0
April- December 2008 (PR)	37,083	18,984	51.2	16,236	43.8
April- December 2009 (P)	40,810	21,490	52.7	17,823	43.7

P: Preliminary. PR: Partially Revised.



**Table 8: Break-up of Non-Software Receipts and Payments under Miscellaneous Services**

(US\$ million)

Item	Receipts				Payments			
	April-March		April-December		April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5	6	7	8	9
1. Communication	2,408	2,172	1,743	984	860	1,087	780	1,006
2. Construction	763	867	517	487	708	896	522	822
3. Financial	3,217	3,948	3,177	2,633	3,133	2,958	2,326	3,219
4. News Agency	503	800	618	271	506	386	275	540
5. Royalties, Copyrights & License Fees	157	132	102	162	1,038	1,721	1,263	1,401
6. Business Services	16,772	16,445	12,595	7,828	16,553	15,435	10,819	13,059
7. Personal, Cultural, and Recreational	562	729	581	350	211	322	251	197
8. Others	2,328	6,298	5,159	96	2,931	2,260	1,995	2,827
<b>Total (1 to 8)</b>	<b>26,710</b>	<b>31,391</b>	<b>24,492</b>	<b>12,812</b>	<b>25,940</b>	<b>25,065</b>	<b>18,231</b>	<b>23,073</b>

P: Preliminary; PR: Partially Revised; R: Revised.

Note: Details of Business Services (item 6) are given in Table 9.

in the corresponding period of previous year. Decline in transportation payments may also be attributed to the lower freight rates on international shipping as compared to corresponding period of last year.

- (xi) Net invisibles (invisibles receipts minus invisibles payments) stood at

US\$ 59.2 billion during April-December 2009 as compared with US\$ 70.9 billion during April-December 2008. At this level, the invisibles surplus financed 66.1 per cent of trade deficit during April-December 2009 as against 72.0 per cent during April-December 2008.

**Table 9: Details of Business Services**

(US\$ million)

Item	Receipts				Payments			
	April-March		April-December		April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5	6	7	8	9
1. Trade Related	2,234	2,016	1,602	1,136	2,285	1,651	1,214	1,398
2. Business & Management Consultancy	4,433	5,017	3,994	2,630	3,422	3,530	2,061	3,643
3. Architectural, Engineering, and other Technical Services	3,145	1,766	1,333	978	3,090	3,130	2,331	3,047
4. Maintenance of offices abroad	2,861	2,984	2,044	1,082	2,761	3,387	2,433	2,736
5. Others	4,099	4,662	3,622	2,002	4,995	4,451	2,780	2,235
<b>Total (1 to 5)</b>	<b>16,772</b>	<b>16,445</b>	<b>12,595</b>	<b>7,828</b>	<b>16,553</b>	<b>15,435</b>	<b>10,819</b>	<b>13,059</b>

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**Table 10: Details of Receipts and Payments of Investment Income**

(US\$ million)				
Item	April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5
<b>A. Receipts</b>	<b>13,811</b>	<b>13,483</b>	<b>10,273</b>	<b>9,649</b>
<i>Of which:</i>				
1. Reinvested Earnings on Indian Investment Abroad	1,084	1,084	813	813
2. Interest/discount Earnings on Foreign exchange reserves	10,124	10,480	8,156	4,827
<b>B. Payments</b>	<b>18,244</b>	<b>17,506</b>	<b>13,179</b>	<b>14,100</b>
<i>Of which:</i>				
1. Interest Payment on NRI deposits	1,813	1,547	1,161	1,196
2. Interest Payment on ECBs	2,647	2,702	2,079	1,875
3. Interest Payments on External Assistance	1,143	1,010	752	615
4. Dividends and Profits	3,226	3,172	2,728	2,794
5. Reinvested Earnings of FDI Companies in India	7,679	6,428	4,705	5,958
<b>C. Net Investment Income (A-B)</b>	<b>-4,433</b>	<b>-4,023</b>	<b>-2,906</b>	<b>-4,451</b>

P: Preliminary.

PR: Partially Revised.

R: Revised.

(xii) Despite lower trade deficit, decline in invisibles surplus led to higher current account deficit at US\$ 30.3 billion in April-December 2009 (US\$ 27.5 billion during April-December 2008) (Chart 4).

to US \$ 257.1 billion (US \$ 253.1 billion in April-December 2008) whereas outflows amounted to US \$ 213.9 billion (US \$ 247.2 billion in April-December 2008) (Table 11).

### Capital Account and Reserves

(i) The gross capital inflows to India during April-December 2009 amounted

(ii) Net capital flows at US\$ 43.2 billion in April-December 2009 was much higher as compared with US\$ 5.8 billion in April-December 2008 mainly

**Chart 4 : Movement in Current Account Balance**

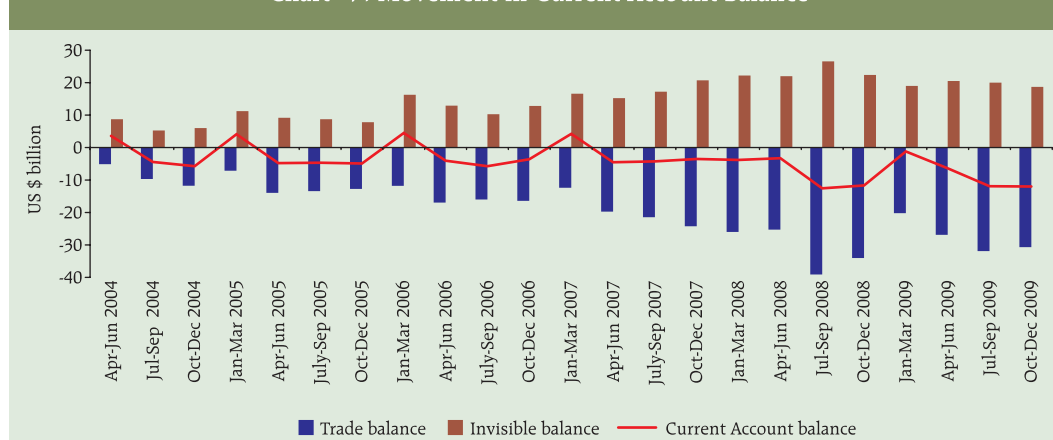


Table 11: Gross Capital Inflows and Outflows

(US\$ million)

Item	Gross Inflows				Gross Outflows			
	April-March		April-December		April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5	6	7	8	9
1. Foreign Direct Investment	37,321	36,261	27,846	30,005	21,429	18,763	13,534	13,471
2. Portfolio Investment	233,800	128,654	109,996	118,736	206,367	142,685	121,334	95,136
<i>Of which:</i>								
FIIs	226,621	127,349	108,789	115,547	206,294	142,366	121,197	95,028
ADR/GDRs	6,645	1,162	1,142	3,152	-	-	-	-
3. External Assistance	4,241	5,041	3,659	3,387	2,126	2,405	1,798	2,175
4. External Commercial Borrowings	30,293	15,244	11,758	9,574	7,684	7,303	4,814	7,284
5. NRI Deposits	29,400	37,147	27,816	31,691	29,222	32,858	25,703	28,217
6. Banking Capital excluding NRI Deposits	26,414	28,060	25,361	12,821	14,832	35,595	27,460	13,307
7. Short-term Trade Credit	47,658	41,841	32,607	35,729	31,729	43,750	31,922	33,064
8. Rupee Debt Service	0	0	0	0	122	100	32	24
9. Other Capital	29,229	20,179	14,015	15,118	18,261	21,723	20,623	21,176
<b>Total (1 to 9)</b>	<b>438,357</b>	<b>312,427</b>	<b>253,057</b>	<b>257,061</b>	<b>331,772</b>	<b>305,181</b>	<b>247,219</b>	<b>213,854</b>

R: Revised      P: Preliminary      PR: Partially Revised.

due to larger inflows under FDI, portfolio investments and NRI deposits (Table 12).

(iii) Net inward FDI into India remained steady at US \$ 26.6 billion during April-December 2009 (US \$ 27.0 billion in

Table 12: Net Capital Flows

(US \$ million)

Item	April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5
1. Foreign Direct Investment	15,893	17,498	14,313	16,534
Inward FDI	34,728	34,992	26,982	26,564
Outward FDI	18,835	17,495	12,669	10,030
2. Portfolio Investment	27,433	-14,030	-11,338	23,600
<i>Of which:</i>				
FIIs	20,327	-15,017	-12,408	20,519
ADR/GDRs	6,645	1,162	1,142	3,152
3. External Assistance	2,114	2,637	1,860	1,212
4. External Commercial Borrowings	22,609	7,941	6,944	2,290
5. NRI Deposits	179	4,290	2,114	3,474
6. Banking Capital excluding NRI Deposits	11,580	-7,535	-2,100	-486
7. Short-term Trade Credit	15,930	-1,909	685	2,665
8. Rupee Debt Service	-122	-100	-32	-24
9. Other Capital	10,969	-1,545	-6,608	-6,058
<b>Total (1 to 9)</b>	<b>106,585</b>	<b>7,246</b>	<b>5,838</b>	<b>43,207</b>

R: Revised.      P: Preliminary.      PR: Partially Revised.

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April-December 2008) reflecting the continuing liberalisation and better growth performance of the Indian economy. During this period, FDI was channeled mainly into manufacturing (22.8 per cent) followed by construction sector (14.5 per cent) and real estate sector (11.0 per cent). Net outward FDI of India at US \$ 10.0 billion in April-December 2009 remained lower as compared to the corresponding period of last year. Due to lower outward FDI, the net FDI (inward FDI minus outward FDI) was higher at US\$ 16.5 billion in April-December 2009 as compared with US\$ 14.3 billion in April-December 2008.

