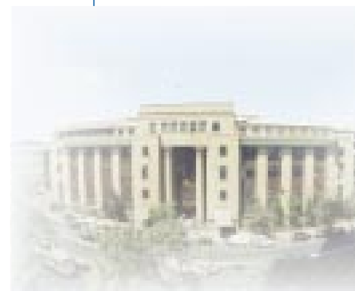

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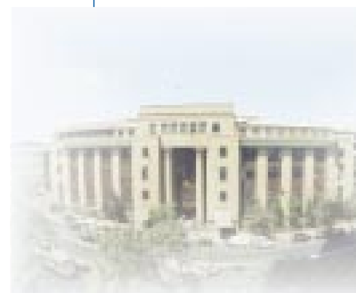

Second P. R. Brahmananda Memorial Lecture

Governance Institutions and Development
by Avinash K. Dixit
John J. F. Sherrerd ’52 University Professor
of Economics, Princeton University

Governance Institutions and Development*

Avinash K. Dixit

I greatly appreciate the honor of being invited to deliver the Brahmananda Memorial Lecture. I share the immense admiration and respect you all have for his scholarship, his teaching, and his untiring service for the economics profession and the country. It is indeed a privilege to give a talk in his memory. And it is a special pleasure to follow my long-standing friend Lord Desai, who gave the inaugural lecture in this series. But I must admit that, unlike Meghnad, my knowledge of P. R. Brahmananda and his work is indirect. During my college days in Mumbai my subjects were mathematics and physics, so I did not have the benefit of Professor Brahmananda's teaching. Some of my work on dual economies connected with his long line of work on wage goods, but my approach was quite different.

Let me begin with some memories of the time I left India to study abroad. I do so with a twofold purpose – to show how things have changed, and how they have not changed.

Although I studied mathematics and physics, I did have one occasion to visit the Reserve Bank. This was to get permission to buy £50 to take with me when I left for England. Now the rupee is *de facto* convertible for current account transactions. Indian multinationals are major players in making foreign direct investments. Unlike in Oscar Wilde's days, schoolchildren are no longer told to omit the chapter on the fall of the rupee.

During my visits to many government offices to get various documents and permissions to travel, entry to almost any office required me to give an authorization signature from C. D. Deshmukh to the *chaprasi* guarding the door. Mr. Deshmukh

* This is the text of the Second P. R. Brahmananda memorial lecture delivered by Professor Avinash K. Dixit, John J. F. Sherrerd '52 University Professor of Economics, Princeton University at the Reserve Bank of India, Mumbai, on June 28, 2007. I thank Meghnad Desai and Vijay Kelkar for their perceptive comments and suggestions on a previous draft.

had been the Governor of the Reserve Bank and Union Finance Minister, and in one of these capacities, his signature appeared on the ten-rupee note. I am sure this practice continues even now in many government offices. The denomination of the required note has surely risen many times, and the *chaprasis* are probably now called the Site Security Officers.

The problem of corruption has become very important in recent thinking on development policy. For example, the World Bank's governance web site, http://www.worldbank.org/wbi/governance, seems to focus almost exclusively on corruption. In the Indian context, observers like Luce (2007) identify it as a key issue affecting the country's growth prospects.

But corruption is only a part of the more general issue of economic governance, and of more general policy questions concerning the design and reform of institutions of governance. In this lecture I will sketch some of these issues. I will draw on the research of several others as well as some of my own, and will try to interpret these findings in the context of India. However, I am handicapped in two respects. I am primarily an economic theorist and only secondarily a development economist, and my research, although it draws on my reading of empirical and historical research about some other countries and times, has not focused on Indian questions. Therefore my thinking and suggestions must remain very tentative and must be interpreted with a lot of caution. I hope that some in the audience and the readership will guide me to related literature, and perhaps also collaborate in modifying and refining these ideas and their implications for India.

What Is Governance?

Economic governance comprises many organizations and actions essential for good functioning of markets, most notably protection of property rights, enforcement of contracts, and provision of physical and informational infrastructure. In most modern economies, governments provide these services more or less efficiently, and modern economics used to take them for granted. But the difficulties encountered by market-oriented reforms in less-developed countries and former socialist countries have led economists to take a fresh look at the problems and institutions of governance. In this lecture I offer a brief and selective look at this research, and attempt to draw a couple of conclusions that may be relevant to India today.

The importance of secure property rights can hardly be overstated. Without them, people will not create or improve the assets, physical and intellectual, that are essential for economic progress. De Soto (2000) builds the argument and marshals the evidence in a thorough and compelling book. Security of rights improves the incentives to save and invest. Land and capital can be rented out to others if they can use it more efficiently, so inefficient internal uses are avoided. And the assets can be used as collateral to borrow and expand one's business. Field (2006) has taken the case even further. Security of property rights not only increases the supply of capital and efficiency in its allocation; it also increases labor supply. When titles to land and capital are official and secure, people need not spend time and effort to guard their rights, so they can put the labor and time to productive uses. Field's empirical research on the titling program in Peru finds large and significant effects: "For the average squatter household, property titles are associated with a 14 per cent increase in household work hours, a 28 per cent decrease in the probability of working inside the home, and a 7.5 per cent reduction in the probability of child labor among single-parent households. Panel estimates … support the cross-section results: between 1997 and 2000 household labor supply increased an additional 13 hours per week for squatters in neighborhoods reached by the program."

In the Indian context, security of land titles may be the most important issue of property rights. The controversy regarding land sales in the context of the Special Economic Zones (SEZ) is a case in point. The merits of the SEZ policy can and should be debated, but if the debaters raise fears of revocation of rights and benefits that have been granted through a proper policy process, this uncertainty will deter investors and merely ensure that the potential benefits will not materialize. At a more micro level, insecurity of land rights and fragmentation of land arising from disputes in extended families constitute serious constraints on agricultural growth.

The relevance of security of contracts may not seem so obvious, but it is equally important. In most economic transactions that can create economic gains for all parties, some or all of them can gain an extra private benefit while hurting the others, by violating the terms of their explicit or implicit agreement. The fear of such exploitation by the other party may deter each from entering into the agreement in the first place. This was brilliantly illustrated by Diego Gambetta in his ethnographic sociological study of the Sicilian Mafia (1993, p. 15). In the course of his interviews, a cattle breeder told him: "When the butcher comes to buy an animal, he knows that I want to cheat him [by supplying a low-quality animal]. But I know that he wants to cheat me [by reneging on payment]. Thus we need … Peppe [the Mafioso] to make us agree. And we both pay Peppe a commission." By providing a mechanism of contract enforcement, Peppe makes it possible for the two to enter into a mutually beneficial transaction. And he does this with a profit motive, exactly as would any businessperson providing any service for which others are willing to pay.

This example also demonstrates something else that is an important theme for me: governance does not have to be provided by the government as a part of its public services; private parties may do so with other motives. In most countries, even advanced ones, we find a mixture of the formal legal system and a rich and complex array of informal social institutions of governance. These mixtures reflect the country's level of economic development, and in turn help determine its economic prospects.

The issue is not the old-style one of "market *versus* government." Rather, it is one of how different kinds of institutions (governmental and non-governmental, formal and informal, industry-based or community based, singly or in combination) provide the support that is required for successful economic activity (exchange, production, asset accumulation, innovation, and so on), and the activity may or may not take place in conventional markets. I cannot emphasize too strongly the need to get beyond the old sterile debates and on to issues that really matter.

What forces threaten property rights and contracts? And how can we design and reform institutions to counter these threat? Let us look at some theoretical concepts and examples.

Property Rights

If the arm of the government's law is distant or weak, some people will seize every opportunity to steal valuable property from others. Of course there are many non-governmental institutions that attempt to reduce this risk. Parents and schoolteachers strive to instill in children at an impressionable age the norms of respect for others' property. Individuals guard their own property and contribute to community policing. Communities can even evolve their own set of rules of ownership; we have evidence on this point from some unusual contexts, such as the American wild west (Libecap, 1989) and New England whalers (Ellickson, 1989). Such arrangements succeed to different extents, because each faces its own limitation of what can be observed and enforced. In fact even the rules have to be adapted to these limitations; attempting to put in place an unworkably stringent set of rules would only bring the whole framework into disrepute.

Thus private theft can flourish when public laws are weak, and private institutions can cope with it only to a limited extent. However, the biggest threat to property rights in many countries comes not from private individuals who exploit weakness of government institutions, but from the government itself and its agents. These threats need not take the form of outright theft. In fact confiscation or nationalization without compensation has been relatively rare for the last four decades.[2] The problems are more likely to be indirect: unexpected and arbitrary increases in tax rates and imposition of constraints on uses of property and repatriation of profits, and last-minute hold-ups from officials who demand extra kickbacks or bribes.

I want to emphasize that the big problem is the unexpectedness and arbitrariness of these actions of the government and its agents. A predictable tax or a predictable level of corruption will also deter economic activity, but the deterrent effect of uncertainty is likely to be much bigger.[3] Thus Pritchett (2003, p. 148) finds: "Under a regime that has reasonable institutional stability and is not completely dysfunctional, a rapidly increasing level of GDP per capita is possible up to semi-industrialization. … [A]t their best, these types of regimes, while they tolerate high levels of corruption, also demand some performance such that corruption does not become absolutely disorganized." Note the qualification "up to semi-industrialization." Progress beyond this point requires much more: "The policies required to initiate a transition from low-income equilibrium to a

[2] But such seizures may be on the rise again, from recent populist governments in some countries and the expansion of the use of eminent domain in the United States and elsewhere.

[3] Even more generally than in the context of corruption, the stability of policies can be extremely important for promoting investment. Uncertainty creates an "option value" of waiting, and thereby acts as a powerful deterrent on investment; see Dixit and Pindyck (1994).

state of rapid growth may be quite different from those required to re-ignite growth in a middle-income country" (Rodrik 2003, p. 17). Therefore it may be especially important for India to curtail corruption if it is to ensure progress beyond its current stage of development.

How can people ensure that their government and its agents respect property rights? Waiting for the government to eliminate corruption may be futile. But the most that any one person whose rights are violated can do is not to deal with that official or agency again, at worst by withdrawing from that form of economic activity. He cannot on his own persuade his friends to do participate in a boycott on his behalf; they have too much to gain by going along with the system, and the official can always promise them better treatment. Therefore individuals can do little; collective action is needed. Greif, North and Weingast (1994) show how merchant guilds in medieval Europe performed this function to keep monarchs from expropriating foreigners trading in their realms. Perhaps confederations of industries in modern economies can perform similar functions. Any one firm or industry may be tempted to get along and comply with demands of corrupt officials and agencies to secure a favorable treatment for itself; at a minimum, any one firm or industry may feel itself helpless to resist. But all firms and industries should recognize that such practices hurt them all in the long run. Therefore they should be willing to organize and collectively commit all their members to resist these pressures. They can enforce that commitment using the threat that other members would refuse to trade with anyone who complied and gave bribes. If this can be done in conjunction with generating adverse media publicity about corrupt officials, which again organized industry groups can do better than can individuals, the effect is likely to be reinforced.

The research concerning property rights and corruption has yielded some useful conceptual distinctions and implications. The first is the distinction between *de jure* and *de facto* effectiveness of governance. The distinction is most vividly seen by contrasting China and Russia. China, at least until recently, had very little formal legal protection of property rights, especially those of foreign investors. However, in practice it has been able to deliver sufficient security to continue to attract large foreign investments. Russia has a much better legal framework on paper, but reality seems much worse. What explains the difference?

Qian (2003) and Rodrik (2004) emphasize the role of the Township and Village Enterprises (TVEs) in China. This system turned local official into owners and residual claimants, giving them the incentives to make efficient decisions; if they were corrupt they would be stealing from themselves. But insider privatization in Russia had exactly the same aim (Shleifer and Treisman, 2000, pp. 31-2), and did not work so well.

McMillan (2003, p. 100) offers a different explanation: "High officials in Deng Xiaoping's government understood enough about economics to recognize that growth requires markets and markets require assured property rights. The Communist Party had retained its highly disciplined organization and so was able to prevent self-seeking behavior by low-level officials." The top level in Yeltsin's Russia may have had the same understanding, but presumably lacked the disciplined organization. If this explanation has some validity, the intentions and authority of the top levels of government are an important determinant of whether corruption and violation of property rights can be effectively controlled.

The top level of government, even if itself well-intentioned, needs sufficiently drastic punishments at its disposal to keep the lower and middle-level agents in check. This may be more difficult in a democracy than in an authoritarian regime. But even a harsh authoritarian or dictatorial regime can have troubles with its agents. Stalin had, and used, punishments as drastic as one could imagine, and yet could not get his officials to perform efficiently. What went wrong? Gregory and Harrison (2005) argue that Stalin's harsh incentives did not work well because his methods for detecting shirking were arbitrary, imprecise, and themselves open to corruption. People found that they ran almost the same risk of being denounced and punished when they worked hard as when they shirked or cheated. Therefore they did not have the incentive to work hard after all. An accurate detection procedure is important for the success of any incentive scheme, including an anti-corruption one.

The second finding I want to highlight is the distinction between organized *versus* disorganized, or unified *versus* non-cooperative, corruption. Shleifer and Vishny (1998, Chapter 5) emphasize this aspect. If a project needs nineteen permits issued by nineteen separate licensing and regulatory agencies, each of them can try to extract as much as they can from the applicant, not taking into account the fact that the implied tax levied by each of them discourages the activity and thereby reduces the take of all the others. If all nineteen permits are in the hands of one agency, it will recognize this interdependence and therefore will impose a lower tax, that is, engage in less corruption.[4] This argues for the creation of "one-stop" licensing and regulation authorities for each kind of economic activity. Many U.S. states, and some countries like Virgin Islands, have adopted such streamlined procedures for business licensing. India enacted a similar agency, the Foreign Investment Implementation Authority (FIIA) in 1999. But I have not been able to find any independent studies of how well it works in practice. There are good arguments for ensuring its effectiveness, and establishing similar agencies for domestic investors as well. A key issue in India is how well one-stop authorities can coordinate all the licensing requirements of the multiple levels of governments in India: central, state, and local. Unless this can be done, multiple governments will continue to require multiple stops, to the detriment of investment and growth.