- (iv) Portfolio investment witnessed large net inflows of US\$ 23.7 billion during April-December 2009 as against a net outflow of US\$ 11.3 billion in April-December 2008 due to large net FII inflows of US\$ 20.5 billion.
- (v) Net external commercial borrowings (ECBs) inflow slowed down to US\$ 2.3 billion in April-December 2009 (US\$

6.9 billion in April-December 2008) mainly due to increased repayments.

- (vi) Surplus in capital account increased sharply to US\$ 43.2 billion during April-December 2009 (US\$ 5.8 billion during April-December 2008).
- (vii) The increase in foreign exchange reserves on BoP basis (i.e., excluding valuation) was US\$ 11.3 billion in April-December 2009 (as against a sharp decline in reserves of US\$ 20.4 billion in April-December 2008) (Table 13). Taking into account the valuation gain, foreign exchange reserves recorded an increase of US \$ 31.5 billion in April-December 2009 (as against a decline in reserves of US \$ 53.8 billion in April-December 2008 (Annex A).
- (viii) At the end of December 2009, outstanding foreign exchange reserves stood at US \$ 283.5 billion.

To sum up, the key features of India's BoP that emerged in April-December 2009

**Table 13: Sources of Variation to Reserves (BoP Basis) in April-December 2009**

(US \$ million)				
Item	April-March		April-December	
	2007-08 (R)	2008-09 (PR)	2008-09 (PR)	2009-10 (P)
1	2	3	4	5
A. Current Account Balance	-15,737	-28,728	-27,516	-30,330
B. Capital Account*	107,901	8,648	7,136	41,630
<i>Of which</i>				
Foreign Direct Investment	15,893	17,498	14,313	16,534
Portfolio Investment	27,433	-14,030	-11,338	23,600
External Commercial Borrowings	22,609	7,941	6,944	2,290
Banking Capital	11,759	-3,245	14	2,988
Short Term Trade Credit	15,930	-1,909	685	2,665
A. Change in Reserves: (-) indicates increase; (+) indicates decrease)#	-92,164	20,080	20,380	-11,300

\* : Including errors and omissions. # : On BoP basis (i.e., excluding valuation).

P : Preliminary. PR : Partially Revised. R : Revised.

were: (i) lower trade deficit (US \$ 89.5 billion) led by lower import bills, (ii) lower invisible surplus (US \$ 59.2 billion) mainly due to significant decline in invisibles receipts and increase in invisibles payments, (iii) higher current account deficit (US \$ 30.3 billion) mainly due to lower net invisibles, (iv) large

net capital inflows mainly led by higher inflows under FDI, portfolio investments and NRI deposits, and (v) increase in reserves (excluding valuation) of US \$ 11.3 billion (as against a decline in reserves of US \$ 20.4 billion in April-December 2008). The details of key indicators are set out in Table 14.

Table 14: Key Indicators of India's Balance of Payments

Item	April-March		April-December	
	2007-08 R	2008-09 PR	2008-09 PR	2009-10 P
1	2	3	4	5
<b>Merchandise Trade</b>				
1. Exports ( US \$ on BoP basis) Growth Rate ( % )	28.9	13.7	27.5	-17.3
2. Imports ( US \$ on BoP basis) Growth Rate ( % )	35.1	19.4	35.6	-14.0
3. Crude Oil Prices US \$ Per Barrel (Indian Basket)	79.2	82.7	95.5	67.5
4. Trade Balance ( US \$ billion)	-91.5	-118.7	-98.4	-89.5
5. Exports/ GDP ( % )	13.5	15.6		
6. Imports/ GDP ( % )	21.0	25.4		
7. Trade Balance/ GDP ( % )	-7.4	-9.8		
<b>Invisibles</b>				
8. Net Invisibles ( US \$ billion)	75.7	89.9	70.9	59.2
9. Net Invisible Surplus / Trade Deficit ( % )	82.8	75.8	72.0	66.1
10. Invisibles Receipts/ Current Receipts ( % )	47.3	46.4	45.6	48.4
11. Services Receipts/ Current Receipts ( % )	28.7	28.8	28.1	27.0
12. Private Transfers Receipts/ Current Receipts ( % )	13.8	13.3	13.4	16.9
13. Net Invisibles/ GDP ( % )	6.2	7.4		
14. Private Transfers Receipts /GDP ( % )	3.5	3.9		
15. Software exports/ GDP ( % )	3.3	3.8		
16. Services( net) / GDP ( % )	3.2	4.1		
<b>Current Account</b>				
17. Current Account Balance ( US \$ billion)	-15.7	-28.7	-27.5	-30.3
18. Current Account Balance / GDP ( % )	-1.3	-2.4		
<b>Capital Account</b>				
19. Gross Capital Inflows ( US \$ billion)	438.4	312.4	253.1	257.1
20. Gross Capital Outflows ( US \$ billion)	331.8	305.2	247.2	213.9
21. Net Capital Flows ( US \$ billion)	106.6	7.2	5.8	43.2
22. Net FDI / Net Capital Flows ( % )	14.9	241.5	245.2	38.3
<b>Openess Indicators</b>				
23. Exports plus Imports of Goods / GDP ( % )	34.5	41.0		
24. Current Receipts plus Current Payments / GDP ( % )	52.5	60.5		
25. Net Capital Inflows / GDP ( % )	8.7	0.6		
26. Gross Capital Inflows plus Outflows / GDP ( % )	62.7	51.0		
27. Current Receipts plus Current Payments & Gross Capital Inflows & Outflows /GDP ( % )	115.2	111.5		
<b>Reserves</b>				
28. Import Cover of Reserves (in months)	14.4	9.8	10.2	11.3
29. Outstanding Reserves as at end period (US \$ billion)	309.7	252.0	256.0	283.5

P : Preliminary. PR : Partially Revised. R : Revised.

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### 1. Comparison of RBI and DGCI&S Imports Data

- (i) During April-December 2009, based on the records of the DGCI&S imports data and the BoP merchandise imports, the difference between the two data sets works out to about US\$ 16.0 billion (Table 15).

**Table 15: DGCI&S and the BoP Import Data**

(US\$ billion)

Item	April-March		April-December	
	2007-08	2008-09	2008-09	2009-10
1	2	3	4	5
1. BoP Imports	257.6	307.7	249.0	214.0
2. DGCI&S Imports	251.4	303.7	253.8	198.0
3. Difference (1-2)	6.2	4.0	-4.8	16.0

**Annex A:**  
**Sources of Variation in Foreign Exchange Reserves in India: April-December 2009-10**

During April-December 2009, there was an accretion to foreign exchange reserves mainly on account of valuation gains. Also, inflows under foreign investments, Non-Resident Indian deposits and short-term trade credits have contributed to the increase in foreign exchange reserves during April-December 2009. The sources of variation in the foreign exchange reserves are set out in Table A1.

The foreign exchange reserves (including the valuation effects) increased by US\$ 31,485 million during April-December 2009 as against a decline of US\$ 53,755 million during April-December 2008 (Table A2).

On balance of payments basis (*i.e.*, excluding valuation effects), the foreign exchange reserves increased by US\$ 11,300 million during April-December 2009 as against a decline of US\$ 20,380 million during April-December 2008. The valuation gains, reflecting the depreciation of the US dollar against the major currencies, accounted for US\$ 20,185 million during April-December 2009 as compared with a valuation loss of US\$ 33,375 million during April-December 2008. Accordingly, valuation gains during April-December 2009 accounted for 64.1 per cent of the total increase in foreign exchange reserves.

**Table A1: Sources of Variation in Foreign Exchange Reserves**

(US \$ million)

Items	April-December 2008	April-December 2009
<b>I. Current Account Balance</b>	<b>-27,516</b>	<b>-30,330</b>
<b>II. Capital Account (net) (a to f)</b>	<b>7,136</b>	<b>41,630</b>
a. Foreign Investment (i+ii)	2,975	40,134
(i) Foreign Direct Investment	14,313	16,534
(ii) Portfolio Investment	-11,338	23,600
Of which:		
FIIs	-12,408	20,519
ADRs/GDRs	1,142	3,152
b. External Commercial Borrowings	6,944	2,290
c. Banking Capital	14	2,988
of which: NRI Deposits	2,114	3,474
d. Short-Term Trade Credit	685	2,665
e. External Assistance	1,860	1,212
f. Other items in capital account*	-5,342	-7,659
<b>III. Valuation Change</b>	<b>-33,375</b>	<b>20,185</b>
<b>Total (I+II+III)</b>	<b>-53,755</b>	<b>31,485</b>

**Note:** (i) \*: 'Other items in capital account' apart from 'Errors and Omissions' also include SDR allocations, leads and lags in exports, funds held abroad, advances received pending issue of shares under FDI and transactions of capital receipts not included elsewhere.

(ii) Increase in reserves (+) / Decrease in reserves (-).