A related issue is the effect of competition. Shleifer and Vishny point out that in the United States no one has to bribe anyone to obtain a passport. There are multiple offices and multiple windows where one can apply for a passport; if one official asks for a bribe, the applicant can simply go to another. Competition between

[4] The economics jargon for the higher total burden of corruption imposed by multiple authorities acting together is "double marginalization," and its cause is the "negative externality" that these authorities exert on each other. If they act collectively, they will internalize this externality.

these officials lowers the "price," in fact all the way to zero. Can the same be done with "one-stop" agencies? What if there are multiple agencies of this kind, each of them authorized to provide all the clearances an investor needs, so they are forced to compete with one another?

Finally, consider a country that is introducing a modern and formal system of titling as De Soto and others would recommend. They are not doing this with a complete clean slate. Most societies without formal legal titling have some traditional system of rights, determined by tribal chiefs or village elders or heads of extended families, and enforced by these traditional authorities using various systems of social norms and sanctions. These rights may not work perfectly, but they exist, and will interact with the formal rights that are being introduced. If this interaction is dysfunctional, the formal rights may not work as western advisers would wish. Ensminger (1997) found just such a problem with land rights in Kenya. The traditional system guaranteed shares (usufruct rights) to various members of the extended family of the purported owner. This made it infeasible to use the land as collateral in a loan application from a formal sector bank, thereby defeating one of the most important advantages of titling offered by De Soto.

Kranton and Swami (1999) found that the introduction of civil courts in colonial India interacted adversely with agricultural credit markets in just this way. Competition among lenders increased. But traditionally lenders used to reduce risk for farmers by subsidizing their investments in times of crises; they could no longer do so because the courts enforced only simple debt contracts, not complex contingent risk-sharing ones. The overall outcome was a worsening of social welfare. These examples bring out the importance of ensuring that new formal systems relate synergistically, not adversely, with the informal and traditional systems.

Contract Enforcement

The courts in 1990s Italy may not have been perfect, but they were surely fairly competent in matters of simple contracts like that for the sale of an animal by Gambetta's cattle breeder to the butcher. Then why was the pair relying on Peppe for enforcement? The answer is that they were trading in a clandestine slaughtering market, to avoid the tax levied on officially registered traders in the formal one. In such cases the private enforcement can be socially harmful even if it "works." If the government disrupted the mafia, the traders may shift to the formal market, which may supply other useful things like an assurance of quality to the ultimate consumers. But if failures of the state's formal legal system are the reason for the emergence of private enforcement, then that may be a good "second-best."

More generally, whether a formal or an informal system of contract enforcement, or some mixture, will work best depends on the relative costs and benefits of the two in particular contexts.[5] The potential advantages of a formal system are evident. Such a system has universal coverage in the country; one party to the contract cannot

[5] The following paragraphs give a very brief and selective discussion of this. For more detailed analyses, see Dixit (2004) and Greif (2006).

back out of it claiming to be outside its jurisdiction. The rules of the system are set out in its laws and precedents, and therefore are known to all participants (or should be so known). And compliance with the system is ultimately secured by the government's coercive powers.[6]

By contrast, informal systems must rely more on voluntary participation of the members of a more limited group or community. Usually the only way to secure such participation is to exclude those who misbehave from benefits of continued membership. In some associations of traders in an industry, this can work well. Bernstein (1992, 2001) has studied diamond and cotton traders' associations in the United States. She finds that their arbitration procedures have drastic punishments at their disposal. They can basically drive a persistent miscreant out of business; moreover, since the members also mix socially, they can ostracize not only miscreants but also their families. However, such drastic punishments are not invoked readily or quickly. Contrary to the theory of repeated games where the best tacit cooperation is sustained by inflicting the most severe feasible punishment upon any deviation, milder penalties are tried first and are escalated only if misbehavior persists.

An informal system in a limited community can have advantages over formal legal systems. Many of these pertain to information. In an industry-based arbitration system, the judges are expert insiders who can interpret and evaluate the evidence more accurately than can the "general practitioner" judges of state courts.[7] Such communities also have good gossip networks; therefore they can spread the word quickly when someone reneges on a contractual obligation, thereby destroying his reputation in the whole community of traders. However, these advantages are eroded if the group becomes too large or its scope expands beyond a narrow range of expertise.

Given this balance of considerations, it is not surprising that formal and informal systems coexist and interact, even in advanced economies. Many contracts in the United States specify that disputes will be settled by arbitration. And even without such explicit stipulation, disputes are often resolved by negotiation between the parties. Going to the court is often the last resort; some estimates are that only 10 per cent of disputes end up in courts.

The need for alternative institutions for resolving contractual disputes is even more pressing in India, where one estimate puts the backlog of court cases at over 300 years. Of course good lawyers can cut through this, but the other side can also hire a good lawyer, and the fear of high costs of litigation can be a powerful deterrent on business.

Of course improvements in the state's formal system of contract enforcement are also badly needed. Informal systems, with their reliance on group or community-based networks of information flow and sanctions

[6] These coercive powers ultimately depend on other people's willingness to exercise them - judges to hand down punishment, and the police or the prison authorities to carry them out. Laws and regimes that tried to be more coercive than their citizens were willing to tolerate have fallen into disrepute and collapsed. See Mailath, Morris and Postlewaite (2001) for a discussion and game-theoretic analysis of this.

[7] The latter can have the benefit of expert testimony, but experts can have their own biases which the judges must somehow figure out and take into account.

on miscreants, are inherently limited in their scope. As India's economy expands and integrates both nationwide and internationally, more and more transactions must occur among strangers who do not belong to the same network, and formal institutions become increasingly important for providing good external governance.

Reforms of formal institutions of contract enforcement, as in the case of property rights institutions, should try to build synergistically upon the traditional informal ones. Theoretical considerations and practical experience alike suggest that industry-based arbitration and formal courts interact well together. A division of labor can emerge where insiders use their expertise to interpret the facts and take into account various customs and practices in contracts to arrive at a decision, for example who owes what damages and to whom, and then the courts can stand ready to enforce this verdict, backed by the state's powers of coercion. If the industry-based arbitration forum had to enforce its own decision, it would have to rely on the repeated game mechanism, and this typically involves some loss of efficiency.[8] The combination of expert decision-making and court enforcement can achieve the best of both worlds.

In matters of governance of contracts between nationals and foreigners, the latter often fear that domestic courts will be biased against them. Various international forums of arbitration are available, each based on a different legal tradition, and such contracts often stipulate that any disputes will be adjudicated in a designated forum. Unlike industry-based dispute resolution institutions, these international forums usually do not have expertise in the specific matter at hand. They can be slow, costly, and even somewhat arbitrary; almost their only merit is their perceived lack of bias. If Indian courts or Indian industry-based institutions can develop a credible reputation for not favoring their own nationals, they will have an immense advantage when it comes to entering into contracts with foreigners, in particular in attracting foreign investment. Indeed, this may be a key to success as India integrates with the world economy and attempts to obtain gains from globalization.

Collective Action

I have ventured to make several suggestions on how the institutions of economic governance can be improved. These suggestions were mostly based on well known case studies in other countries and at other times. Therefore some of my suggestions may prove to be impractical in the Indian context. But let me continue and make some further suggestions on how the reforms can be made to work.

Most importantly, I think that waiting for the political process to institute the needed reforms "top down" would be a mistake. During my youth in India four or five decades ago, I saw that people relied too much on the government to do everything, but "*maa baap sarkar*" often disappointed these expectations. The experience of the last two decades has hopefully shown Indians what individuals given freedom of enterprise can achieve by way of industrial progress; the same can be done, given a little additional dose of collective action, for institutional reform.

[8] In the jargon of game theory, the outcome is a second-best, subject to dynamic incentive compatibility constraints.

Even in Western countries, such reforms were often launched by visionary social entrepreneurs, and only later adopted by wider business communities or officialdom. Even something as basic as periodic publication of companies' audited accounts was initiated privately by J. P. Morgan when he started Federal Steel with Elbert Gary in 1898, because they believed that "corporations issuing publicly traded securities had to account for their financial performance" (Strouse 2000, p. 398). Later this principle was taken over and implemented in legislation by the progressive movement under Theodore Roosevelt. And recently the CEO of Aflac, an insurance company, has voluntarily allowed the shareholders a vote on his compensation; this may also spread. Perhaps one or more business pioneers in India will likewise realize that good governance is good business because the credible guarantee of contract fulfillment attracts more serious contractual partners. Then they can, in groups or in some cases even singly, take actions to improve governance. Institutional investors can similarly play a major role in improving corporate governance; in the US it is said that the California public employees' pension fund CALPERS has been more important than the Sarbanes-Oxley Act in this way. Corporate governance in India may be even worse than that in the United States, and the improvements in this matter will emerge as an extremely important issue as the economy grows and shareholding becomes more widespread.

In dealing with corruption, shining light on corrupt activities and exposing them to fresh air may be the most important starting point. In this respect India has the great benefit of a free press; no government and no media mogul should be allowed to depreciate this asset. The Right to Information Act can have major beneficial effects by removing information asymmetries and improving accountability. Public interest litigation and "people's courts" can also serve a useful role, although sometimes such institutions can act for very small and single-issue interest groups and thereby become an obstacle to much-needed economic progress. Here India's democratic tradition may hurt.

On the whole I believe that bottom-up and organically generated reforms will work better than imposed top-down ones. This finds support in many case studies conducted by Ostrom (1990) and her students. They find that local information, locally designed incentives, and local enforcement by norms and sanctions, all help explain the success of many successful instances of collective action. In India, there is scope for improving the provision of many public goods by greater decentralization and harnessing local initiatives. But one should not expect perfection; some recent research on public projects in Africa finds that local elites can also become corrupt and siphon away a large proportion of the gains intended for the general population.

Finally, I think that the process of designing institutional reforms offers a good opportunity for fruitful collaboration between academic economists and businesspeople. Many academic economists used to dislike or disdain businesspeople and prefer a statist solution to economic problems. This is much less true in western countries these days, but the tendency may be more persistent in India. I hope even they will regard the task of improving the institutions of economic governance in a favorable light, seeing it as a way of constraining the opportunistic behavior of businesspeople.[9] Many of them will also be attracted by the idea of a bottom-up rather than a top-down reform. There is a wealth of academic studies, theoretical and empirical, of the evolution, performance, and limitations of such institutions. Businesspeople have a clear perception of the specific governance needs of their industries. The two can combine their brains and energies to adapt the lessons of these studies to the Indian situations, and contribute to creating a better environment for continued rapid economic progress of the country.

[9] I have argued that even businesspeople, when they regard their whole conduct of future business, recognize the benefit of establishing a system that curbs opportunism and promotes respect for property rights and contracts. More generally, this is true of all "moral hazard" problems: people agree on the ex ante desirability of reducing such "hazardous" behavior, even though they are tempted ex post to engage in it.

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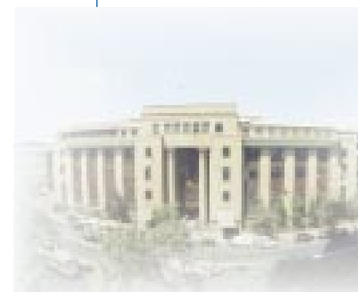

Speeches

*The Growing Influence of the Emerging World**

Y. V. Reddy

I am honoured by the kind invitation of Governor Redrado to visit Argentina and participate in the Annual Money and Banking Seminar at the Central Bank of Argentina with focus on 'Monetary Policy Under Uncertainty'. I must compliment Governor Martin Redrado for assembling a galaxy of central bank Governors, leading market analysts and globally renowned academics. The assemblage is a tribute to the charm, popularity, knowledge and wisdom of Governor Redrado. I want to thank all the officials of the Central Bank of Argentina for the warm hospitality and excellent arrangements made.

My presentation is broadly in two parts. In the first part, I address certain general issues relating to the EMEs covering (i) the growing importance of the EMEs in the global context; (ii) distinguishing features of both convergence and divergence, in these economies; and (iii) some current concerns of the EMEs. I devote the second part to discuss India's development and reform experience.

I. The Growing Importance of the Emerging Market Economies (EMEs)

A group of economies having some distinct market features was reportedly perceived and termed as 'emerging markets' in 1981 by Antoine W. van Agtmael of the International Finance Corporation, the affiliate of the World Bank. Broadly, an EME is described as an economy with low-to-middle per capita income levels, characterised as transitional, *i.e.*, in the process of moving from a closed to an open-market economy and embarking on an economic reform program that leads it to a

* Speech delivered by Dr. Y. V. Reddy, Governor, Reserve Bank of India at the Central Bank of Argentina, Buenos Aires, on June 4, 2007 at a conference on "Monetary Policy Under Uncertainty".

stronger and more competitive economic performance, and simultaneously, to higher levels of transparency and efficiency in the functioning of the factor markets, including the financial markets. More generally, it can be held that what is and what is not an "emerging market" depends on the maturity of its institutions, that is, the rules of the economic market game – the law and the culture – and the institutions enforcing adherence to these rules (Kolodko, 2003). From an operational point of view, the EMEs may be considered to be the fast-growing economies, gradually transiting from the developing to the developed status. In the view of market-participants, the EMEs are the countries that are restructuring their economies towards greater market orientation and thus, offering a wealth of opportunities in trade, technology transfers and investment.