**Table A2: Comparative Position**

(US\$ million)

	April-December 2008	April-December 2009
1. Change in Foreign Exchange Reserves (Including Valuation Effects)	-53,755	31,485
2. Valuation Effects [Gain (+)/Loss (-)]	-33,375	20,185
3. Change in Foreign Exchange Reserves on BoP basis (Excluding Valuation Effects)	-20,380	11,300
4. Percentage of increase/decline in Reserves explained by Valuation Gain/Loss	62.1	64.1

**Note:** Increase in reserves (+)/Decrease in reserves (-).

## ARTICLE

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Statement I : India's Overall Balance of Payments						
(US\$ million)						
Item	2005-06			2006-07		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>105,152</b>	<b>157,056</b>	<b>-51,904</b>	<b>128,888</b>	<b>190,670</b>	<b>-61,782</b>
<b>II. Invisibles (a+b+c)</b>	<b>89,687</b>	<b>47,685</b>	<b>42,002</b>	<b>114,558</b>	<b>62,341</b>	<b>52,217</b>
a) Services	57,659	34,489	23,170	73,780	44,311	29,469
i) Travel	7,853	6,638	1,215	9,123	6,684	2,439
ii) Transportation	6,325	8,337	-2,012	7,974	8,068	-94
iii) Insurance	1,062	1,116	-54	1,195	642	553
iv) G.n.i.e.	314	529	-215	253	403	-150
v) Miscellaneous	42,105	17,869	24,236	55,235	28,514	26,721
<i>of which</i>						
Software Services	23,600	1,338	22,262	31,300	2,267	29,033
Business Services	9,307	7,748	1,559	14,544	15,866	-1,322
Financial Services	1,209	965	244	3,106	2,991	115
Communication Services	1,575	289	1,286	2,262	796	1,466
b) Transfers	25,620	933	24,687	31,470	1,391	30,079
i) Official	669	475	194	635	381	254
ii) Private	24,951	458	24,493	30,835	1,010	29,825
c) Income	6,408	12,263	-5,855	9,308	16,639	-7,331
i) Investment Income	6,229	11,491	-5,262	8,926	15,688	-6,762
ii) Compensation of employees	179	772	-593	382	951	-569
<b>Total Current Account (I+II)</b>	<b>194,839</b>	<b>204,741</b>	<b>-9,902</b>	<b>243,446</b>	<b>253,011</b>	<b>-9,565</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>77,298</b>	<b>61,770</b>	<b>15,528</b>	<b>133,210</b>	<b>118,457</b>	<b>14,753</b>
a) Foreign Direct Investment (i+ii)	9,178	6,144	3,034	23,590	15,897	7,693
i) In India	8,962	61	8,901	22,826	87	22,739
Equity	5,976	61	5,915	16,481	87	16,394
Reinvested Earnings	2,760	-	2,760	5,828	-	5,828
Other Capital	226	-	226	517	-	517
ii) Abroad	216	6,083	-5,867	764	15,810	-15,046
Equity	216	3,982	-3,766	764	13,368	-12,604
Reinvested Earnings	-	1,092	-1,092	-	1,076	-1,076
Other Capital	-	1,009	-1,009	-	1,366	-1,366
b) Portfolio Investment	68,120	55,626	12,494	109,620	102,560	7,060
i) In India	68,120	55,626	12,494	109,534	102,530	7,004
<i>of which</i>						
FII's	65,552	55,626	9,926	105,756	102,530	3,226
GDRs/ADRs	2,552	-	2,552	3,776	-	3,776
ii) Abroad	-	-	-	86	30	56
<b>2. Loans (a+b+c)</b>	<b>39,479</b>	<b>31,570</b>	<b>7,909</b>	<b>54,642</b>	<b>30,152</b>	<b>24,490</b>
a) External Assistance	3,631	1,929	1,702	3,767	1,992	1,775
i) By India	24	88	-64	20	32	-12
ii) To India	3,607	1,841	1,766	3,747	1,960	1,787
b) Commercial Borrowings	14,343	11,835	2,508	20,883	4,780	16,103
i) By India	-	251	-251	626	966	-340
ii) To India	14,343	11,584	2,759	20,257	3,814	16,443
c) Short Term to India	21,505	17,806	3,699	29,992	23,380	6,612
i) Suppliers' Credit > 180 days & Buyers' Credit	19,372	17,647	1,725	25,482	22,175	3,307
ii) Suppliers' Credit up to 180 days	2,133	159	1,974	4,510	1,205	3,305
<b>3. Banking Capital (a+b)</b>	<b>21,658</b>	<b>20,285</b>	<b>1,373</b>	<b>37,209</b>	<b>35,296</b>	<b>1,913</b>
a) Commercial Banks	20,586	20,144	442	36,799	35,218	1,581
i) Assets	772	3,947	-3,175	14,466	17,960	-3,494
ii) Liabilities	19,814	16,197	3,617	22,333	17,258	5,075
<i>of which :Non-Resident Deposits</i>	17,835	15,046	2,789	19,914	15,593	4,321
b) Others	1,072	141	931	410	78	332
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>572</b>	<b>-572</b>	<b>-</b>	<b>162</b>	<b>-162</b>
<b>5. Other Capital</b>	<b>5,941</b>	<b>4,709</b>	<b>1,232</b>	<b>8,230</b>	<b>4,021</b>	<b>4,209</b>
<b>Total Capital Account (1 to 5)</b>	<b>144,376</b>	<b>118,906</b>	<b>25,470</b>	<b>233,291</b>	<b>188,088</b>	<b>45,203</b>
<b>C. Errors &amp; Omissions</b>	<b>-</b>	<b>516</b>	<b>-516</b>	<b>968</b>	<b>-</b>	<b>968</b>
<b>D. Overall Balance</b>	<b>339,215</b>	<b>324,163</b>	<b>15,052</b>	<b>477,705</b>	<b>441,099</b>	<b>36,606</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>15,052</b>	<b>-15,052</b>	<b>-</b>	<b>36,606</b>	<b>-36,606</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves ( Increase - / Decrease +)	-	15,052	-15,052	-	36,606	-36,606

P: Preliminary. PR: Partially Revised.



## Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	2007-08			2008-09 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>166,162</b>	<b>257,629</b>	<b>-91,467</b>	<b>189,001</b>	<b>307,651</b>	<b>-118,650</b>
<b>II. Invisibles (a+b+c)</b>	<b>148,875</b>	<b>73,144</b>	<b>75,731</b>	<b>163,534</b>	<b>73,612</b>	<b>89,923</b>
a) Services	90,342	51,490	38,853	101,678	52,047	49,631
i) Travel	11,349	9,258	2,091	10,894	9,425	1,469
ii) Transportation	10,014	11,514	-1,500	11,286	12,820	-1,534
iii) Insurance	1,639	1,044	595	1,419	1,130	289
iv) G.n.i.e.	331	376	-45	389	793	-404
v) Miscellaneous	67,010	29,298	37,712	77,691	27,879	49,812
<i>of which</i>						
Software Services	40,300	3,358	36,942	46,300	2,814	43,486
Business Services	16,772	16,553	219	16,445	15,435	1,010
Financial Services	3,217	3,133	84	3,948	2,958	990
Communication Services	2,408	860	1,548	2,172	1,087	1,084
b) Transfers	44,261	2,316	41,945	47,547	2,749	44,798
i) Official	753	514	239	645	413	232
ii) Private	43,508	1,802	41,706	46,903	2,336	44,567
c) Income	14,272	19,339	-5,068	14,309	18,816	-4,507
i) Investment Income	13,811	18,244	-4,433	13,483	17,506	-4,023
ii) Compensation of employees	461	1,095	-635	825	1,309	-484
<b>Total Current Account (I+II)</b>	<b>315,037</b>	<b>330,774</b>	<b>-15,737</b>	<b>352,535</b>	<b>381,263</b>	<b>-28,728</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>271,122</b>	<b>227,796</b>	<b>43,326</b>	<b>164,915</b>	<b>161,448</b>	<b>3,467</b>
a) Foreign Direct Investment (i+ii)	37,321	21,429	15,893	36,261	18,763	17,498
i. In India	34,844	116	34,728	35,158	166	34,992
Equity	26,865	108	26,757	27,973	166	27,807
Reinvested Earnings	7,679	—	7,679	6,428	—	6,428
Other Capital	300	8	292	757	—	757
ii. Abroad	2,477	21,312	-18,835	1,103	18,597	-17,495
Equity	2,477	16,899	-14,422	1,103	14,669	-13,566
Reinvested Earnings	—	1,084	-1,084	—	1,084	-1,084
Other Capital	—	3,330	-3,330	—	2,844	-2,844
b) Portfolio Investment	233,800	206,367	27,433	128,654	142,685	-14,030
i) In India	233,564	206,294	27,270	128,512	142,365	-13,853
<i>of which</i>						
FIIs	226,621	206,294	20,327	127,349	142,366	-15,017
GDRs/ADRs	6,645	—	6,645	1,162	—	1,162
ii) Abroad	236	73	163	142	319	-177
<b>2. Loans (a+b+c)</b>	<b>82,192</b>	<b>41,539</b>	<b>40,653</b>	<b>62,126</b>	<b>53,458</b>	<b>8,669</b>
a) External Assistance	4,241	2,126	2,114	5,041	2,405	2,637
i) By India	23	28	-4	23	33	-10
ii) To India	4,217	2,098	2,119	5,018	2,371	2,647
b) Commercial Borrowings	30,293	7,684	22,609	15,244	7,303	7,941
i) By India	1,593	1,624	-31	1,997	783	1,214
ii) To India	28,700	6,060	22,640	13,248	6,521	6,727
c) Short Term to India	47,658	31,729	15,930	41,841	43,750	-1,909
i) Suppliers' Credit > 180 days & Buyers' Credit	42,641	31,729	10,913	38,815	38,352	463
ii) Suppliers' Credit up to 180 days	5,017	—	5,017	3,026	5,398	-2,372
<b>3. Banking Capital (a+b)</b>	<b>55,814</b>	<b>44,055</b>	<b>11,759</b>	<b>65,207</b>	<b>68,453</b>	<b>-3,245</b>
a) Commercial Banks	55,735	43,623	12,112	65,094	67,868	-2,774
i) Assets	19,562	12,668	6,894	25,823	28,725	-2,902
ii) Liabilities	36,173	30,955	5,217	39,270	39,142	128
<i>of which :Non-Resident Deposits</i>	29,400	29,222	179	37,147	32,858	4,290
b) Others	79	432	-353	114	585	-471
<b>4. Rupee Debt Service</b>	<b>—</b>	<b>122</b>	<b>-122</b>	<b>—</b>	<b>100</b>	<b>-100</b>
<b>5. Other Capital</b>	<b>29,229</b>	<b>18,261</b>	<b>10,969</b>	<b>20,179</b>	<b>21,723</b>	<b>-1,545</b>
<b>Total Capital Account (1 to 5)</b>	<b>438,357</b>	<b>331,772</b>	<b>106,585</b>	<b>312,427</b>	<b>305,181</b>	<b>7,246</b>
<b>C. Errors &amp; Omissions</b>	<b>1,316</b>	<b>—</b>	<b>1,316</b>	<b>1,402</b>	<b>—</b>	<b>1,402</b>
<b>D. Overall Balance</b>	<b>754,710</b>	<b>662,546</b>	<b>92,164</b>	<b>666,364</b>	<b>686,444</b>	<b>-20,080</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>—</b>	<b>92,164</b>	<b>-92,164</b>	<b>20,080</b>	<b>—</b>	<b>20,080</b>
i) I.M.F.	—	—	—	—	—	—
ii) Foreign Exchange Reserves ( Increase - / Decrease +)	—	92,164	-92,164	20,080	—	20,080