While the fast-growing economies are operationally grouped together as EMEs[1], the group of countries constituting EMEs has not been clearly defined and hence, a discussion about the EMEs as a group, at times, becomes difficult. Nevertheless, the major countries amongst the EMEs are very well-recognised and an increased focus has been placed upon monitoring the performance and market conditions of the EMEs by the international financial institutions, leading economic intelligence agencies, credit rating agencies, leading multinational securities firms and financial journals. Academic and policy research on EMEs have also mushroomed, focusing particularly upon the monetary, financial and regulatory policies and the issues relating to trade, financial integration and liberalisation of capital accounts.

The EMEs represent the fast-growing group of countries and their share in world output is increasing. They are geographically spread across the world encompassing diverse cultures — Asia, Middle East, Europe, Africa and Latin America. On account of increasing trade flows, intra-EMEs as well as with the rest of the world, they play a critical role in determining the course of bilateral, regional and multilateral trade policies and developments. They have become the destinations for large movements of international private capital, attracted by high-return possibilities, dwarfing the official flows, including those from multilateral financial institutions.

Today, the EMEs as a group are reported to constitute about 80 per cent of the global population, representing about 20 per cent of the world's output. The share of the EMEs in the global GDP is increasing, and is also a tribute to their sound macroeconomic policies, improving fiscal positions, stronger external sectors, increasing productivity, *etc.* According to some recent estimates, the EMEs will soon account for more than half of the world's PPP-based GDP.

The EMEs are also becoming crucial to the supply-demand dynamics of oil and food

[1] There is no single acceptable definition of EMEs, although they are commonly referred to as economies with high growth prospects. The IMF in its Global Financial Stability Report has categorised the following 26 countries as EMEs spread over: Latin America - Argentina, Brazil, Chile, Colombia, Mexico, Peru, Venezuela; Asia - China, India, South Korea, Indonesia, Malaysia, Pakistan, Philippines, Taiwan Province of China and Thailand; Europe, Middle East and Africa - Czech Republic, Egypt, Hungary, Israel, Jordan, Morocco, Poland, Russia, South Africa and Turkey. There are other categorisations such as by Institute of International Finance taking the number of countries up to around 34.

apart from services and manufacturing products, as also for improving environmental cooperation.

The rise of the EMEs, in general, has thus, made the globalisation a two-way process in which the emerging economies are changing from passive recipients to being part of active participants in global economy.

It is useful to recognise that some of the EMEs are becoming hubs of regional economic activity with sizeable populations, large resource bases, and huge markets. Their economic success is considered to have positive externalities for the neighboring countries and spurs their development process.

From the perspective of public policy, managing the transition of the EMEs to the mature market economies is a challenging task. Compared to the transition-path traversed by the currently industrialised economies, the policy-makers in the EMEs face several pressures – in terms of compressed time frame for transition, technological compulsions towards more openness, the socio-political pressures, *etc.*

It is useful to note that implicit in the word 'emerging' in the very title given to the EMEs as a group, is the notion that they are undergoing a rapid change or transition. We must recognise that the transition embraces demographics, political institutions, social dimensions and related attitudes. These all-encompassing changes have an in-built potential for uncertainties, possibly some volatility, but it gets exacerbated by the international capital flows, particularly when the changes in such flows happen to be unrelated to domestic fundamentals. In such a situation, managing the transition turns out to be a critical challenge for policy-making, and the management requires a more difficult and dynamic trade-off between commitment and flexibility in policy. In fact, several unprecedented policy initiatives amongst many EMEs in the recent months in managing capital flows should be viewed in the context of the compulsions of dynamic trade-off between commitment and flexibility of policies in the external sector of the EMEs.

II. Some Distinguishing Features of the EMEs

The emerging markets and developing economies grew by 5.8 per cent during the past ten years as against 2.7 per cent growth in the advanced economies. This phenomenon is currently lending credence to the argument that growth in the emerging countries can perhaps help, to some extent, offset an economic slowdown in the US.

Second, in recent years, the inflation environment in the EMEs remained benign despite a significant rise in commodity prices. Average inflation in the EMEs has declined dramatically since the early 1990s, in many cases from double- and triple-digit levels, to about five per cent at present. This decline in inflation in the EMEs, now sustained for more than half a decade, is impressive.

Third, the EMEs have grown faster than the advanced economies in terms of volume of trade as well. Thus, the volume of exports from the emerging and developing economies had grown at an average rate of 8.9 per cent during 1998-2006 as against 5.5 per cent growth in the advanced economies.

Fourth, the EMEs attract significant capital flows. The net inflows of foreign private capital to the EMEs reached a level of US$ 256 billion in 2006. Foreign-investor demand for emerging market assets is reflected in a broad-based rise in inflows into dedicated bond and equity markets of the EMEs. Emerging-market corporate bond issuance in international bond markets rose to a record level of US$ 125 billion in 2006.

Fifth, as a result of persistently rising capital flows, foreign exchange reserves of the EMEs have increased significantly. Consequently, seven of the EMEs hold more than double the foreign exchange reserves of the G-7 group and account for 43.7 per cent of the global foreign exchange reserves, while the G-7 group of countries account for 21.1 per cent of the total. Similarly, while seven of the EMEs' foreign exchange reserves account to about 38 per cent of their aggregate GDP, reserves held by the G-7 group are four per cent of their total GDP.

Sixth, along with the accretion of foreign exchange reserves from exports and capital account, most, though not all, of the EMEs also have high savings rates, which are further increasing steadily in many Asian and other emerging market economies. In these countries, savings are rising faster than investment.

Seventh, the considerable surge in market financing has been buttressed by substantial efforts to modernise the financial sector, enabling the EMEs to offer investors an increasingly wide and sophisticated range of financial instruments and, thus, to attract new types of investors. Overall, the EMEs are tending to put in place financial structures similar to those in the advanced countries.

Although the EMEs as a group have these common characteristics, they are also quite distinct from each other in certain respects. The overall improvement in the fundamentals of the EMEs masks a significant dispersion in most of the benchmark indicators, *viz.,* GDP growth, inflation, balance of payments, foreign currency reserves and public finances. Therefore, let me now enumerate some of the divergent features of the EMEs.

First, some of the countries are growing at a robust pace while growth in some others has been relatively slower in some of the recent years. Similarly, sources of growth are quite dissimilar across the EMEs.

Second, as reflected in the export-GDP ratio, external demand has been a more dominant driver of growth in recent years for some of the EMEs while some of the EMEs seem to be more domestic-demand-driven economies.

Third, there is a divergence in the external sector performance of the EMEs, as reflected in parameters like current account balances, level of external debt, *etc.* The EMEs including China, Indonesia, Malaysia and Russia have been maintaining current account surpluses since 1998 while some others have maintained current account deficits. External debt reductions have been particularly significant in Indonesia, Russia, Brazil, and also in Argentina following the 2005 debt exchange.

Fourth, the EMEs have a wide variety of exchange rate arrangements. Such diversity is only expected in view of the wide differences amongst these countries in economic and financial circumstances. However, as these countries have adapted to the expanding opportunities arising from deeper involvement in an increasingly integrated global economy and to the changes in their own economic environments, there has been a gradual movement towards greater flexibility in some of them.

Fifth, there are variations in terms of economic endowments such as rich natural resources and human capital.

Sixth, institution building plays an important role in sustained development. Since the major EMEs have adopted the path of reforms at different points in time under different historical circumstances, their institutional strengths vary. For example, both China and Russia are transiting from a centrally-planned economy to a more open-market economy but their approach to reforms has been different and, thus, the level of institutional strength also differs. A contrasting level of institutional development is also evident from the fact that while some of the emerging markets witnessed financial crises in the 1990s, some others, like China and India, could avoid the contagion effect.

Seventh, another contrast within the group of the EMEs is that not all of them are equally exposed to similar shocks. For instance, if we look at oil trade of the EMEs, some of them are net exporters of oil and are benefiting from oil price spikes, while some others are net importers of oil. Hence, the EMEs, which are oil-importing consumers, face greater energy-security concerns in financing their long-term growth, while others are relatively better off to tackle the growing energy needs.

The EMEs exhibit very diverse characteristics to investors, whether in terms of country size, the size of financial markets, energy dependence, the level of forex reserves and, more generally, macroeconomic performance. Thus, not all the EMEs are equally impacted by the ongoing developments in the global economy and investors appear to differentiate between them. The advantage of such diversity is that the possibility of any synchronised behaviour or a potential for contagion amongst the EMEs is to some extent moderated. However, Governor Draghi of Bank of Italy explained in his address earlier today that there are new financial intermediaries, new financial instruments and new dispersed risks. Hence, the risk of contagion to the EMEs, through the financial markets, which appear to be even more integrated now, seems to have heightened, and the real sector in the EMEs might not remain immune to its consequences.

III. Current Concerns of the EMEs

In the emerging market economies, growth has continued to be firm on account of adoption of sound macro policies and structural reforms. These were complemented by global factors such as strong commodity prices and abundant global liquidity. Concerns have, however, arisen regarding the sustainability of some of these factors. High investment growth, excessive lending, overhang of liquidity, strengthening retail demand and imbalances in trade and international payments are some of the factors causing concern in some of the EMEs.

In addition, there are a number of downside risks emanating from the behaviour of oil prices, adverse developments in the US housing market, persistence of global imbalances, large leveraged positions in financial markets and possible emergence of inflationary pressures. It is important to recognise the risk of an abrupt and disorderly adjustment of global payments imbalances. The exposure of emerging markets to risky financial assets of the mature markets has increased, and therefore, the overall global financial risks have increased. In the event of loss of/or moderation in the risk appetite and the consequent unwinding of leveraged positions, there could be serious adverse impact on the emerging markets.

Global equity markets are also getting integrated irrespective of the stage of development of the markets. Volatility in international financial markets has increased in recent months with deterioration in the sub-prime segment of the US mortgage market in early 2007. Concerns over the systemic implications of hedge-fund failures and the wide diffusion of risks through derivative markets have also increased in recent years. Consequently, monitoring of risks has become much more complex than before. There are, therefore, serious concerns that financial markets/investors may be assigning insufficient weight to the downside risks.

The integration of the EMEs into the global markets has resulted in a wider diversity of financial institutions operating in the EMEs and a broader range of business strategies. With financial institutions in the advanced economies increasingly searching for profit opportunities at the customer and product level, foreign direct investment from the financial sector provides a route for accessing the EMEs, which offer attractive strategic business opportunities to expand. The growing involvement of foreign firms in the financial systems of the EMEs has given rise to certain concerns.

Finally, the recent rise in agriculture prices could potentially represent the beginning of a structural increase in prices. Impressive growth performance and consequent increase in food-demand of large populations, particularly in India and China, on an unprecedented scale in a short time span, generates huge demand pressures on food items, including edible oil. The growing demand for animal proteins could further accentuate the demand for agricultural products. The supply-side is also affected by diversion of corn and oil-seeds to produce bio-fuel as energy-substitute; mandated by law in some countries. The tendencies towards global-warming are adding to uncertainties on the supply side. The resultant mismatch between supply and demand could potentially have impact on prices of food articles. The consequent impact on inflation-perceptions and hence, on inflation expectations could be disproportionately large, perhaps even in the industrialised economies. At the same time, there are several challenges to public policy in managing the problem of food prices.

First, there are invariably strong domestic political-economy considerations in managing food-production and ensuring food security.

Second, the increasing global financialisation of commodities evident now could help, but it could also potentially add to volatility - since in recent years, there has been a growing presence of financial investors in the markets for commodities-based financial instruments.

Third, the weight of food items in price indices is large in many EMEs and hence, it would pose dilemmas for monetary management.

Fourth, in such a situation, in any comparison of inflation between the EMEs and the industrialised economies, some of the EMEs might emerge worse off, owing to higher weight for food items in their price indices.

Finally, those EMEs, which are coping with second order effects of recent oil- price increases, may find any possible shock on food prices, somewhat burdensome. In case, adverse developments on this account occur and happen at a time when global liquidity is withdrawn or risk-premia increase sharply, there could be policy dilemmas for the EMEs, even after accounting for upside risks, both in terms of efficiency and resilience.

It is, however, gratifying to note that in India, the government has taken measures for immediate supply-side management of food items, which should mitigate, to an extent, the concerns in this regard. The National Development Council, the highest policy-making body in India, met last week and finalised a vigourous programme for enhancing production and productivity in Agriculture.

IV. India: Development and Reform Experience

India is the second most populous country, but is amongst those which have the youngest demographic profile in the world. The 'demographic dividend' is expected to extend over the next few decades of this millennium. India is unique in pluralism in terms of languages, religions, ideologies and traditions spread over twenty-eight provinces and seven federally governed union territories, each with its distinct identity and socio-cultural ethos. The Constitution of India recognises 22 languages as the official languages. India is well endowed with natural resources, human resources and varied climatic regions. The institutional architecture is unique with flexible federalism, democracy with universal adult suffrage, and coexistence of public and private sector.

Growth

The average growth rate of the Indian economy over a period of 25 years since 1980-81 has been about 6.0 per cent – a significant improvement over the annual growth rate of 3.5 per cent over the previous three decades from 1950-51 to 1979-80. In the more recent period, the Indian economy has entered a high-growth phase with the growth rate averaging 8.6 per cent in the last four years and over nine per cent per annum during the last two years. The growth rate is expected to be about 8.5 per cent for 2007-08.

Over the years, while the GDP growth has accelerated, the population growth rate has moderated, giving a sharp impetus to the growth in per capita income. Since the 1990s, per capita income has been growing at an average rate of around 4.0 per cent, implying that a person's income will double in nearly 18 years. A person with a life expectancy of, say, 72 years could thus see his income doubling at least three times in his adult life. If the current GDP growth rate of around 9 per cent is maintained, a person can hope to see the standard of living multiplying by almost five times in his lifetime.

The industrial sector constituted 19.6 per cent of GDP in 2006-07. Indian industry has emerged from a period of restructuring and organisational change during 1996-2003. In the subsequent years, there is a growing realisation of productivity and efficiency gains and is increasingly becoming internationally competitive.

The main driver of the Indian economy currently is the services sector, which constitutes 61.9 per cent of GDP in 2006-07 and contributed two-thirds of average real GDP growth for the period 2002-07.

The strengthening of economic activity has been supported by persistent increase in domestic investment rate from 22.9 per cent of GDP in 2001-02 to 33.8 per cent 2005-06 coupled with an efficient use of capital. It must also be noted that over 95 per cent of investment during this period was financed by the domestic savings only. Domestic saving rate has also improved from 23.5 per cent to 32.4 per cent over the same period. The contribution to improvement in savings has come both from private corporate sector and public sector.

Inflation

While growth has picked up, over the years, inflation rate has been moderated to lower levels ensuring price stability. Initially, the inflation rate accelerated steadily from an annual average of 1.7 per cent during the 1950s to 6.4 per cent during the 1960s and further to 9.0 per cent in the 1970s before easing marginally to 8.0 per cent in the 1980s. The inflation rate declined from an average of 11.0 per cent during 1990-95 to 5.3 per cent during the second half of the 1990s.

In the recent years, inflation rate has averaged around 5 per cent. In recognition of India's evolving integration with the global economy and societal preferences, the resolve, going forward, is to condition policy and expectations in the range of 4.0 - 4.5 per cent in the medium term. It may be of interest to note that, since independence, the Wholesale Price Inflation on average basis was above 15 per cent in only five out of fifty years. In thirty six out of fifty years, inflation was in single digit and on most occasions high inflation was due to shocks – food or oil.

Stability

An important characteristic of the growth phase of over a quarter of century is the country's resilience to shocks and during this period, we have witnessed only one serious balance of payments crisis triggered largely by the Gulf war in the early 1990s. The Indian economy in later years, could successfully avoid any adverse contagion impact of shocks from the East Asian crisis, the Russian crisis during 1997-98, sanction like situation in post-Pokhran scenario, and border conflict during May-June 1999. Seen in this context, this robust macroeconomic performance, in the face of recent oil as well as food shocks, demonstrates the vibrancy and resilience of the Indian economy.

External Sector

The Indian economy has evolved from a virtually closed economy until early 1980s to one that is opening up and rapidly integrating into the global economy since the commencement of major reforms in early 1990s. In terms of a traditional measure of openness, the ratio of exports and imports (both goods and invisibles) to GDP has risen steadily from 21.1 per cent in 1991-92 to over 50 per cent in 2005-06 and is expected to have gone up further in 2006-07. Both exports and imports have been rising above long-term trend in recent years. The merchandise trade deficit is currently close to 7 per cent of GDP; however, the current account deficit is under 1.5 per cent of GDP, mainly due to the knowledge and competitive advantage we have in services and the steady support from remittances from Indians working abroad.

The liberalisation of the current account took place in the early part of the reforms and we attained current account convertibility in August 1994. In India, capital account liberalisation is sequenced in response to domestic developments, especially in real and fiscal sectors, and the evolving international financial architecture.

Fiscal Federalism

Under India's federal system of government, the Constitution allocates the revenue powers and expenditure functions between the Central and State Governments. The borrowing by the sub-national governments is in effect subordinated to prior approval by the national government. Furthermore, State Governments are not permitted to directly borrow externally.

The fiscal management in the country has significantly improved, specially, after the adoption of the Fiscal Responsibility and Budget Management Act, 2003 by the Central Government. The State Governments are also adopting similar Acts and have made consistent efforts to improve fiscal management. The fiscal consolidation, in terms of reduction in fiscal deficit, is taking place in the finances of both the Central and State Governments.

The fiscal-management of Central Government is broadly in the direction of achieving the targeted ratio of gross fiscal deficit (GFD) to gross domestic product (GDP) to three per cent and eliminate revenue deficit (RD) by 2008-09. It may be noted that the GFD/GDP and RD/GDP ratios are already budgeted to reduce to 3.3 per cent and 1.5 per cent in 2007-08. In the recent years, there has been a significant improvement in State level finances also. The GFD of all States declined from 4.7 per cent of GDP in 1999-2000 to 2.7 per cent of GDP in 2006-07, while the RD came down from 2.8 per cent of GDP to 0.1 per cent of GDP. Most States have also enacted fiscal responsibility legislations. As a result, the combined fiscal deficit of the Central and State Governments has declined to around 6.6 per cent of GDP in 2006-07 from around 10 per cent in the early 2000s.

The Reserve Bank plays two crucial roles in relation to the Indian fiscal system, namely as banker to and debt manager of both the Central and State Governments.

While undertaking the role of banker for, both the Central and State Governments, the Reserve Bank also provides temporary support to tide over mismatches in their receipts and payments in the form of short-term advances.

The Reserve Bank plays a significant role as Advisor to Central and State Governments on federal fiscal relations. The Reserve Bank sensitises the State Government on important fiscal issues. Since 1997, the Reserve Bank has been organising a biannual Conference of Finance Secretaries of State Governments. This Conference, right from its inception, has provided a very useful forum for interaction among all the stakeholders (State Governments, Central Government and the Reserve Bank) on matters related to State finances and arriving at consensual solutions of issues of policy and operational significance.

Public Debt

The Reserve Bank manages the market loans, which constitute around 50 per cent of public debt of the Centre and States. In the pre-reforms period, *i.e.*, before 1991, the primary objective of the debt management was to minimise costs of borrowing. This, however, resulted in repression of the financial sector on account of statutory provisions requiring banks and financial institutions to invest in government securities at pre-determined rates. Recognising the criticality of the impact of such a system on financial sector development, the Reserve Bank has undertaken a series of measures since the early 1990s to move to a market determined interest rate from the administered interest rate regime. The automatic monetisation of budget deficits of Central Government by the Reserve Bank was discontinued since 1997-98, and currently, the Reserve Bank does not participate in the primary issuance of the government paper.

It is true that the aggregate stock of public debt of the Centre and States as a percentage of GDP is high, currently at around 75 per cent. It is also useful to note that there are several unique features of management of public debt in India, which imparts overall stability to macro-economy. First, States have no direct exposure to external debt. Second, almost the whole of public debt is local currency denominated and held almost wholly by residents. Third, public debt, of both Centre and States is actively and prudently managed by the Reserve Bank ensuring comfort to financial markets without any undue volatility. Fourth, the government securities market has developed significantly in recent years in terms of turnover, depth and participants, and significant further improvements are underway. Fifth, most debt carry fixed coupons and not indexed to inflation. Sixth, the Government has not ventured into sovereign marketable debt issues in foreign currency. Seventh, contractual savings supplement marketable debt in financing the deficits. Finally, direct monetary financing of primary issues of debt has been discontinued since April 2006. Hence, the high stock of public debt relative to GDP as also the relatively higher fiscal deficits in the past have not been a matter of concern as far as stability is concerned. However, it is recognised that the long-term sustainability as well as further liberalisation of the external and financial sectors, to foster growth momentum, would call for further reduction of both debt and deficits to prudent levels.

Financial Sector Reforms

The Indian financial system of the pre-reform period, before 1991, essentially catered to the needs of planned development in a mixed-economy framework, where the Government sector had a predominant role in economic activity. Interest rates on government securities were artificially pegged at low levels, which were unrelated to the market conditions. The system of administered interest rates was characterised by detailed prescriptions on the lending and the deposit side, leading to multiplicity and complexity of interest rates. As would be expected, the environment in the financial sector in those years was characterised by segmented and underdeveloped financial markets coupled with paucity of financial instruments. Consequently, by the end of the eighties, directed and concessional availability of bank credit to certain sectors adversely affected the viability and profitability of banks. Thus, the transactions between the *de facto* joint balance sheet of the Government, the Reserve Bank and the commercial banks were governed by fiscal priorities rather than sound principles of financial management and commercial viability. It was then recognised that this approach, which, conceptually, sought to enhance efficiency through a co-ordinated approach, actually led to loss of transparency, accountability and incentive to seek efficiency.

Banking

The banking system in India has undergone significant changes during last 16 years. There have been new banks, new instruments, new windows, new opportunities and, along with all this, new challenges. While deregulation has opened up new vistas for banks to augment incomes, it has also entailed greater competition and consequently greater risks. India adopted prudential measures aimed at imparting strength to the banking system and ensuring its safety and soundness, through greater transparency, accountability and public credibility. The capital adequacy ratio has increased to 12.4 per cent for scheduled commercial banks as at end March 2006, which is much above the international norm. Commercial banks' net profits remained at 0.9 per cent of total assets during 2004-05 and 2005-06, up from 0.16 per cent in 1995-96. The ratio of NPLs to total loans of scheduled commercial banks, which was as high as 15.7 per cent at end-March 1997, declined steadily to 3.3 per cent by end-March 2006. The net non-performing assets declined to 1.2 per cent of net advances during 2005-06 from 2.0 per cent in 2004-05. According to the preliminary financial results available for most of the banks for the year 2006-07, the financial soundness has improved further.

Our banking sector reform has been unique in the world in that it combines a comprehensive reorientation of competition, regulation and ownership in a non-disruptive and cost-effective manner. Indeed our banking reform is a good illustration of the dynamism of the public sector in managing the overhang problems and the pragmatism of public policy in enabling the domestic and foreign private sectors to compete and expand. There has been no banking crisis in India.

The Government took steps to reduce its ownership in nationalised banks and inducted private ownership but without altering their public sector character. The underlying rationale of this approach is to assure that the salutary features of public sector banking were not lost in the transformation process. On account of healthy market value of the banks' shares, the capital infusion into the banks by the Government has turned out to be profitable for the Government.

An independent Banking Codes and Standards Board of India was set up on the model of the UK in order to ensure that comprehensive code of conduct for fair treatment of customers is evolved and adhered to. With a view to achieving greater financial inclusion, since November 2005, all banks need to make available a basic banking 'no frills' account either with 'nil' or very low minimum balances as well as charges that would make such accounts accessible to vast sections of population. Banks were urged to review their existing practices to align them with the objective of 'financial inclusion'.

There is a scheme of Ombudsman, located in 15 cities to provide redressal to grievances of the bank customers. Customer-service is accorded high priority in the supervisory evaluation and according regulatory comfort to the Reserve Bank.

With a view to strengthening the supervisory framework within the Reserve Bank, a Board for Financial Supervision (BFS) was constituted in 1994, comprising select members of the Reserve Bank's Central Board with a variety of professional expertise to exercise 'undivided attention to supervision' and ensure an integrated approach to supervision of commercial banks and financial institutions. The Reserve Bank has also instituted Off-site Monitoring and Surveillance system for banks in 1995, which provides for Early Warning System as also a trigger for on-site inspections of vulnerable institutions.

Development of Financial Markets

Financial markets in India in the period before the early 1990s were marked by administered interest rates, quantitative ceilings, statutory pre-emptions, captive market for government securities, excessive reliance on central bank financing, pegged exchange rate, and current and capital account restrictions. As a result of various reforms, the financial markets have now transited to a regime characterised by market-determined interest and exchange rates, price-based instruments of monetary policy, current account convertibility, phased capital account liberalisation and auction-based system in the government securities market. A noteworthy feature is that the government securities and corporate debt market are essentially domestically driven since FII and non-resident participation in these markets are limited and subjected to prudential ceilings.

The Reserve Bank has taken a proactive role in the development of financial markets. Development of these markets has been done in a calibrated, sequenced and careful manner such that these developments are in step with those in other markets in the real sector. The sequencing has also been informed by the need to develop market infrastructure, technology and capabilities of market participants and financial institutions in a consistent manner.

The Reserve Bank has accorded priority to the development of the money market as it is the key link in the transmission mechanism of monetary policy to financial markets and finally, to the real economy. The Reserve Bank has special interest in the development of government securities market as it also plays a key role in the effective transmission of monetary policy impulses in a deregulated environment.

A qualitative change was brought about in the legal framework by the enactment of the Foreign Exchange Management Act (FEMA) in June 2000 by which the objectives of regulation have been redefined as facilitating trade and payments as well as orderly development and functioning of foreign exchange market in India. The legal framework envisages both the developmental dimension and orderliness or stability. The legislation provides power to the government to re-impose controls if public interest warrants it. The Reserve Bank has undertaken various measures towards development of spot as well as forward segments of foreign exchange market. Market participants have also been provided with greater flexibility to undertake foreign exchange operations and manage their risks.

Linkage between the money, government securities and forex markets has been established and is growing. The price discovery in the primary market is more credible than before and secondary markets have acquired greater depth and liquidity. The number of instruments and participants has increased in all the markets, the most impressive being the government securities market. The institutional and technological infrastructure has been created by the Reserve Bank to enable transparency in operations and to provide secured payment and settlement systems.

Monetary Policy

The preamble to the Reserve Bank of India Act, 1934 sets out in a way broadly the tone of the Reserve Bank's monetary policy objectives: '*to regulate the issue of Bank notes and the keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage'*. Thus, unlike the current trend in many advanced and emerging countries, there is no explicit mandate for price stability or formal inflation targeting in India.

The broad objectives of monetary policy in India have been to maintain a reasonable degree of price stability and ensuring adequate flow of credit to help accelerate the rate of economic growth. The relative emphasis placed on price stability and economic growth is modulated according to the prevalent circumstances in the economy. Of late, considerations of macroeconomic and financial stability have assumed an added importance in view of the increasing openness of the Indian economy.

The recognition of change in the financial market dynamics in the wake of financial market reforms also prompted a change in the operating procedures of the monetary policy. The framework of monetary policy has been accorded greater flexibility with the adoption of the multiple indicator approach since 1998-99 moving away from a monetary targeting framework.