## ARTICLE

Developments in  
India's Balance of  
Payments during the  
Third Quarter  
(October-December 2009)  
of 2009-10 and  
April-December 2009

Statement I : India's Overall Balance of Payments (Contd.)						
(US\$ million)						
Item	Apr-Jun 2006			Jul-Sep 2006		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>29,663</b>	<b>46,613</b>	<b>-16,950</b>	<b>32,701</b>	<b>48,717</b>	<b>-16,016</b>
<b>II. Invisibles (a+b+c)</b>	<b>24,934</b>	<b>12,421</b>	<b>12,513</b>	<b>24,866</b>	<b>14,597</b>	<b>10,269</b>
a) Services	16,042	8,475	7,567	16,416	9,966	6,450
i) Travel	1,708	1,488	220	1,796	1,811	-15
ii) Transportation	1,715	1,997	-282	1,973	1,978	-5
iii) Insurance	238	129	109	315	154	161
iv) G.n.i.e.	40	79	-39	61	122	-61
v) Miscellaneous	12,341	4,782	7,559	12,271	5,901	6,370
<i>of which</i>						
<i>Software Services</i>	7,039	415	6,624	7,121	405	6,716
<i>Business Services</i>	3,386	2,646	740	3,436	3,300	136
<i>Financial Services</i>	509	318	191	716	703	13
<i>Communication Services</i>	475	108	367	569	180	389
b) Transfers	7,170	289	6,881	6,218	361	5,857
i) Official	69	82	-13	119	100	19
ii) Private	7,101	207	6,894	6,099	261	5,838
c) Income	1,722	3,657	-1,935	2,232	4,270	-2,038
i) Investment Income	1,659	3,461	-1,802	2,160	4,042	-1,882
ii) Compensation of Employees	63	196	-133	72	228	-156
<b>Total Current Account (I+II)</b>	<b>54,597</b>	<b>59,034</b>	<b>-4,437</b>	<b>57,567</b>	<b>63,314</b>	<b>-5,747</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>34,299</b>	<b>33,067</b>	<b>1,232</b>	<b>22,485</b>	<b>18,219</b>	<b>4,266</b>
a) Foreign Direct Investment (i+ii)	3,477	1,739	1,738	4,545	2,429	2,116
i) In India	3,413	8	3,405	4,400	2	4,398
<i>Equity</i>	1,946	8	1,938	2,886	2	2,884
<i>Reinvested Earnings</i>	1,457	-	1,457	1,457	-	1,457
<i>Other Capital</i>	10	-	10	57	-	57
ii) Abroad	64	1,731	-1,667	145	2,427	-2,282
<i>Equity</i>	64	1,189	-1,125	145	1,868	-1,723
<i>Reinvested Earnings</i>	-	269	-269	-	269	-269
<i>Other Capital</i>	-	273	-273	-	290	-290
b) Portfolio Investment	30,822	31,328	-506	17,940	15,790	2,150
i) In India	30,801	31,327	-526	17,929	15,789	2,140
<i>of which</i>						
FIIIs	29,540	31,327	-1,787	17,469	15,789	1,680
GDRs/ADRs	1,261	-	1,261	460	-	460
ii) Abroad	21	1	20	11	1	10
<b>2. Loans (a+b+c)</b>	<b>11,499</b>	<b>6,288</b>	<b>5,211</b>	<b>11,228</b>	<b>6,446</b>	<b>4,782</b>
a) External Assistance	577	526	51	788	449	339
i) By India	5	8	-3	5	8	-3
ii) To India	572	518	54	783	441	342
b) Commercial Borrowings	5,051	1,073	3,978	2,680	920	1,760
i) By India	87	223	-136	114	170	-56
ii) To India	4,964	850	4,114	2,566	750	1,816
c) Short Term To India	5,871	4,689	1,182	7,760	5,077	2,683
i) Suppliers' Credit > 180 days & Buyers' Credit	5,082	4,689	393	6,579	5,077	1,502
ii) Suppliers' Credit up to 180 days	789	-	789	1,181	-	1,181
<b>3. Banking Capital (a+b)</b>	<b>9,909</b>	<b>4,848</b>	<b>5,061</b>	<b>5,754</b>	<b>7,472</b>	<b>-1,718</b>
a) Commercial Banks	9,837	4,848	4,989	5,754	7,428	-1,674
i) Assets	5,257	1,877	3,380	1,568	3,553	-1,985
ii) Liabilities	4,580	2,971	1,609	4,186	3,875	311
<i>of which: Non-Resident Deposits</i>	4,246	2,944	1,302	4,185	3,277	908
b) Others	72	-	72	-	44	-44
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>67</b>	<b>-67</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Other Capital</b>	<b>342</b>	<b>1,054</b>	<b>-712</b>	<b>1,084</b>	<b>554</b>	<b>530</b>
<b>Total Capital Account (1 to 5)</b>	<b>56,049</b>	<b>45,324</b>	<b>10,725</b>	<b>40,551</b>	<b>32,691</b>	<b>7,860</b>
<b>C. Errors &amp; Omissions</b>	<b>91</b>	<b>-</b>	<b>91</b>	<b>157</b>	<b>-</b>	<b>157</b>
<b>D. Overall Balance</b>	<b>110,737</b>	<b>104,358</b>	<b>6,379</b>	<b>98,275</b>	<b>96,005</b>	<b>2,270</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>6,379</b>	<b>-6,379</b>	<b>-</b>	<b>2,270</b>	<b>-2,270</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	6,379	-6,379	-	2,270	-2,270

## Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Oct-Dec 2006			Jan-Mar 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	20	21	22	23	24	25
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>30,824</b>	<b>47,257</b>	<b>-16,433</b>	<b>35,700</b>	<b>48,083</b>	<b>-12,383</b>
<b>II. Invisibles (a+b+c)</b>	<b>29,704</b>	<b>16,875</b>	<b>12,829</b>	<b>35,054</b>	<b>18,448</b>	<b>16,606</b>
a) Services	18,451	12,371	6,080	22,871	13,499	9,372
i) Travel	2,621	1,638	983	2,998	1,747	1,251
ii) Transportation	2,092	2,102	-10	2,194	1,991	203
iii) Insurance	288	201	87	354	158	196
iv) G.n.i.e.	87	97	-10	65	105	-40
v) Miscellaneous	13,363	8,333	5,030	17,260	9,498	7,762
<i>of which</i>						
Software Services	7,602	684	6,918	9,538	763	8,775
Business Services	3,690	4,267	-577	4,032	5,653	-1,621
Financial Services	828	647	181	1,053	1,323	-270
Communication Services	597	239	358	621	269	352
b) Transfers	8,961	333	8,628	9,121	408	8,713
i) Official	287	89	198	160	110	50
ii) Private	8,674	244	8,430	8,961	298	8,663
c) Income	2,292	4,171	-1,879	3,062	4,541	-1,479
i) Investment Income	2,193	3,936	-1,743	2,914	4,249	-1,335
ii) Compensation of Employees	99	235	-136	148	292	-144
<b>Total Current Account (I+II)</b>	<b>60,528</b>	<b>64,132</b>	<b>-3,604</b>	<b>70,754</b>	<b>66,531</b>	<b>4,223</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>38,646</b>	<b>32,179</b>	<b>6,467</b>	<b>37,780</b>	<b>34,992</b>	<b>2,788</b>
a) Foreign Direct Investment (i+ii)	10,008	7,110	2,898	5,560	4,619	941
i) In India	9,855	7	9,848	5,158	70	5,088
Equity	8,203	7	8,196	3,446	70	3,376
Reinvested Earnings	1,457	—	1,457	1,457	—	1,457
Other Capital	195	—	195	255	—	255
ii) Abroad	153	7,103	-6,950	402	4,549	-4,147
Equity	153	6,454	-6,301	402	3,857	-3,455
Reinvested Earnings	—	269	-269	—	269	-269
Other Capital	—	380	-380	—	423	-423
b) Portfolio Investment	28,638	25,069	3,569	32,220	30,373	1,847
i) In India	28,625	25,063	3,562	32,179	30,351	1,828
<i>of which</i>						
FII's	28,418	25,063	3,355	30,329	30,351	-22
GDRs/ADRs	207	—	207	1848	—	1848
ii) Abroad	13	6	7	41	22	19
<b>2. Loans (a+b+c)</b>	<b>14,731</b>	<b>8,250</b>	<b>6,481</b>	<b>17,184</b>	<b>9,168</b>	<b>8,016</b>
a) External Assistance	1,113	494	619	1,289	523	766
i) By India	5	8	-3	5	8	-3
ii) To India	1,108	486	622	1,284	515	769
b) Commercial Borrowings	5,418	1,369	4,049	7,734	1,418	6,316
i) By India	425	345	80	—	228	-228
ii) To India	4,993	1,024	3,969	7,734	1,190	6,544
c) Short Term To India	8,200	6,387	1,813	8,161	7,227	934
i) Suppliers' Credit > 180 days & Buyers' Credit	5,660	6,387	-727	8,161	6,022	2,139
ii) Suppliers' Credit up to 180 days	2,540	—	2,540	—	1,205	-1,205
<b>3. Banking Capital (a+b)</b>	<b>7,160</b>	<b>10,273</b>	<b>-3,113</b>	<b>14,386</b>	<b>12,703</b>	<b>1,683</b>
a) Commercial Banks	6,944	10,239	-3,295	14,264	12,703	1,561
i) Assets	556	4,530	-3,974	7,085	8,000	-915
ii) Liabilities	6,388	5,709	679	7,179	4,703	2,476
<i>of which: Non-Resident Deposits</i>	6,325	4,862	1,463	5,158	4,510	648
b) Others	216	34	182	122	—	122
<b>4. Rupee Debt Service</b>	<b>—</b>	<b>2</b>	<b>-2</b>	<b>—</b>	<b>93</b>	<b>-93</b>
<b>5. Other Capital</b>	<b>1,976</b>	<b>994</b>	<b>982</b>	<b>4,828</b>	<b>1,419</b>	<b>3,409</b>
<b>Total Capital Account (1 to 5)</b>	<b>62,513</b>	<b>51,698</b>	<b>10,815</b>	<b>74,178</b>	<b>58,375</b>	<b>15,803</b>
<b>C. Errors &amp; Omissions</b>	<b>294</b>	<b>—</b>	<b>294</b>	<b>426</b>	<b>—</b>	<b>426</b>
<b>D. Overall Balance</b>	<b>123,335</b>	<b>115,830</b>	<b>7,505</b>	<b>145,358</b>	<b>124,906</b>	<b>20,452</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>—</b>	<b>7,505</b>	<b>-7,505</b>	<b>—</b>	<b>20,452</b>	<b>-20,452</b>
i) I.M.F.	—	—	—	—	—	—
ii) Foreign Exchange Reserves (Increase - / Decrease +)	—	7,505	-7,505	—	20,452	-20,452

## ARTICLE

Developments in  
India's Balance of  
Payments during the  
Third Quarter  
(October-December 2009)  
of 2009-10 and  
April-December 2009

Statement I : India's Overall Balance of Payments (Contd.)						
(US\$ million)						
Item	Apr-Jun 2007			Jul-Sep 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	26	27	28	29	30	31
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>36,601</b>	<b>56,348</b>	<b>-19,747</b>	<b>38,429</b>	<b>59,904</b>	<b>-21,475</b>
<b>II. Invisibles (a+b+c)</b>	<b>29,921</b>	<b>14,706</b>	<b>15,215</b>	<b>34,442</b>	<b>17,224</b>	<b>17,218</b>
a) Services	18,931	9,926	9,006	21,016	11,598	9,418
i) Travel	2,088	1,906	182	2,248	2,047	201
ii) Transportation	1,953	2,526	-573	2,091	2,559	-468
iii) Insurance	373	185	188	341	284	57
iv) G.n.i.e.	94	110	-16	68	128	-60
v) Miscellaneous	14,424	5,199	9,225	16,267	6,580	9,687
<i>of which</i>						
<i>Software Services</i>	8,836	679	8,157	9,050	801	8,248
<i>Business Services</i>	3,758	3,222	536	3,894	3,537	357
<i>Financial Services</i>	528	449	79	916	702	215
<i>Communication Services</i>	513	231	282	613	180	433
b) Transfers	8,628	432	8,196	9,708	408	9,300
i) Official	153	165	-11	158	112	46
ii) Private	8,475	267	8,208	9,550	296	9,254
c) Income	2,362	4,349	-1,987	3,718	5,218	-1,500
i) Investment Income	2,279	4,151	-1,871	3,608	4,920	-1,312
ii) Compensation of Employees	83	198	-116	110	298	-188
<b>Total Current Account (I+II)</b>	<b>66,523</b>	<b>71,054</b>	<b>-4,532</b>	<b>72,871</b>	<b>77,128</b>	<b>-4,257</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>43,173</b>	<b>32,757</b>	<b>10,416</b>	<b>54,343</b>	<b>41,177</b>	<b>13,166</b>
a) Foreign Direct Investment (i+ii)	8,409	5,535	2,874	5,640	3,374	2,266
i) In India	7,616	20	7,595	4,865	19	4,847
<i>Equity</i>	5,574	20	5,553	2,822	19	2,803
<i>Reinvested Earnings</i>	1,920	—	1,920	1,920	—	1,920
<i>Other Capital</i>	122	—	122	124	—	124
ii) Abroad	793	5,514	-4,721	774	3,355	-2,581
<i>Equity</i>	793	4,758	-3,965	774	2,515	-1,741
<i>Reinvested Earnings</i>	—	271	-271	—	271	-271
<i>Other Capital</i>	—	485	-485	—	569	-569
b) Portfolio Investment	34,764	27,222	7,542	48,704	37,803	10,900
i) In India	34,706	27,216	7,490	48,698	37,781	10,918
<i>of which</i>						
FIIIs	34,305	27,216	7,089	46,199	37,781	8,418
GDRs/ADRs	316	—	316	2,477	—	2,477
ii) Abroad	58	6	52	5	23	-17
<b>2. Loans (a+b+c)</b>	<b>16,740</b>	<b>7,593</b>	<b>9,147</b>	<b>20,008</b>	<b>10,428</b>	<b>9,580</b>
a) External Assistance	731	491	241	983	515	468
i) By India	6	7	-1	6	7	-1
ii) To India	726	484	242	977	508	469
b) Commercial Borrowings	8,282	1,338	6,944	6,288	2,071	4,217
i) By India	359	345	14	443	503	-60
ii) To India	7,923	993	6,930	5,845	1,568	4,277
c) Short Term To India	7,726	5,764	1,962	12,737	7,842	4,895
i) Suppliers' Credit > 180 days & Buyers' Credit	6,883	5,764	1,119	11,012	7,842	3,170
ii) Suppliers' Credit up to 180 days	843	—	843	1,725	—	1,725
<b>3. Banking Capital (a+b)</b>	<b>8,561</b>	<b>9,479</b>	<b>-918</b>	<b>13,714</b>	<b>7,070</b>	<b>6,643</b>
a) Commercial Banks	8,561	9,473	-913	13,690	7,000	6,690
i) Assets	2,543	2,861	-318	4,404	358	4,046
ii) Liabilities	6,017	6,612	-595	9,286	6,642	2,645
<i>of which: Non-Resident Deposits</i>	5,252	5,699	-447	6,975	6,606	369
b) Others	—	6	-6	24	71	-47
<b>4. Rupee Debt Service</b>	<b>—</b>	<b>43</b>	<b>-43</b>	<b>—</b>	<b>2</b>	<b>-2</b>
<b>5. Other Capital</b>	<b>2,822</b>	<b>5,726</b>	<b>-2,904</b>	<b>9,025</b>	<b>5,188</b>	<b>3,837</b>
<b>Total Capital Account (1 to 5)</b>	<b>71,296</b>	<b>55,598</b>	<b>15,698</b>	<b>97,090</b>	<b>63,866</b>	<b>33,224</b>
<b>C. Errors &amp; Omissions</b>	<b>34</b>	<b>—</b>	<b>34</b>	<b>269</b>	<b>—</b>	<b>269</b>
<b>D. Overall Balance</b>	<b>137,852</b>	<b>126,652</b>	<b>11,200</b>	<b>170,230</b>	<b>140,994</b>	<b>29,236</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>—</b>	<b>11,200</b>	<b>-11,200</b>	<b>—</b>	<b>29,236</b>	<b>-29,236</b>
i) I.M.F.	—	—	—	—	—	—
ii) Foreign Exchange Reserves (Increase - / Decrease +)	—	11,200	-11,200	—	29,236	-29,236

## Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Oct-Dec 2007			Jan-Mar 2008		
	Credit	Debit	Net	Credit	Debit	Net
1	32	33	34	35	36	37
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>43,054</b>	<b>67,294</b>	<b>-24,241</b>	<b>48,079</b>	<b>74,084</b>	<b>-26,005</b>
<b>II. Invisibles (a+b+c)</b>	<b>39,044</b>	<b>18,314</b>	<b>20,730</b>	<b>45,468</b>	<b>22,901</b>	<b>22,567</b>
a) Services	24,109	12,763	11,346	26,286	17,203	9,083
i) Travel	3,395	2,519	876	3,618	2,786	832
ii) Transportation	2,799	3,043	-245	3,171	3,386	-215
iii) Insurance	438	261	177	487	314	173
iv) G.n.i.e.	90	75	16	78	63	15
v) Miscellaneous	17,387	6,865	10,522	18,932	10,654	8,278
<i>of which</i>						
Software Services	9,608	852	8,757	12,806	1,026	11,780
Business Services	4,588	4,245	343	4,532	5,549	-1,016
Financial Services	882	763	119	891	1,219	-328
Communication Services	601	183	418	681	265	416
b) Transfers	11,427	493	10,934	14,498	982	13,515
i) Official	195	121	73	247	116	131
ii) Private	11,233	372	10,861	14,251	866	13,384
c) Income	3,508	5,058	-1,550	4,684	4,715	-31
i) Investment Income	3,401	4,791	-1,390	4,523	4,383	140
ii) Compensation of Employees	106	267	-160	161	333	-171
<b>Total Current Account (I+II)</b>	<b>82,097</b>	<b>85,607</b>	<b>-3,511</b>	<b>93,546</b>	<b>96,984</b>	<b>-3,438</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>84,486</b>	<b>69,639</b>	<b>14,847</b>	<b>89,119</b>	<b>84,222</b>	<b>4,897</b>
a) Foreign Direct Investment (i+ii)	8,396	6,275	2,120	14,877	6,245	8,633
i) In India	7,996	43	7,953	14,367	34	14,334
Equity	6,022	43	5,978	12,448	26	12,422
Reinvested Earnings	1,920	—	1,920	1,920	—	1,920
Other Capital	54	—	54	—	8	-8
ii) Abroad	400	6,232	-5,832	510	6,211	-5,701
Equity	400	5,206	-4,806	510	4,419	-3,909
Reinvested Earnings	—	271	-271	—	271	-271
Other Capital	—	755	-755	—	1,521	-1,521
b) Portfolio Investment	76,090	63,364	12,727	74,242	77,978	-3,736
i) In India	75,972	63,345	12,627	74,188	77,952	-3,764
<i>of which</i>						
FIIIs	72,309	63,345	8,964	73,808	77,952	-4,144
GDRs/ADRs	3,473	—	3,473	379	—	379
ii) Abroad	119	19	100	54	26	28
<b>2. Loans (a+b+c)</b>	<b>20,657</b>	<b>10,587</b>	<b>10,070</b>	<b>24,787</b>	<b>12,931</b>	<b>11,856</b>
a) External Assistance	1,109	544	565	1,417	577	840
i) By India	6	7	-1	6	7	-1
ii) To India	1,103	537	566	1,411	570	841
b) Commercial Borrowings	8,427	2,187	6,240	7,296	2,088	5,209
i) By India	363	384	-21	427	392	35
ii) To India	8,064	1,803	6,261	6,869	1,696	5,173
c) Short Term To India	11,121	7,855	3,266	16,074	10,267	5,807
i) Suppliers' Credit > 180 days & Buyers' Credit	10,231	7,855	2,376	14,515	10,267	4,248
ii) Suppliers' Credit up to 180 days	890	—	890	1,559	—	1,559
<b>3. Banking Capital (a+b)</b>	<b>12,588</b>	<b>12,381</b>	<b>207</b>	<b>20,951</b>	<b>15,124</b>	<b>5,827</b>
a) Commercial Banks	12,586	12,029	557	20,899	15,121	5,777
i) Assets	5,636	3,939	1,698	6,979	5,510	1,469
ii) Liabilities	6,949	8,090	-1,141	13,920	9,612	4,308
<i>of which: Non-Resident Deposits</i>	6,456	7,309	-853	10,718	9,608	1,110
b) Others	3	352	-350	52	3	49
<b>4. Rupee Debt Service</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>76</b>	<b>-76</b>
<b>5. Other Capital</b>	<b>9,407</b>	<b>4,892</b>	<b>4,515</b>	<b>7,976</b>	<b>2,455</b>	<b>5,521</b>
<b>Total Capital Account (1 to 5)</b>	<b>127,138</b>	<b>97,499</b>	<b>29,639</b>	<b>142,833</b>	<b>114,809</b>	<b>28,024</b>
<b>C. Errors &amp; Omissions</b>	<b>609</b>	<b>609</b>	<b>609</b>	<b>405</b>	<b>405</b>	<b>405</b>
<b>D. Overall Balance</b>	<b>209,844</b>	<b>183,106</b>	<b>26,738</b>	<b>236,783</b>	<b>211,794</b>	<b>24,990</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>—</b>	<b>26,738</b>	<b>-26,738</b>	<b>—</b>	<b>24,990</b>	<b>-24,990</b>
i) I.M.F.	—	—	—	—	—	—
ii) Foreign Exchange Reserves (Increase - / Decrease +)	—	26,738	-26,738	—	24,990	-24,990

## ARTICLE

Developments in  
India's Balance of  
Payments during the  
Third Quarter  
(October-December 2009)  
of 2009-10 and  
April-December 2009

Statement I : India's Overall Balance of Payments (Contd.)						
(US\$ million)						
Item	Apr-Jun 2008 PR			Jul-Sep 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	38	39	40	41	42	43
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>57,454</b>	<b>82,731</b>	<b>-25,277</b>	<b>53,630</b>	<b>92,752</b>	<b>-39,121</b>
<b>II. Invisibles (a+b+c)</b>	<b>39,424</b>	<b>17,421</b>	<b>22,003</b>	<b>45,843</b>	<b>19,297</b>	<b>26,546</b>
a) Services	23,054	12,344	10,710	27,925	13,525	14,400
i) Travel	2,504	2,164	341	2,786	2,711	75
ii) Transportation	2,615	3,328	-713	3,041	3,751	-710
iii) Insurance	350	227	123	377	306	71
iv) G.n.i.e.	130	110	19	81	95	-14
v) Miscellaneous	17,455	6,515	10,940	21,640	6,662	14,978
<i>of which</i>						
Software Services	12,081	844	11,237	12,120	935	11,185
Business Services	3,564	3,217	346	4,846	4,034	812
Financial Services	615	620	-5	1,673	966	707
Communication Services	510	227	284	740	296	444
b) Transfers	12,797	654	12,143	13,773	831	12,942
i) Official	148	107	40	51	97	-46
ii) Private	12,649	547	12,102	13,722	734	12,988
c) Income	3,573	4,422	-849	4,145	4,941	-796
i) Investment Income	3,418	4,094	-676	3,855	4,610	-755
ii) Compensation of employees	155	328	-174	290	331	-41
<b>Total Current Account (I+II)</b>	<b>96,878</b>	<b>100,152</b>	<b>-3,274</b>	<b>99,474</b>	<b>112,049</b>	<b>-12,575</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>52,901</b>	<b>48,144</b>	<b>4,757</b>	<b>51,777</b>	<b>48,185</b>	<b>3,591</b>
a) Foreign Direct Investment (i+ii)	12,134	3,170	8,964	9,146	4,244	4,903
i) In India	11,898	21	11,876	8,831	52	8,778
Equity	10,240	21	10,218	7,304	52	7,251
Reinvested Earnings	1,492	-	1,492	1,492	-	1,492
Other Capital	166	-	166	35	-	35
ii) Abroad	236	3,148	-2,912	316	4,191	-3,876
Equity	236	2,346	-2,111	316	3,426	-3,111
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	531	-531	-	494	-494
b) Portfolio Investment	40,768	44,975	-4,207	42,630	43,942	-1,311
i) In India	40,745	44,923	-4,177	42,618	43,919	-1,302
<i>of which</i>						
FIIs	39,746	44,923	-5,177	42,482	43,919	-1,437
GDRs/ADRs	999	-	999	136	-	136
ii) Abroad	22	52	-29	13	22	-10
<b>2. Loans (a+b+c)</b>	<b>15,952</b>	<b>9,618</b>	<b>6,333</b>	<b>16,276</b>	<b>13,669</b>	<b>2,607</b>
a) External Assistance	909	559	351	1,095	577	518
i) By India	6	8	-2	6	8	-2
ii) To India	903	550	353	1,089	569	521
b) Commercial Borrowings	2,760	1,281	1,479	3,572	1,885	1,687
i) By India	403	190	213	532	138	393
ii) To India	2,357	1,090	1,267	3,040	1,747	1,294
c) Short Term to India	12,282	7,779	4,503	11,609	11,207	402
i) Suppliers' Credit > 180 days & Buyers' Credit	9,256	7,779	1,477	11,609	9,766	1,843
ii) Suppliers' Credit up to 180 days	3,026	-	3,026	-	1,441	-1,441
<b>3. Banking Capital (a+b)</b>	<b>21,987</b>	<b>19,291</b>	<b>2,696</b>	<b>16,360</b>	<b>14,086</b>	<b>2,275</b>
a) Commercial Banks	21,987	19,140	2,847	16,360	14,083	2,277
i) Assets	11,457	10,533	924	6,596	5,154	1,442
ii) Liabilities	10,530	8,607	1,923	9,764	8,929	835
<i>of which :Non-Resident Deposits</i>	9,098	8,284	814	9,176	8,917	259
b) Others	-	151	-151	-	3	-3
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>30</b>	<b>-30</b>	<b>-</b>	<b>3</b>	<b>-3</b>
<b>5. Other Capital</b>	<b>3,559</b>	<b>12,463</b>	<b>-8,904</b>	<b>5,595</b>	<b>6,967</b>	<b>-1,372</b>
<b>Total Capital Account (1 to 5)</b>	<b>94,399</b>	<b>89,546</b>	<b>4,853</b>	<b>90,008</b>	<b>82,909</b>	<b>7,099</b>
<b>C. Errors &amp; Omissions</b>	<b>656</b>	<b>-</b>	<b>656</b>	<b>742</b>	<b>-</b>	<b>742</b>
<b>D. Overall Balance</b>	<b>191,933</b>	<b>189,698</b>	<b>2,235</b>	<b>190,224</b>	<b>194,958</b>	<b>-4,734</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>2,235</b>	<b>-2,235</b>	<b>4,734</b>	<b>-</b>	<b>4,734</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	2,235	-2,235	4,734	-	4,734