In the new operating environment, the Reserve Bank has been increasingly relying on a mix of market-based instruments and changes in reserve requirements, when necessary, for the conduct of monetary policy. Reliance on direct instruments has generally been reduced and a policy preference for indirect instruments has become the cornerstone of current monetary policy operations. However, there is no hesitation in using direct instruments whenever appropriate. The Reserve Bank currently uses multiple instruments to ensure that appropriate liquidity is maintained in the system, consistent with the objective of price stability, so that all legitimate requirements of credit are met. Towards this end, the Reserve Bank pursues, *inter alia,* a policy of active management of liquidity through open market operations including liquidity adjustment facility (LAF), market stabilisation scheme and cash reserve ratio, and deploys the policy instruments at its disposal, flexibly, as warranted by the situation. Changes in fixed reverse repo/ repo rates set by the Reserve Bank from time to time for the conduct of its LAF, under which the central bank conducts daily auctions for the banks, have emerged as the main instruments for interest rate signaling in the Indian economy. Institutional mechanisms have been evolved in parallel to improve transparency and communication of monetary policy. Governor Redrado, who spoke earlier, referred to several issues including difficulties in transmission channel in the EMEs, and I agree with him.

Traditionally, four key channels of monetary policy transmission are identified, *viz.*, interest rate, credit aggregates, asset prices and exchange rate channels. The interest rate channel emerges as the dominant transmission mechanism of monetary policy. Nevertheless, it is fair to regard the credit channel as running alongside the interest rate channel to produce monetary effects on real activity. Changes in interest rates by the monetary authorities also induce movements in asset prices to generate wealth effects in terms of market valuations of financial assets and liabilities. The exchange rate channel is relatively less important in the Indian context, though its relevance is gradually increasing. In the recent period, a fifth channel – expectations – has assumed prominence in the conduct of forward-looking monetary policy in view of its influence on the traditional four channels.

Current Challenges

Before concluding, I would like to share with you some of the challenges for the medium term.

First, the most complex and challenging issue relates to development of agriculture. While over 60 per cent of the workforce is dependent on agriculture, the sector accounts for barely 20 per cent of the GDP. Further, the GDP growth generated from agriculture is only marginally above the rate of growth of the population, which is not adequate to ensure rapid poverty reduction. On May 29, 2007, our Honourable Prime Minister announced a major scheme to double the growth rate of agriculture to 4.0 per cent over the 11th Plan period. The Government would provide Rs. 250 billion for new farm initiatives launched by States. A time-bound Food Security Mission was also announced to counter rising prices of food products and to ensure visible changes in their availability over three years.

Second, the growth story in any developing country can not be complete without assessing its impact on the poverty and employment situation. The Planning Commission has stressed that India should strive for 'more inclusive growth'. The number of people living below the poverty line has decreased from 36 per cent in 1993-94 to 22.0 per cent in 2004-05. Again, the issue is to bring more and more people out of poverty by providing them the productive employment opportunities. The Approach Paper to 11th Five Year Plan suggests that doubling the growth of agricultural GDP to 4 per cent per annum will improve rural employment conditions, by raising real wages and reducing underemployment. However, even if this is attained, an overall growth of 9 per cent will further increase income disparity between agricultural and non-agricultural households, unless around 10 million workers currently in agriculture find remunerative non-agricultural employment. This poses a major challenge not only in terms of generating non-agricultural employment but also in matching its required location and type.

Third, delivery of essential public services such as education and health to large parts of our population is a major institutional challenge. It is strongly felt that education will empower the poor to participate in the growth process and the large gaps in availability of health care, in terms of minimum access to the poor, need to be filled.

Fourth, a critical constraint to economic growth in India in recent years has been the infrastructure deficit. The Approach Paper to the 11th Five Year Plan has estimated that for accelerating the GDP growth from 7 to 9 per cent, there is a need for accelerating the current level of investment in infrastructure from 4.6 per cent of GDP to 8 per cent during the Plan period. The issue of providing adequate and quality infrastructure has already attracted attention of policy makers at all levels. The most important issues here are regulatory framework and overall investment climate, which are being addressed by the Government. Apart from higher levels of investment, issues of governance and management including policies relating to appropriate pricing and user charges are being addressed to achieve satisfactory results.

V. Summing Up

Let me conclude by expressing my deep appreciation and thanks for the courtesies extended by the Central Bank of Argentina and personally by Governor Redrado.

Indian Economy: Review, Prospects and Select Issues*

Y. V. Reddy

I am honoured by the kind invitation of Governor Corbo to visit the esteemed Central Bank of Chile. We, in the Reserve Bank of India, deeply appreciate the gesture. Governor Corbo is respected for his lucid expositions on complex issues in various international fora. While his analysis of monetary policy challenges in Chile is a matter of interest to the central bankers, his understanding of global developments, especially of Emerging Market Economies is also appreciated. The performance of the Chilean economy over the last 15 years has attracted international interest and is often considered to be an interesting model of structural reforms, liberalisation and stabilisation. The Chilean experience with management of capital inflows and temporary recourse to unique Chilean type of tax on cross border capital flow is often discussed in both academic and policy circles.

The visit of Governor Corbo to India in January 2004 was the first by a Governor from Latin America to visit the Reserve Bank of India in the recent years. The scholarly speech that he delivered on the recent developments and prospects of the Chilean Economy was very well received in the Reserve Bank.

Today, in my presentation, there would be a brief review of the Indian economy, followed by assessment of short term and medium term prospects. I will conclude by addressing select issues in the conduct of policy in the areas of money and finance in India, as they are likely to be of interest to the audience here.

I. A Brief Review of the Indian Economy

India's Constitution adopted in 1950 had established parliamentary form of

* Address by Dr. Y.V. Reddy, Governor, Reserve Bank of India at the Banco Central de Chile on June 7, 2007.

democracy and India has been a republic with universal adult suffrage, which has contributed to significant stability of political system. It is now a federation with 28 States and 7 Union territories. While the largest State (Uttar Pradesh) has a population of 166 million the smallest State (Sikkim) has a population of only 0.54 million. There is significant diversity in religious faiths with different States having majority of population belonging to different faiths such as Hindu, Islamic, Christian and Buddhist faiths. India is a host to the largest number of practicing Zoroastrians (of ancient Persia) in the world. There are 22 languages recognised by the Constitution of India as major languages spoken by a large section of society. While the boundaries of the States are based, by and large, on language, they have also been redrawn in the past to accommodate local aspirations. This is unique for any federation and reflects a subsisting spirit of accommodation. Furthermore, the local self-governments, right up to the village level, are mandated by the Constitution.

Growth

Sometimes India is described as a re-emerging economy since the 18th century, this area had accounted for about a quarter of world output – but that is part of history. The annual growth rate of GDP in the geographical area of India in the first half of 20th century is estimated to be around an average of 0.9 per cent per annum and per capita income at an average rate of 0.1 per cent per annum. The economy of independent India which is of contemporary interest had to be built upon the overhang issues of second World War, the trauma of partition, the integration of princely states numbering over 500 and a low level of GDP.

From an annual average growth rate of 3.5 per cent during 1950 to 1980, the growth rate of the Indian economy accelerated to around 6.0 per cent in the 1980s and 1990s. In the last four years (2003-04 to 2006-07), the Indian economy grew by 8.6 per cent. In 2005-06 and 2006-07, it had grown at a higher rate of 9.0 and 9.4 per cent, respectively.

Stability

An important characteristic of the high growth phase of over a quarter of century is resilience to shocks and considerable amount of stability. We have witnessed only one serious balance of payments crisis triggered largely by the Gulf war in the early 1990s. Credible macroeconomic structural and stabilisation programme was undertaken in the wake of the crisis. The Indian economy in later years, could successfully avoid any adverse contagion impact of shocks from the East Asian crisis, the Russian crisis during 1997-98, sanction like situation in post-Pokhran scenario, and border conflict during May-June 1999. Seen in this context, this robust macroeconomic performance, in the face of recent oil as well as food shocks, demonstrates the vibrancy and resilience of the Indian economy.

Saving and Investment

The average saving rate in India was 10 per cent in the 1950s, which rose to 17.5 per cent in the 1970s and further to 23.41 per cent in the 1990s. The saving rate was 32.4 per cent in 2005-06. The strengthening of economic activity in the recent years has been supported by persistent increase in gross domestic investment rates from 22.9 per cent of GDP in 2001-02 to 33.8 per cent in 2005-06. It may also be noted that over 95 per cent of investment during this period was financed by the domestic savings.

Inflation

Since independence, the inflation rate, in terms of the wholesale price index (WPI), on average basis was above 15 per cent in only five out of fifty years. In thirty-six out of fifty years, inflation was in single digit and on most occasions high inflation was due to shocks – food or oil. The tolerance level to inflation has been low, relative to many developing countries, especially on account of the democratic pressures in the country.

The inflation rate accelerated steadily from an annual average of 1.7 per cent during the 1950s to 6.4 per cent during the 1960s and further to 9.0 per cent in the 1970s before easing marginally to 8.0 per cent in the 1980s. However, the inflation rate declined from an average of 11.0 per cent during 1990-95 to 5.3 per cent during the second half of the 1990s (1995-2000) and further to 4.9 per cent during 2003-07.

More recently during 2006-07, WPI based inflation rate increased from 4.1 per cent at the end of March 2006 to an intra-year peak of 6.7 per cent at end-January 2007 and remained firm in the range of 6.1-6.6 per cent in the succeeding weeks before moderating to 5.7 per cent by the end of the financial year (as on March 31, 2007). As on May 19, 2007, the WPI inflation rate was 5.1 per cent.

Fiscal Performance

The average gross fiscal deficit of the Central Government as per cent to GDP during the decade of 1980s was 6.8 per cent as against 3.8 per cent in the 1970s. The Reserve Bank had to facilitate the financing of budgetary imbalances from the banking system as also through monetary accommodation. As interest rates were administered and not market determined, the interest rates on public debt were kept artificially low. By the early 1990s, as the budgetary imbalances became unsustainable, percolating into the overall macroeconomic imbalance and financial repression ensued, the Government had to initiate a programme of stabilisation and structural reforms, *inter alia*, to bring down the budgetary imbalances.

A major landmark in the interface of the Reserve Bank with fiscal developments was the Supplemental Agreement between the Reserve Bank and the Government to terminate the process of automatic monetisation through phasing out of *ad hoc* Treasury Bills and introduction of a system of Ways and Means (WMA) advances from April 1997. However, the Reserve Bank continued to participate in the primary market by privately placing/devolving the issues of government securities on its own account in the market. Subsequently, however, under the provisions of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, the Reserve Bank no longer participates in the primary market auctions of the government securities since April 2006.

The Government of India is pursuing the path of rule-based fiscal consolidation from the year 2004-05 under the FRBM Act, 2003 and FRBM Rules, 2004. The underlying purpose of the targets set under this legislative mandate has been to reduce the ratio of gross fiscal deficit (GFD) to gross domestic product (GDP) to three per cent by

2008-09. Furthermore, the revenue deficit (RD) to GDP ratio has been targeted to touch zero per cent by 2008-09 so that borrowed resources can be used to meet only capital expenditures. The progress of targeted fiscal consolidation has been satisfactory so far and GFD/GDP and RD/GDP ratios are budgeted to reduce to 3.3 per cent and 1.5 per cent, respectively, in 2007-08; the objective is to meet the FRBM targets by 2008-09 and remain at those levels in 2009-10.

External Sector

The average current account deficit since 1950-51 has been around one per cent of the GDP. During this period, except for 11 years when there was marginal surplus in the current account, we had modest deficit during the rest of the years.

After the Independence in 1947, higher imports and capital outflows, led by partition, resulted in significant deficit in the balance of payments necessitating running down of the accumulated sterling balances. However, the signs of strain in the balance of payments were clearly visible from the Second Five Year Plan (1956-61) onwards. Though the devaluation of 1966 brought to the fore the problems associated with the overvalued exchange rate, it did not bring immediate desired improvement in the balance of payments position. The remittances from Indians working abroad became a new source of meeting the growing financing needs in the 1970s. However, the second oil price shock during 1979-80 proved to be the precursor of another phase of strain on India's balance of payments.

In the aftermath of the balance of payment crisis in the early 1990s, several stabilisation and structural reform measures were undertaken. The hallmark of the reform process has been a gradual, cautious approach that incorporated a careful sequencing and phasing across different sectors of the economy. Recognising the macroeconomic implications of volatility associated with capital flows, India has adopted a policy of managing the capital account with a preference for non-debt flows. Consistent with the principle of hierarchy of capital flows, India has been making efforts towards encouraging more inflows through FDI and enhancing the quality of portfolio flows by strict adherence to 'Know Your Investor' principle. Going forward, the pace of further liberalisation will critically depend on the reforms in real and fiscal sectors as also global developments.

In the recent period, India's external sector has become resilient with the current account deficit being maintained at modest levels after a few years of marginal surplus during 2001-02 to 2003-04. External sector indicators show considerable level of sustainability attained in the last decade. Sustained growth in export of services and remittances has continued to provide buoyancy to the surplus in the invisible account, which has enabled financing a large part of trade deficit. The capital flows have been buoyant leading to sustained rise in foreign exchange reserves. The merchandise trade deficit is currently close to 7 per cent of GDP; however, the current account deficit is under 1.5 per cent of GDP, mainly due to the knowledge and competitive advantage we have in services and the steady support from remittances from Indians working abroad.

Financial Sector

The experience during the initial period after Independence shows that institution building and development of the financial system was propelled by the needs of the country's central planning. It was considered necessary to ensure that sectoral needs of credit to agriculture and industry were met in accordance with the Plan priorities. The Reserve Bank was vested with the major responsibility of developing the institutional infrastructure in the financial system. With a view to expand the outreach, the 14 largest commercial banks were nationalised in July 1969 as a major step to ensure adequate credit flow into genuine productive areas in conformity with Plan priorities. Again in 1980, six more private sector banks were nationalised, thus further extending the domain of public control over the banking system.

Since the beginning of the reform period in 1991, the approach towards the financial sector in India has been to move away from financial repression and consistently upgrade the system by adopting the international best practices through a consultative process. Financial sector reforms were carried out in two phases. The first phase of reforms was aimed at creating market-oriented financial institutions operating in an environment of operational flexibility and functional autonomy. The focus of the second phase of financial sector reforms has been on strengthening of the financial system consistent with the movement towards global integration of financial services.