## Statement I : India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Oct-Dec 2008 PR			Jan-Mar 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	44	45	46	47	48	49
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>39,436</b>	<b>73,484</b>	<b>-34,049</b>	<b>38,481</b>	<b>58,685</b>	<b>-20,204</b>
<b>II. Invisibles (a+b+c)</b>	<b>41,139</b>	<b>18,757</b>	<b>22,381</b>	<b>37,128</b>	<b>18,137</b>	<b>18,992</b>
a) Services	26,950	13,099	13,851	23,749	13,078	10,670
i) Travel	2,924	1,946	979	2,680	2,606	74
ii) Transportation	2,713	3,241	-528	2,916	2,499	416
iii) Insurance	344	268	77	348	329	18
iv) G.n.i.e.	97	233	-136	81	355	-273
v) Miscellaneous	20,872	7,412	13,460	17,724	7,289	10,435
<i>of which</i>						
Software Services	11,274	580	10,694	10,825	455	10,370
Business Services	4,185	3,568	618	3,850	4,616	-766
Financial Services	889	740	150	771	633	138
Communication Services	493	257	236	429	308	121
b) Transfers	10,997	845	10,151	9,980	419	9,562
i) Official	285	98	187	161	111	50
ii) Private	10,712	748	9,964	9,820	308	9,512
c) Income	3,192	4,813	-1,621	3,399	4,640	-1,240
i) Investment Income	3,000	4,475	-1,475	3,210	4,328	-1,118
ii) Compensation of Employees	192	338	-146	189	312	-123
<b>Total Current Account (I+II)</b>	<b>80,574</b>	<b>92,241</b>	<b>-11,668</b>	<b>75,609</b>	<b>76,821</b>	<b>-1,212</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>33,164</b>	<b>38,539</b>	<b>-5,374</b>	<b>27,073</b>	<b>26,580</b>	<b>493</b>
a) Foreign Direct Investment (i+ii)	6,567	6,121	446	8,414	5,229	3,185
i) In India	6,356	29	6,327	8,073	63	8,010
Equity	4,109	29	4,080	6,322	63	6,259
Reinvested Earnings	1,721	—	1,721	1,721	—	1,721
Other Capital	526	—	526	31	—	31
ii) Abroad	210	6,092	-5,881	341	5,166	-4,825
Equity	210	4,489	-4,279	341	4,407	-4,066
Reinvested Earnings	—	271	-271	—	271	-271
Other Capital	—	1,331	-1,331	—	488	-488
b) Portfolio Investment	26,598	32,418	-5,820	18,658	21,350	-2,692
i) In India	26,568	32,355	-5,786	18,580	21,169	-2,588
<i>of which</i>						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
GDRs/ADRs	7	—	7	20	—	20
ii) Abroad	29	63	-34	78	182	-104
<b>2. Loans (a+b+c)</b>	<b>15,795</b>	<b>15,247</b>	<b>548</b>	<b>14,104</b>	<b>14,924</b>	<b>-820</b>
a) External Assistance	1,654	663	992	1,383	606	777
i) By India	6	8	-2	6	8	-2
ii) To India	1,649	655	994	1,377	598	779
b) Commercial Borrowings	5,426	1,648	3,778	3,487	2,490	997
i) By India	662	148	514	399	306	93
ii) To India	4,763	1,500	3,263	3,087	2,184	904
c) Short Term To India	8,715	12,936	-4,221	9,234	11,828	-2,594
i) Suppliers' Credit > 180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216
ii) Suppliers' Credit up to 180 days	—	2,579	-2,579	—	1,378	-1,378
<b>3. Banking Capital (a+b)</b>	<b>14,830</b>	<b>19,786</b>	<b>-4,956</b>	<b>12,030</b>	<b>15,290</b>	<b>-3,260</b>
a) Commercial Banks	14,827	19,355	-4,528	11,919	15,290	-3,371
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920
ii) Liabilities	9,636	11,814	-2,178	9,341	9,792	-451
<i>of which: Non-Resident Deposits</i>	9,543	8,501	1,042	9,331	7,155	2,176
b) Others	2	431	-429	111	—	111
<b>4. Rupee Debt Service</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>68</b>	<b>-68</b>
<b>5. Other Capital</b>	<b>4,861</b>	<b>1,193</b>	<b>3,668</b>	<b>6,164</b>	<b>1,101</b>	<b>5,063</b>
<b>Total Capital Account (1 to 5)</b>	<b>68,650</b>	<b>74,764</b>	<b>-6,114</b>	<b>59,370</b>	<b>57,962</b>	<b>1,408</b>
<b>C. Errors &amp; Omissions</b>	<b>—</b>	<b>100</b>	<b>-100</b>	<b>104</b>	<b>—</b>	<b>104</b>
<b>D. Overall Balance</b>	<b>149,224</b>	<b>167,105</b>	<b>-17,881</b>	<b>135,083</b>	<b>134,783</b>	<b>300</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>17,881</b>	<b>—</b>	<b>17,881</b>	<b>—</b>	<b>300</b>	<b>-300</b>
i) I.M.F.	—	—	—	—	—	—
ii) Foreign Exchange Reserves (Increase - / Decrease +)	17,881	—	17,881	—	300	-300

## ARTICLE

Developments in  
India's Balance of  
Payments during the  
Third Quarter  
(October-December 2009)  
of 2009-10 and  
April-December 2009

Statement I : India's Overall Balance of Payments (Concl'd.)									
(US\$ million)									
Item	Apr-Jun 2009 PR			July-Sept 2009 PR			Oct-Dec 2009 P		
	Credit	Debit	Net	Credit	Debit	Net	Credit	Debit	Net
1	50	51	52	53	54	55	56	57	58
<b>A. Current Account</b>									
<b>I. Merchandise</b>	37,910	64,804	-26,894	41,915	73,810	-31,895	44,648	75,374	-30,726
<b>II. Invisibles (a+b+c)</b>	36,946	16,412	20,534	39,894	19,939	19,955	39,879	21,183	18,696
a) Services	20,652	10,963	9,689	20,877	13,647	7,230	23,642	15,959	7,683
i) Travel	2,297	2,004	293	2,530	2,393	137	3,098	2,251	847
ii) Transportation	2,490	2,777	-287	2,566	2,221	345	2,991	3,366	-375
iii) Insurance	387	314	73	384	341	43	408	305	103
iv) G.n.i.e.	100	103	-3	100	130	-30	124	129	-5
v) Miscellaneous	15,378	5,765	9,613	15,297	8,562	6,735	17,021	9,908	7,113
<i>of which</i>									
Software Services	11,004	391	10,613	10,882	438	10,444	12,998	333	12,665
Business Services	2,586	3,872	-1,286	2,504	4,620	-2,116	2,737	4,567	-1,830
Financial Services	1,116	928	188	732	1,135	-403	785	1,156	-371
Communication Services	418	312	106	307	313	-6	259	381	-122
b) Transfers	13,344	470	12,874	14,268	568	13,700	13,604	638	12,966
i) Official	46	110	-64	51	108	-57	309	113	196
ii) Private	13,298	360	12,938	14,217	460	13,757	13,295	525	12,770
c) Income	2,950	4,979	-2,029	4,749	5,724	-975	2,633	4,586	-1,953
i) Investment Income	2,723	4,641	-1,918	4,544	5,367	-823	2,382	4,092	-1,710
ii) Compensation of employees	227	338	-111	205	357	-152	251	494	-243
<b>Total Current Account (I+II)</b>	<b>74,856</b>	<b>81,216</b>	<b>-6,360</b>	<b>81,809</b>	<b>93,749</b>	<b>-11,940</b>	<b>84,527</b>	<b>96,557</b>	<b>-12,030</b>
<b>B. Capital Account</b>									
<b>1. Foreign Investment (a+b)</b>	<b>48,388</b>	<b>34,033</b>	<b>14,355</b>	<b>55,825</b>	<b>39,619</b>	<b>16,206</b>	<b>44,528</b>	<b>34,955</b>	<b>9,573</b>
a) Foreign Direct Investment (i+ii)	9,763	3,676	6,087	11,465	4,936	6,529	8,777	4,859	3,918
i) In India	9,638	926	8,712	11,370	632	10,738	8,583	1,469	7,114
Equity	7,290	900	6,390	8,620	597	8,023	5,981	1,233	4,748
Reinvested Earnings	1,986	0	1,986	1,986	0	1,986	1,986	0	1,986
Other Capital	362	26	336	764	35	729	616	236	380
Abroad	125	2,750	-2,625	95	4,304	-4,209	194	3,390	-3,196
Equity	125	2,053	-1,928	95	2,614	-2,519	194	2,480	-2,286
Reinvested Earnings	0	271	-271	0	271	-271	0	271	-271
Other Capital	0	426	-426	0	1,419	-1,419	0	639	-639
ii) Portfolio Investment	38,625	30,357	8,268	44,360	34,683	9,677	35,751	30,096	5,655
i) In India	38,602	30,332	8,270	44,356	34,655	9,701	35,740	30,041	5,699
<i>of which</i>									
FILs	38,559	30,332	8,227	41,693	34,655	7,038	35,295	30,041	5,254
GDRs/ADRs	43	-	43	2,664	-	2,664	445	-	445
ii) Abroad	23	25	-2	4	28	-24	11	55	-44
b) Loans (a+b+c)	12,922	14,746	-1,824	16,028	13,474	2,554	19,740	14,303	5,437
a) External Assistance	821	725	96	1,237	738	499	1,329	712	617
i) By India	13	105	-92	13	105	-92	13	105	-92
ii) To India	808	620	188	1,224	633	591	1,316	607	709
b) Commercial Borrowings	1,975	2,432	-457	3,224	2,015	1,209	4,375	2,837	1,538
i) By India	244	333	-89	206	215	-9	227	570	-343
ii) To India	1,731	2,099	-368	3,018	1,800	1,218	4,148	2,267	1,881
c) Short Term to India	10,126	11,589	-1,463	11,567	10,721	846	14,036	10,754	3,282
i) Suppliers' Credit > 180 days & Buyers' Credit	10,126	9,590	536	10,994	10,721	273	12,055	10,754	1,301
ii) Suppliers' Credit up to 180 days	-	1,999	-1,999	573	-	573	1,981	-	1,981
3. Banking Capital (a+b)	15,577	18,943	-3,366	16,543	12,121	4,422	12,392	10,460	1,932
a) Commercial Banks	15,577	18,704	-3,127	16,543	11,989	4,554	11,798	10,384	1,414
i) Assets	4,368	6,946	-2,578	6,131	1,730	4,401	1,344	150	1,194
ii) Liabilities	11,209	11,758	-549	10,412	10,259	153	10,454	10,234	220
<i>of which :Non-Resident Deposits</i>	11,172	9,354	1,818	10,342	9,295	1,047	10,177	9,568	609
b) Others	-	239	-239	0	132	-132	594	76	518
4. Rupee Debt Service	-	23	-23	-	1	-1	-	-	-
5. Other Capital	1,015	4,242	-3,227	9,280	9,896	-616	4,823	7,038	-2,215
<b>Total Capital Account (1 to 5)</b>	<b>77,902</b>	<b>71,987</b>	<b>5,915</b>	<b>97,676</b>	<b>75,111</b>	<b>22,565</b>	<b>81,483</b>	<b>66,756</b>	<b>14,727</b>
<b>C. Errors &amp; Omissions</b>	<b>560</b>	<b>-</b>	<b>560</b>	<b>-</b>	<b>1,207</b>	<b>-1,207</b>	<b>-</b>	<b>930</b>	<b>-930</b>
<b>D. Overall Balance</b>	<b>153,318</b>	<b>153,203</b>	<b>115</b>	<b>179,485</b>	<b>170,067</b>	<b>9,418</b>	<b>166,010</b>	<b>164,243</b>	<b>1,767</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>									
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>115</b>	<b>-115</b>	<b>-</b>	<b>9,418</b>	<b>-9,418</b>	<b>-</b>	<b>1,767</b>	<b>-1,767</b>
i) I.M.F.	-	-	-	-	-	-	-	-	-
ii) Foreign Exchange Reserves ( Increase - / Decrease +) <i>of which: SDR Allocation</i>	-	115	-115	-	9,418	-9,418	-	1,767	-1,767
	-	-	-	-	5,160	-5,160	-	-	-