Major policy measures during the reform of the banking sector include phased reductions in statutory pre-emption like cash reserve and statutory liquidity requirements and deregulation of interest rates on deposits and lending, except for a select segment. The diversification of ownership of banking institutions is yet another feature which has enabled private shareholding in the public sector banks, through listing on the stock exchanges, arising from dilution of the Government ownership. On account of healthy market value of the banks' shares, the capital infusion into the banks by the Government has turned out very profitable for the Government. Foreign direct investment in the private sector banks is now allowed up to 74 per cent, subject to the prescribed guidelines. There have been new banks, new instruments, new windows, new opportunities and, along with all this, new challenges. Banks have been provided significant freedom in their resource allocation through working of the market mechanism. The Reserve Bank has endeavoured to establish an enabling regulatory framework with prompt and effective supervision, and development of legal, technological and institutional infrastructure.

The co-existence of the public sector, private sector and the foreign banks has generated competition in the banking sector leading to a significant improvement in efficiency and customer service. The share of private and foreign banks in total assets increased to 27.6 per cent at end-March 2006 from 24.7 per cent at end-March 2005 and less than 10.0 per cent at the inception of reforms.

Currently, all scheduled commercial banks are compliant with the minimum capital adequacy ratio (CRAR) of 9 per cent. The overall CRAR for all scheduled commercial banks stood at 12.4 per cent at end-March 2006. The overhang of gross non-performing assets of scheduled commercial banks has declined from 8.80 per cent of advances in 2002-03 to 3.30 per cent in 2005-06. Operating expenses as a ratio of total assets of Indian scheduled commercial banks has declined from 2.24 per cent in 2002-03 to 2.11 per cent in 2005-06.

As development of the financial markets is an ongoing process, initiatives to further deepen and widen the various segments of the financial markets would have to be continuously pursued. Since the overall objective of maintaining price stability in the context of economic growth and financial stability will remain, the effort will be to harmonise the deregulation and liberalisation of financial markets with the domestic developments in real as well as fiscal sectors and global developments in international financial architecture.

II. Prospects

Short-Term Prospects

The distinguishing feature of India's macroeconomic performance in 2006-07 has been the strong acceleration of growth. Industry and services, comprising over 80 per cent of the economy, registered double-digit growth. While there seems to be evidence of structural changes taking place in the economy, there are indications that the upsurge of demand pressures in 2006-07 may contain a cyclical component. As regards structural changes, first, the recent growth momentum is driven by a step-up in the investment rate, which, in turn, is supported by a sizeable increase in the rate of gross domestic saving. This noteworthy improvement is attributable mainly to a distinct increase in corporate saving and turnaround in public sector dis-saving from 2003-04 onwards, while household saving continues to remain the mainstay of gross domestic saving. Second, India's linkages with the global economy are getting stronger, underpinned by the growing openness of the economy. Third, there is evidence of improvements in total factor productivity and the efficiency of capital use.

There are cyclical factors also underlying the recent growth experience. First, robust global GDP growth, which exhibited four years of strong expansion, has been supportive of high growth in India. Second, the persistent high growth in bank credit and money supply, the pick-up in non-oil import growth and the widening of the trade deficit in recent years together indicate upside pressures on aggregate demand. Third, cyclical forces are also evident in the steady increase in prices of manufactures, resurgence of pricing power among corporates, indications of wage pressures in some sectors, strained capacity utilisation and elevated asset prices.

It is important to assess India's recent macroeconomic performance against the evolving configuration of risks, which are likely to shape the outlook. First, the buoyant growth in industry and services has been somewhat marred by the setback to agriculture which has suffered substantial deceleration and volatility. It is now widely recognised that the performance of agriculture is critical not only for output and employment but also, particularly for price stability. While over 60 per cent of the workforce is dependent on agriculture, the sector accounts for barely 20 per cent of the GDP.

Second, alongside shortfalls in agricultural performance, large gaps have emerged in the physical infrastructure. Rapid growth in demand for infrastructure with a less than proportionate supply response in the prevailing investment climate has resulted in stretching of the capacity utilisation in electricity generation, roads, ports and major airports.

Third, domestic developments in 2006-07 in terms of firming up of inflation through the year, led mainly by rising prices of primary articles, has been a matter of concern.

Monetary and financial conditions are reflecting these demand-supply gaps as well as the onset of a durable pick-up in aggregate spending. The acceleration of growth in the real sector has been reflected in the upward shift in the growth trajectory of non-food credit extended by commercial banks. The expansion in non-food credit at 29.8 per cent in the period 2003-04 to 2006-07 is unprecedented in the history of the Indian economy. There has been some sign of deceleration in the recent period as growth in year on year non-food credit was 27.2 per cent as on May 11, 2007 as compared with 32.3 per cent during the same period last year.

In consonance with the rising capital flows, the reserve money growth has been higher in the recent period averaging 17.8 per cent during 2003-07. The rate of growth of reserve money was 23.3 per cent as on May 18, 2007 on year on year basis (20 per cent a year ago).

Similarly, the high credit growth in the recent period has led the money supply growth to remain high averaging 16.7 per cent during 2003-07. During 2006-07, the money supply grew by 20.7 per cent. As on May 11, 2007, the growth in money supply on year on year basis was 20.2 per cent (18.2 per cent a year ago).

Taking into account the high expansion of money supply worldwide, and given the monetary overhang of 2005-07, it is important to contain monetary expansion in 2007-08 at around 17.0-17.5 per cent, in consonance with the outlook on growth and inflation. The Annual Policy Statement for the year 2007-08 also placed aggregate deposits growth in 2007-08 at around Rs.4,900 billion and a graduated deceleration of non-food credit to 24.0-25.0 per cent in 2007-08.

Monetary policy in India has to also contend with the burden of challenges emanating from other sources. First, it is recognised that monetary policy has to contend with the high level of public debt and fiscal deficit. While the recent improvements in the fiscal position of States and significant consolidation in the finances of the Centre have to some extent alleviated the situation, the fiscal position may need further strengthening as we proceed with further liberalisation of financial sector and capital account. Second, in the recent period, the enduring strength of foreign exchange inflows has complicated the conduct of monetary policy, as such inflows can potentially reduce the efficacy of monetary policy tightening by expanding liquidity. Third, in India, levels of livelihood of large sections of the population are inadequate to withstand sharp financial fluctuations, which impact real activity. Accordingly, monetary policy has to also bear the burden of protecting these segments of the economy from volatility in financial markets often related to sudden shifts in capital flows. Fourth, a situation in which aggregate supply is less than elastic domestically imposes an additional burden on monetary policy. While open trade has expanded the supply potential of several economies, it does not seem to have had any significant short-term salutary effect on some supply elasticities.

The operation of monetary policy in India is also constrained by some uncertainties in transmission of policy signals to the economy. First, despite the progressive deregulation since the early 1990s, some categories of interest rates continue to be administered, thereby muting the impact of monetary policy on the structure of interest rates. Second, external sector management is complicated by the incentives for some elements of capital flows provided by public policy setting. Thus, the magnitudes and direction of capital flows to select sectors in the domestic economy are beset with uncertainties in regard to the global and domestic environment not necessarily related to economic fundamentals or the monetary policy setting. Third, the operation of monetary policy has to be oriented around the predominantly public sector ownership of the banking system which plays a critical role not only in the transmission of monetary policy signals but also in other public policy considerations.

Overall, the Reserve Bank projects the real GDP growth in 2007-08 to be around 8.5 per cent, assuming no further escalation in international crude prices and barring domestic or external shocks. For the year 2007-08, the Reserve Bank's policy endeavour would be to contain inflation close to 5.0 per cent. In the medium term, in recognition of India's evolving integration with the global economy and societal preferences, the resolve, going forward, is to condition policy and expectations for inflation in the range of 4.0–4.5 per cent.

Medium-Term Prospects

The Approach Paper for the Eleventh Five Year Plan (2007-08 to 2011-12) targets an average annual growth of 9 per cent relative to 8 per cent targeted by the Tenth Plan (2002-03 to 2006-07). This aspiration for growth would require significant acceleration in investment from 27.8 per cent in the Tenth Five Year Plan to 35.1 per cent in the Eleventh Five Year Plan. While half of the increase in investment is expected to come from private investment in farms, small and medium enterprises and in the corporate sector, the rest is estimated to emanate from public investment with a focus on the infrastructure sector. The higher level of investment is proposed to be financed by some combination of increased domestic savings and increased foreign savings. A significant portion of the required increase in domestic savings is expected to come from an improvement in government savings. Household savings and private corporate savings can also play a major role in this regard.

Realising that the growth benefits need to trickle down further, the Eleventh Five Year Plan is likely to provide an opportunity to restructure policies to achieve a new vision based on faster, more broad-based and inclusive growth. Doubling of agricultural GDP growth to around 4 per cent is particularly important in this context. The Approach Paper suggests that this must be combined with policies to promote rapid growth in non-agricultural employment so as to create 70 million job opportunities in the 11th Plan.

Very recently on May 29, 2007, our Honourable Prime Minister announced a major scheme to double the growth rate of agriculture to 4.0 per cent over the 11th Plan period. The Government would provide Rs. 250 billion for new farm initiatives launched by States. A time-bound Food Security Mission was also announced to counter rising prices of food products and to ensure visible changes in their availability over three years.

If these objectives are achieved, the percentage of people in poverty could be reduced by 10 percentage points by the end of the Plan period. The policy reforms and monitorable targets as indicated in the Approach Paper, particularly on education, health, women and children, infrastructure, when attained, are expected to benefit a larger chunk of population immensely. This will help in making the Indian growth process more inclusive and durable.

The Approach Paper to the 11th Five year Plan suggests that growth target for industrial sector and manufacturing sector could be placed at 10 per cent and 12 per cent, respectively during the Plan period. This is based on the assumption that India has also the potential of emerging as a favoured manufacturing destination of the world especially in respect of certain manufacturing activities, characterised by entrepreneurial dynamism and cost competitiveness.

The services sector in the country has benefited from the availability of vast skilled labour and is expected to continue to lead the economy, drawing from its linkage with the well performing industrial sector and expanding international trade. The Approach Paper puts special focus on services sector so that its potential to create employment and growth is fully realised.

There is commitment on the part of the Government to pursue the process of fiscal correction and consolidation. The task ahead for the Central Government is to achieve the FRBM targets, especially the elimination of revenue deficit by 2008-09. Favorable factors towards this end are buoyancy in tax-GDP ratio and turnaround in public sector dis-saving from 2003-04 onwards.

To reap the rewards of demographic dividend, public policy has a critical role to play towards creating a quality social infrastructure in terms of education and health and also generate employment which can help the easy and productive absorption of the prospective ''youth bulge''.

The Approach Paper emphasises further financial innovation, particularly the insurance and pension sectors, which are considered to be good sources for meeting the long-term-financing requirement of the infrastructure sector. The policy approach being followed is likely to ensure greater outreach of banking business, and also, in the present scenario of high growth, enable the banks to usefully lend to the disadvantaged sections and successfully pierce the informal credit segment.

II. Select Issues in the Conduct of Policy

Multiple Objectives

The preamble to the Reserve Bank of India Act, 1934 sets out the Bank's objectives as "to regulate the issue of Bank notes and the keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage". Although there is no explicit mandate for price stability, as is the current trend in many countries, the objectives of monetary policy in India have evolved as those of maintaining price stability and ensuring adequate flow of credit to the productive sectors of the economy. In essence, monetary policy aims to maintain a judicious balance between price stability and economic growth. The relative emphasis between price stability and economic growth is governed by the prevailing circumstances at a particular time and is spelt out from time to time in the policy announcements of the Reserve Bank. Financial stability, subsumed in monetary stability, has gained in importance since the second half of the 1990s.

The Reserve Bank discharges the functions of debt manager and banker to the government of India and the State governments. Regulation and supervision of banks and non-banking financial companies are also assigned to Reserve Bank. In addition to management of current and capital account transactions of external sector, development and regulation of the money, government securities and forex markets are also the functions of the Reserve Bank. Payment systems also fall within the purview of the Reserve Bank.

Measurement and Targeting of Inflation

An appropriate inflation indicator should reflect price changes of the constituent items accurately and provide some understanding of the headline inflation. The consumer price index (CPI) is generally favoured as an indicator of inflation for monetary policy. Given the widely differing consumption baskets as between the rich and the poor, between the rural and the urban areas and even across regions in India, a single CPI index could be less representative. Hence, a measure of producer prices to which the wholesale price index (WPI) is akin, is currently treated as more representative and familiar across the country. However, the growing importance of services in the consumption basket makes the WPI less representative. There are occasions when divergence between WPI and CPI is larger than usual. In view of these considerations, we do monitor and disseminate all the CPI indicators, while using this as relevant information for policy formulation. In parallel, we are doing technical work on computing a Harmonised Consumer Price Index, and we are in consultation with the government in this regard.

It is increasingly recognised that monetary policy should be associated with managing inflation expectations also. The guiding criterion for inclusion of a variable in the inflation indicators panel would be the information content on future inflation. We are now actively working on collecting information relating to real- sector indicators of future inflation, such as variability of output around trend/potential, capacity utilisation, inventory, corporate performance, industrial/investment expectations and other indicators of aggregate demand.

In India, we have not favoured the adoption of an explicit inflation-targeting framework for several reasons. First, the monetary policy in India has the twin objectives of growth and price stability but the relative emphasis between the two keeps varying depending upon the circumstances. Second, we have had a record of moderate inflation, with double digit inflation being the exception, and largely, socially unacceptable. Third, the adoption of inflation targeting requires the existence of an efficient monetary transmission mechanism through the operation of efficient financial markets and absence of interest rate distortions. In India, although the money market, government debt and forex markets have indeed developed in recent years, they still have some way to go, whereas the corporate debt market is yet to develop. Though interest rate deregulation has largely been accomplished, some administered interest rates still persist. Fourth, in an economy as large as that of India, with numerous regional differences, and continued existence of market imperfections in factor and product markets across regions, the choice of a universally acceptable measure of inflation is also difficult. Fifth, inflationary pressures often emanate from significant supply shocks related to the effect of the monsoon on agriculture in addition to oil prices.