## Statement I : India's Overall Balance of Payments (Concl'd.)

(US\$ million)

Item	April-December 2008 PR			April-December 2009 P		
	Credit	Debit	Net	Credit	Debit	Net
1	59	60	61	62	63	64
<b>A. Current Account</b>						
<b>I. Merchandise</b>	<b>150,520</b>	<b>248,967</b>	<b>-98,446</b>	<b>124,473</b>	<b>213,988</b>	<b>-89,515</b>
<b>II. Invisibles (a+b+c)</b>	<b>126,406</b>	<b>55,475</b>	<b>70,931</b>	<b>116,719</b>	<b>57,534</b>	<b>59,185</b>
a) Services	77,929	38,969	38,961	65,171	40,569	24,602
i) Travel	8,214	6,820	1,394	7,925	6,648	1,277
ii) Transportation	8,370	10,320	-1,950	8,047	8,364	-317
iii) Insurance	1,071	801	271	1,179	960	219
iv) G.n.i.e.	308	439	-131	324	362	-38
v) Miscellaneous	59,967	20,589	39,377	47,696	24,235	23,461
<i>of which</i>						
Software Services	35,475	2,358	33,116	34,884	1,162	33,722
Business Services	12,595	10,819	1,776	7,827	13,059	-5,232
Financial Services	3,177	2,326	852	2,633	3,219	-586
Communication Services	1,743	780	963	984	1,006	-22
b) Transfers	37,567	2,330	35,236	41,216	1,676	39,540
i) Official	484	302	182	406	331	75
ii) Private	37,083	2,028	35,055	40,810	1,345	39,465
c) Income	10,909	14,176	-3,267	10,332	15,289	-4,957
i) Investment Income	10,273	13,179	-2,906	9,649	14,100	-4,451
ii) Compensation of employees	636	998	-361	683	1,189	-506
<b>Total Current Account (I+II)</b>	<b>276,926</b>	<b>304,442</b>	<b>-27,516</b>	<b>241,192</b>	<b>271,522</b>	<b>-30,330</b>
<b>B. Capital Account</b>						
<b>1. Foreign Investment (a+b)</b>	<b>137,842</b>	<b>134,868</b>	<b>2,974</b>	<b>148,741</b>	<b>108,607</b>	<b>40,134</b>
a) Foreign Direct Investment (i+ii)	27,846	13,534	14,313	30,005	13,471	16,534
i) In India	27,085	103	26,982	29,591	3,027	26,564
Equity	21,652	103	21,549	21,891	2,730	19,161
Reinvested Earnings	4,706	—	4,706	5,958	0	5,958
Other Capital	727	—	727	1,742	297	1,445
ii) Abroad	762	13,431	-12,669	414	10,444	-10,030
Equity	762	10,262	-9,500	414	7,147	-6,733
Reinvested Earnings	—	813	-813	—	813	-813
Other Capital	—	2,356	-2,356	—	2,484	-2,484
b) Portfolio Investment	109,996	121,334	-11,338	118,736	95,136	23,600
i) In India	109,932	121,197	-11,265	118,698	95,028	23,670
<i>of which</i>						
FIIs	108,789	121,197	-12,408	115,547	95,028	20,519
GDRs/ADRs	1,142	—	1,142	3,152	—	3,152
ii) Abroad	64	137	-73	38	108	-70
<b>2. Loans (a+b+c)</b>	<b>48,023</b>	<b>38,534</b>	<b>9,489</b>	<b>48,690</b>	<b>42,523</b>	<b>6,167</b>
a) External Assistance	3,659	1,798	1,860	3,387	2,175	1,212
i) By India	18	25	-7	39	315	-276
ii) To India	3,641	1,773	1,868	3,348	1,860	1,488
b) Commercial Borrowings	11,758	4,814	6,944	9,574	7,284	2,290
i) By India	1,597	477	1,121	677	1,118	-441
ii) To India	10,160	4,337	5,823	8,897	6,166	2,731
c) Short Term to India	32,607	31,922	685	35,729	33,064	2,665
i) Suppliers' Credit > 180 days & Buyers' Credit	29,581	27,902	1,679	33,175	31,065	2,110
ii) Suppliers' Credit up to 180 days	3,026	4,020	-994	2,554	1,999	555
<b>3. Banking Capital (a+b)</b>	<b>53,177</b>	<b>53,163</b>	<b>14</b>	<b>44,512</b>	<b>41,524</b>	<b>2,988</b>
a) Commercial Banks	53,175	52,578	597	43,918	41,077	2,841
i) Assets	23,245	23,228	18	11,843	8,826	3,017
ii) Liabilities	29,929	29,350	579	32,075	32,251	-176
<i>of which :Non-Resident Deposits</i>	27,816	25,703	2,114	31,691	28,217	3,474
b) Others	2	585	-583	594	447	147
<b>4. Rupee Debt Service</b>	<b>—</b>	<b>32</b>	<b>-32</b>	<b>—</b>	<b>24</b>	<b>-24</b>
<b>5. Other Capital</b>	<b>14,015</b>	<b>20,623</b>	<b>-6,608</b>	<b>15,118</b>	<b>21,176</b>	<b>-6,058</b>
<b>Total Capital Account (1 to 5)</b>	<b>253,057</b>	<b>247,219</b>	<b>5,838</b>	<b>257,061</b>	<b>213,854</b>	<b>43,207</b>
<b>C. Errors &amp; Omissions</b>	<b>1,298</b>	<b>—</b>	<b>1,298</b>	<b>—</b>	<b>1,577</b>	<b>-1,577</b>
<b>D. Overall Balance</b>	<b>531,281</b>	<b>551,661</b>	<b>-20,380</b>	<b>498,253</b>	<b>486,953</b>	<b>11,300</b>
<b>(Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>20,380</b>	<b>—</b>	<b>20,380</b>	<b>—</b>	<b>11,300</b>	<b>-11,300</b>
i) I.M.F.	—	—	—	—	—	—
ii) Foreign Exchange Reserves (Increase - / Decrease +)	20,380	—	20,380	—	—	-11,300
<i>of which: SDR Allocation</i>	—	—	—	—	5,160	-5,160