We do not have the concept of core inflation but for purposes of analysis as well as articulation, we identify the impact of fuel- and food-price shocks. These two items are often subject to shock – both external and domestic. The two items also have a large weight in the basket, especially of consumption. It is also difficult, *ex ante*, to differentiate between the shock and the permanent components.

We, in the Reserve Bank, since three years, have nevertheless articulated, with significant impact, tolerance limit of inflation at around 5 per cent. That has since been embedded in inflation expectations as noticed in severe adverse reactions when WPI exceeded 5 per cent. In the Reserve Bank's Annual Policy of 2007-08, we indicated a self-imposed informal inflation mandate over the medium term to be in the range of 4.0 to 4.5 per cent. The goal is to anchor inflation expectation in India so as to align them with the global levels, as soon as possible for ensuring smooth economic integration with the global economy.

Use of Prudential Measures

Financial stability has emerged as one of the key considerations in the conduct of monetary policy. The Reserve Bank has adopted a two-track approach in the pursuit of financial stability. First, by ensuring monetary stability through lowering of inflation, it has lowered inflationary expectations, thereby fostering financial stability. Second, the Reserve Bank has applied a multi-pronged strategy, to promote stability of financial institutions, financial markets and the financial infrastructure. The stable economic regime, combined with the macro financial oversight of the financial system, has imparted confidence to market players to conduct their business in an orderly manner.

In India, rising economic activity has propelled non-food credit growth above

30 per cent since 2004-05. Substantially high credit growth has been observed in sectors such as real estate and consumer credit leading to sharp escalation in asset prices and strains on credit quality. The policy response has been in terms of prescribing higher provisioning and assigning higher risk weights to sectors where the price rise has been exorbitant, as a supplement to monetary policy measures.

There is a growing support for the more contemporary, pragmatic view advocating the use of prudential regulation as a policy response, to dampen excessive credit growth in pursuit of financial stability.

Single vs. Multiple Regulators

In India, as in the case of many other countries, there are several agencies entrusted with the task of regulation and supervision of different institutions and market participants in the financial sector. The Reserve Bank regulates and supervises the major part of the financial system through its various departments under the provisions of the Banking Regulation Act, 1949 and the Reserve Bank of India Act, 1934. Its supervisory domain covers Commercial Banks, Non-Banking Financial Companies (NBFCs), Urban Cooperative Banks (UCBs) and some of the All-India Financial Institutions (AIFIs). Some of these AIFIs, in turn, regulate and/or supervise other institutions in the financial sector. Thus, the Regional Rural Banks (RRBs) and Central and State Cooperative Banks are supervised by the Reserve Bank of India through National Bank for Agriculture and Rural Development (NABARD); State Financial Corporations (SFCs) through the Industrial Development Bank of India (IDBI) (since transferred to SIDBI) and the Housing Finance Companies through National Housing Bank (NHB).

Since 1992, the Securities and Exchange Board of India (SEBI) regulates the capital markets and supervises several institutions such as the Stock Exchanges, Mutual Funds, Asset Management Companies, securities dealers and brokers, Merchant Bankers and Credit Rating Agencies. The SEBI regulates venture capital funds also. The entities in the insurance sector are regulated by the Insurance Regulatory and Development Authority (IRDA) since 1999. Banks are permitted to be involved in insurance activity through joint ventures, equity participation and agency-type arrangements. An apex regulatory body for pension funds, *i.e.*, the interim Pension Fund Regulatory and Development Authority (PFRDA) has been set up in 2004. The Ministry of Corporate Affairs (MCA) regulates the deposit taking activities of non-banking non-financial companies and also some of the activities of the NBFCs.

There are several mechanisms in India by which coordination amongst the regulators in the financial system is ensured. First, there is exchange of information amongst the regulators on a routine basis and on occasions through special request. Secondly, there is a High Level Co-ordination Committee on Financial and Capital Markets presided over by the Governor, Reserve Bank with which the Finance Secretary; Chairman, SEBI; Chairman, IRDA and more recently, Chairman, PFRDA are associated as members. The High Level Committee has constituted a Standing Working Group to enable coordination amongst the Ministry of

Finance, Reserve Bank and SEBI at the operating level and to assist the Committee in its deliberations. Finally, while nominees of Ministry of Finance and Ministry of Corporate Affairs are on the Board of SEBI along with a Deputy Governor of the Reserve Bank, the Finance Secretary is a member (without the voting rights) of the Board of Directors of the Reserve Bank.

Banking Sector Reforms through Rebalancing

There are some unique aspects of banking sector reform in India. There has been no banking crisis in the Indian economy. The reform process can best be described as gradual rebalancing of the banking sector to enhance efficiency and stability. The overhang problems were managed internally without recourse to Asset Reconstruction Company (ARC). Some of the salient aspects of the banking sector reforms in India are briefly enumerated here.

First, the reform measures were initiated and sequenced to create an enabling environment for banks to overcome the external constraints – which related to administered interest rate regime, high levels of pre-emption through reserve requirements, and credit allocation to certain sectors. The interest rates in the banking system have been largely deregulated except for a few categories, *viz.,* savings deposit accounts, non-resident Indian (NRI) deposits, small loans up to Rs. 200 thousand and export credit. However, the administered interest rates prevail in small savings schemes of the Government. The statutory reserve requirements have also been progressively reduced while the norms for priority sector lending have been rationalised.

Second, as against the overwhelming dominance of the Public Sector Banks in the banking system in the pre-reform period, the share of the public sector banks in the aggregate assets of the banking sector has declined from 90 per cent in 1991 to around 75 per cent in 2000, while the share of wholly Government-owned public sector banks declined sharply from about 90 per cent to less than 10 per cent of aggregate assets of all scheduled commercial banks during this period. Diversification of ownership has led to greater market accountability and improved efficiency.

Third, with a view to enhance efficiency and productivity in the banking sector through competition, the private sector and the foreign-banks were allowed more liberal entry. Since 1993, twelve new private sector banks have been set up. As a major step towards enhancing competition in the banking sector, foreign direct investment in the private sector banks is now allowed up to 74 per cent, subject to conformity with the guidelines issued from time to time.

Fourth, consolidation in the banking sector has been another feature of the reform process, which also encompassed the Development Financial Institutions (DFIs), which have been providers of long-term finance. The Reserve Bank enabled the reverse-merger of a large DFI with its commercial-banking subsidiary, which was a major initiative towards universal banking. Subsequently, another large term-lending institution has been converted into a bank. The mergers between non-banking financial companies and banks as also between private sector banks are now permitted, subject to the Reserve Bank guidelines. The underlying principles for consolidation would also apply, as appropriate, to the public sector banks, subject to the provisions of the relevant legislation.

Fifth, impressive institutional and legal reforms have been undertaken in relation to the banking sector. In 1994, a Board for Financial Supervision (BFS) was constituted comprising select members of the Reserve Bank Board with a variety of professional expertise to exercise 'undivided attention to supervision'. The BFS ensures an integrated approach to supervision of commercial banks, development finance institutions, non-banking finance companies, urban cooperatives banks and primary dealers. It provides direction on a continuing basis on regulatory policies including governance issues and supervisory practices.

A Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) has also been recently constituted to prescribe policies relating to the regulation and supervision of all types of payment and settlement systems, set standards for existing and future systems, authorise the payment and settlement systems and determine criteria for membership to these systems.

The Credit Information Companies (Regulation) Act, 2005 and the Government Securities Act, 2004 have been enacted. Certain amendments are also being considered by the Parliament to enhance Reserve Bank's regulatory and supervisory powers.

Sixth, a number of measures for enhancing transparency in the banking sector, through disclosures standards, have been instituted. Illustratively, all cases of penalty imposed by the Reserve Bank on the banks as also directions issued on specific matters, including those arising out of inspection, are placed in the public domain.

Seventh, in the regulatory framework and supervisory practices, which have almost converged with the best international practices, two points are noteworthy. First, the minimum capital to risk assets ratio (CRAR) has been kept at nine per cent, *i.e.*, one percentage point above the international norm; and second, the banks are required to maintain a separate Investment Fluctuation Reserve (IFR) out of profits, towards interest rate risk. The IFR has helped in cushioning the valuation losses required to be booked by the banks in a rising interest rate environment.

As regards the implementation of Basel II framework for capital adequacy, a differentiated approach has been adopted in respect of commercial, cooperative and Regional Rural Banks (RRBs) – keeping in view the significant divergence in their size, operational complexity, their criticality for the financial sector and the need to achieve greater financial inclusion. Thus, the capital adequacy norms applicable to these entities have been maintained at varying levels of stringency and one might say that we are adopting a three-track approach with regard to capital adequacy rules. On the first track, the commercial banks are required to maintain capital for both credit and market risks as per the Basel I framework; on the second track, co-operative banks are required to maintain capital for credit risk as per the Basel I framework and surrogates for market risk; on the third track, the RRBs have a minimum capital requirement, which is, however, not on par with the Basel I framework.

As regards the timeframe for implementation of Basel II framework, the foreign banks operating in India and the Indian banks with foreign branches are required to adopt the Standardised Approach for credit risk and the Basic Indicator Approach for the operational risk, with effect from March 31, 2008. All other commercial banks are required to adopt these approaches not later than March 31, 2009.

Eighth, the regulatory framework in India is increasingly focusing on ensuring good governance through 'fit and proper' owners, directors and senior managers of the banks. Transfer of shareholding of 5 per cent and above requires acknowledgement from the Reserve Bank and such significant shareholders are put through a `fit and proper' test. Banks are required to screen the nominated and elected directors through a nomination committee to satisfy `fit and proper' criteria. The directors are also required to sign a covenant indicating their roles and responsibilities. The Reserve Bank has issued detailed guidelines on ownership and governance in private sector banks emphasising diversified ownership. The listed banks are also required to comply with governance principles laid down by the SEBI – the securities-markets regulator.

Concluding Remarks

The developments in the Indian economy are attracting global attention for several reasons, such as size of the economy, recent acceleration in growth, maintenance of stability, impressive productivity increases, demographic dividend, *etc.* The contours of public policy have been predominantly domestically designed to suit the country context while harmonising with the global best practices. There are, no doubt, many challenges, specially those relating to poverty, literacy and health care, which demand high priority. We are trying to address these issues in a democratic set up through a participative process. We are appreciative of the global understanding and support for our endeavour. In this light, I wish to express my appreciation to the Governor Corbo for having invited me to brief you on our journey towards inclusive growth. I am also thankful for the excellent arrangements made and the courtesies extended to me by the Central Bank of Chile.

*Random Thoughts on Statistics and Surveys**

Y. V. Reddy

I am thankful to the organisers for giving me the privilege and pleasure of being with you at the Workshop on 'Use of Surveys by Central Banks', organised jointly by the South-East Asian Central Banks (SEACEN), Irving Fisher Committee (IFC) - Bank for International Settlements (BIS) and the Reserve Bank of India. It is a collaborative effort of several institutions and spread over many countries, but with a unity in purpose. Let me extend a warm welcome to all our visitors.

I notice that participants from the central banks of several countries from Asia and Far East are participating and we had the privilege of having the guest speakers from the European and Asian central banks, apart from the speakers from the Reserve Bank. The schedule of the workshop indicates that a wide gamut of subjects relating to surveys in central banks has been deliberated upon in the workshop and different country perspectives have been appreciated. The valedictory address that I have been called upon to deliver is basically in the form of sharing some thoughts on statistics and surveys considered relevant from the perspective of central banking.

Today is the National Statistics Day, commemorating the birth of Shri P C Mahalanobis, FRS the founder of Indian Statistical Institute, who had contributed immensely for the development of statistics globally and in particular, in India. Professor Mahalanobis was President of International Statistical Institute in 1957, Chairman of United Nations Statistical Commission during 1954-58, and was associated with many other international fora. He was the architect of the Central Statistical Organisation and the National Sample

* Valedictory address delivered by Dr. Y . V. Reddy, Governor, Reserve Bank of India at the SEACEN - Irving Fisher Committee - RBI Workshop on Use of Surveys by Central Banks on June 29, 2007 at Pune.

Survey Organisation - two major statistical wings of Government of India. In his view, statistics is a 'key technology', having its bearing in every walk of life. This message has far reaching implications and the objective of National Statistics Day is to assess where we stand *vis-a-vis* international standards. Let me add that we observe Statistical Standards and Codes and follow best practice on coverage, periodicity and timeliness on data dissemination as prescribed in IMF's Special Data Dissemination Standards (SDDS).

As regards importance of statistics in national development, Professor Mahalanobis said:

"Statisticians, in fact, have a four-fold task in national development. Firstly, to conduct properly organised surveys for the collection, analysis, and interpretation of relevant statistical data. Secondly, on the basis of such information, to help in the choice of an efficient programme of action. Thirdly, when the plan goes into operation, to measure the progress of work and to assess the results achieved. And, finally, on the basis of such assessment, either to report that the work is proceeding as desired or to give the danger signal that the results attainted are not proceeding in accordance with the plan or are not commensurate with the effort; in which case the plan itself may have to be modified. In this way the four-step cycle would begin again."

This succinctly explains the importance of statistics in the formulation of policy and its evaluation. Infact, many developments since the statement was made, in terms of technology, quantitative methods, and marketisation as well as globalisation have reinforced what Professor Mahalanobis observed. The use of statistics has increased manifold and the demand is for real time or near real time data on almost all aspects of life and economy. The System of National Accounts and the related accounting system on balance of payments, fiscal and financial statistics provide the basic framework for collection of statistics. As the monetary policy responds quickly to emerging developments in the economy, and its effectiveness depends on market expectations, the set of data required for the same, like business expectations and inflation expectations, need to be collected through quick surveys.

With increased globalisation and liberalisation of financial system, informed decision holds the key to successful implementation of policy. While administrative (regulatory) and supervisory information are collected by statutory and control returns, information gap on financial statistics and other related areas in central banks is typically supplemented by surveys. In today's world, central banks' surveys conducted exclusively for monetary policy can broadly be defined as a type of analysis of conjunctural developments.

I would like to highlight the importance of surveys with reference to experience with regulation. In some economies, the control systems in financial and external sectors were dismantled without putting in place appropriate monitoring mechanism, which led to a vacuum in availability of information on ongoing economic activity. In other words, deregulation must be accompanied by appropriate monitoring systems, or alternatively, by surveys to make up for the loss of information due to removal of controls. In fact, many analysts hold the view that the financial crisis that hit the Asian economies about ten years ago was partly occasioned by inadequate data on the activities of the banking system.

In highly deregulated regimes, sometimes, conducting a survey is the only option available for obtaining the data necessary for policy making. However, we do recognise that a survey has to be properly designed to serve the objectives. Firstly, quality of data derived from surveys depends on the methodology and standards used for these surveys. An international conference of this type is useful for sharing of country experiences on these issues and, hopefully, you will benefit by learning from varied experiences in making judgments on the complex issues involved.

Secondly, in a country like India with significant diversity, the matching of survey-design with target population is important. The diversity encompasses several languages, different customs and culture, and variation in levels of literacy and understanding. No doubt, respondents vary across objectives of surveys.

Thirdly, even a perfectly prepared questionnaire is of no use if large number of people fail to complete it. Thus, the main goal of any survey implementation plan should be to obtain a high response rate. As far as our experience with survey responses is concerned, we do not encounter problems with the regulated entities like banks from whom the response is generally more than 90 per cent in most of the surveys conducted whereas the response rate drops significantly when the survey is conducted amongst non-regulated entities. However, the response of households to the inflation expectations survey is almost 100 per cent. Even after increasing the sample size considerably, we continue to get good response, though it is difficult to ascertain the reliability of responses from different categories of households, in view of the varying degrees of awareness. In any case, the erroneous responses in this sector are likely to be higher than in the case of banks and other financial institutions, where the percentage of erroneous responses is normally remaining in single digit.

Fourthly, survey data are subject to well-known types of bias. For example, since respondents know that they are being studied, and have at least some idea why, they may change their answers, either consciously or unconsciously, to show themselves in a better light or to conform to the expectations of those who are studying them. This is fairly common in inflation expectation survey.

Fifthly, from the perspective of policy-making, the primary purpose of conducting a survey is to produce data that will help answer important policy questions. Once collected, the data must be so collated, organised, summarised, and described as to be eminently useful for policy purposes. For example, summary measures such as means, frequencies, standard deviations, and correlations and creating tables and graphs that illustrate important findings, are of immediate use to us, though they need to be viewed with great caution, especially in terms of level of confidence that one can have in the sample estimate.

Finally, a word of caution. If conducted properly, surveys can accurately represent the opinions and judgments of a population of people but this doesn't mean that these opinions are right. Further, a survey can establish whether or not a relationship exists between two variables but may not be sufficient to determine the direction of causality.

Let me take this opportunity to share with you the survey-work by the Reserve Bank in India and our current intentions.

Among the surveys conducted by the Reserve Bank in the past, the most important one was 'All-India Rural Credit Survey'. Results of this survey had significant bearing on subsequent credit polices of the Reserve Bank. The objective of the survey was to collect data that would assist the Reserve Bank and the Government of India in formulating an integrated credit policy for rural credit and to assess the extent of indebtedness of rural households to financial institutions in the organised and unorganised sectors. After nationalisation of major commercial banks in 1969, there was need to evolve a suitable credit policy to meet the developmental needs of select sectors of high priority. In this context, the Reserve Bank conducted two separate surveys, *viz.*, 'Survey of Small Scale Industries' and 'Survey of Traders and Transport Operators'. In addition, the 'Survey of Non-Profit Institutions Serving Households' (NPISHs), conducted by the Reserve Bank, provided information about the structure, employment, financial resources, financial performance, *etc.*, of NPISHs. Furthermore, an *ad hoc* survey on 'remittance of non-resident Indians' helped the Reserve Bank in formulating policies on non-resident deposits.

At present, we, in the Reserve Bank, are conducting around 20 surveys on a regular basis, with varying periodicity; we also conduct several need-based *ad hoc* surveys. In view of the size of the population of the country - in terms of individuals, corporates and financial institutions - we are sometimes consciously not considering the entire sector while conducting some of the surveys because of cost, time and efforts involved. In such cases, we are conducting some supplementary surveys to capture more details from reduced samples like the small borrowal accounts survey in the case of banking sector and survey of unclassified receipts in the case of external sector.

The surveys conducted by the Reserve Bank can be broadly classified into five categories. In the external sector, these include survey of foreign liabilities and assets for corporate, insurance and mutual fund sectors; coordinated portfolio investment survey; survey on software export; unclassified receipt survey used for BoP; survey on balances in Nostro /Vostro account used in BoP, and survey on non-resident deposits. In the banking sector, the surveys cover distribution of credit, deposits and employment; composition and ownership of deposits; investment portfolio; debits to deposit accounts; international assets and liabilities of banks and small borrowal accounts. In the corporate sector, the survey of performance of private corporate business sector, conducted since 1951-52, has been of considerable interest to the analysts.

Surveys in India directly relevant to monetary policy are industrial outlook survey, inflation expectation survey for households, and survey of inventories, order books and capacity utilisation. There are also *ad hoc* surveys such as census of non-banking financial companies not accepting public deposits.

Of greater interest to this group may be the steps recently initiated by the Reserve Bank to make use of survey methods for operational purposes like assessing the extent of financial inclusion. You may be aware that in India, Government as well as the central bank attach importance to financial empowerment of the rural poor and the Reserve Bank has taken steps for Financial Inclusion and spread of the Self Help Groups.

I should confess that we have to considerably strengthen the surveys required for formulation of monetary policy. In this regard, we are collecting information on the surveys conducted by other central banks. Among the surveys conducted by other central banks, we observe that some relate to household sector such as access to financial services, demand for housing, consumer confidence, credibility of monetary policy, *etc.* There are also those relating to markets such as assessment of efficient and fair conduct of financial markets, survey of professional forecasters and of economists' expectations. I would, therefore, urge Dr. Barman and his team to monitor international developments carefully, take into account the country experiences and draw upon the expertise of the multilateral institutions in charting the further course of survey work in the Reserve Bank.

Before concluding this address, I would like to endorse two observations made by Governor Njuguna Ndung'u, Governor of the Central Bank of Kenya a couple of weeks ago (June 12, 2007) in his opening address at the workshop on the compilation of banking statistics in Kenya. First, there are varied users of the banking data such as Government, central bank, market participants, researchers, *etc.* The data and analysis, therefore, have to be user friendly. Second, he stated that the dynamic nature of our economies necessitates our becoming dynamic in our approach to data compilation. For my part, I would like to add, by way of concluding remarks, that in data or surveys, there should be consistency with global standards but the scheme has to be tailored to meet the domestic interests and needs. No doubt, we have to learn from each others' experience but need to adapt to the country-specific context.

Risk Management in an Open Market Economy*

Rakesh Mohan

Peter L. Bernstein in his celebrated book *Against the Gods* writes, 'The revolutionary idea that defines the boundary between modern times and the past is the mastery of risk: the notion that the future is more than a whim of the Gods and that men and women are not passive before nature. Until human beings discovered a way across that boundary, the future was a mirror of the past or the murky domain of oracles and soothsayers who held monopoly over knowledge of anticipated events' (Bernstein, 1996).

Whereas risk management characterises many of our activities in different spheres, from standard technological risk management embedded in almost all industrial goods and machinery, to worrying about climate change and global warming, it is in the world of finance that risk management is at the core of all its activities. With the generalised opening of trade and of capital movement across the world over the past decade and a half, risk management has become all pervasive across the whole financial sector. In a closed economy with administered prices, fixed or predictable exchange rates and interest rates, the micro perception of risk was relatively benign. In those conditions, in effect, it was the sovereign that undertook to do the risk management for the economy. As a consequence of the rigidity embedded in these systems, economic adjustments did not take place on a day-to-day gradual basis and risks effectively accumulated until discontinuous macroeconomic adjustments were forced on the system. Such discontinuous adjustments involved non-marginal adjustments in the exchange rate, interest rates, administered prices of basic

* Speech delivered by Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India at the inaugural programme of the Centre for Advanced Financial Learning in Mumbai on June 4, 2007. Assistance of K. Damodaran and Himadri Bhattacharya in preparing the speech is gratefully acknowledged.

goods, or in fiscal expenditures, and the like. The impact on individuals and market participants alike was usually relatively traumatic, and consequent economic and financial crises were common. Moreover, such systems were likely to suffer from misallocation of resources, bouts of price instability and consequential low and uncertain economic growth.

The notion that individual economic agents are ill-equipped to be exposed to exchange rate, interest rate and price risks, and that the sovereign alone should bear these risks is no longer regarded as tenable. It is now recognised that a system that allows for daily market adjustment of such prices operates more smoothly and that wider dispersion of risks among economic agents is more conducive to the maintenance of economic and financial stability. However, the issue of how economic risks are to be dispersed among the sovereign, financial intermediaries, large corporations, small businesses, farmers and households and other categories of economic agents is still a live one. It is generally acknowledged in this regard that there has to be some correspondence between the incidence of risk and different agents' capacity to bear it.

Lacklustre macroeconomic performance of command economies in the 1970s and in the following decades resulted in a shift in the thinking on risk, leading to the realisation that it is far more efficient to allow individual economic agents to face, transfer and manage risks through a market mechanism. The collapse of the Bretton Woods System in 1971 ushered in an era of 'generalised floating' of the exchange rates of major currencies. The gradual deregulation, relaxation/abolition of capital controls and globalisation that followed the collapse of the Soviet system provided the backdrop as also the incentive for the risk management concepts and practices to emerge and evolve.

The distinguishing feature of the new paradigm is that it does not mean that all risks should be eliminated by way of insurance-like products that have been known to mankind for a long time. The key is pricing of risks in markets for risk products. Development of deep and liquid markets in risk products – both cash as well derivatives - which were boosted by phenomenal progress in quantitative finance made it possible for risk management as a discipline and profession to come of age. However, this way of looking at risk management does not mean at all that there is no role for the sovereign or for regulators in financial markets.

Profound changes have also taken place in the economic and financial landscape in India over the last two decades or so, marked by wide-ranging reforms in both the real and financial sectors. Adoption of a unified and market-determined exchange rate for the Rupee in early 1993, followed by current account convertibility in 1994, enactment of a new foreign exchange law in 1999, and significant though gradual capital account liberalisation over the last decade have led to a manifold increase in the volumes of both current and capital account transactions between India and the rest of the world. At the same time, deregulation of interest rates, greater use of indirect instruments for monetary policy, reduction in statutory preemption on the resources of banks have paved the way for emergence of liquid markets for short- and long-term interest rates in India.

The upshot of all these developments is that while resource allocation & use have become more efficient leading to higher growth impulses, with economic agents now having more choices to make and competition to face, there are more risks to contend with as well on a daily basis. In other words, increased opportunities for economic agents are now accompanied by new types of risks to be managed as well.

The broad trends marking the present and the foreseeable future are clear. Economic and financial engagement with the rest of the world will further expand in several dimensions. Viewed from this perspective, economic agents in India should be able to walk in step with their counterparts and competitors elsewhere. One essential requirement in this regard is that risk management systems and procedures as well as the market for risk management products in India should be world class.

As we introduce new risk management systems, upgrade existing ones and develop new markets for risk management products, it is very important for us to keep in mind the objective conditions that exist in India. We will need to continually keep in view the differential risk-bearing capacities among different economic agents in the country. Even among different financial intermediaries, let alone households and farmers, we have the coexistence of small and widely dispersed entities, such as primary agriculture credit societies (PACSs), rural and urban cooperative banks, public sector banks, new private sector banks, and foreign banks, with each having different degrees of sophistication related to risk management. Hence, our approach to the introduction of modern risk management instruments and systems in the country has, per force, to be cognizant of our own requirements and capacity.

Risk Management in Financial Intermediaries and Real Sector Entities

The broad principles governing risk management are the same for entities in both the real and financial sectors. However, risk management in banks and other financial intermediaries acquires added importance because of their three distinguishing characteristics: (i) they are much more leveraged; (ii) they hold public money; and (iii) payments systems operate through banks.

In general, banks are exposed to much more credit and interest rate risk, while the real sector entities, particularly those which are engaged in international trade and commodity manufacturing, processing or trade are more exposed to exchange rate and commodity price risks. But the commodity price risk that borrowers are exposed to gets translated into credit risk for their lenders.

Risk management for banks and financial institutions is critically important because they are 'risk engines'; they take risks, they transform them and they embed them in their products and services. There are powerful motives for banks to implement risk-based practices; to provide a balanced view of risk and return from a management point of view, to develop competitive advantages and to comply with regulatory requirements.

As is the case globally, banks in India have a very special role to play in promoting better risk management standards and practices. Being the chief repositories of credit risk, the quality of their loan assets depends critically on how effective the risk management policies, processes and procedures of their borrowers are. Among their borrowing clients themselves, there would be differentiated risk-bearing expertise and hence banks are expected to provide professional advice to their clients on risk management. Thus, banks have good business reasons for acquiring specialisation and professional expertise in risk management. This would, however, be possible only if banks themselves are good managers of their own risks.

There is another related issue, *albeit,* a slightly deeper one. In contrast to the capital market, banks are privy to much more wide and rich information in respect of their clients. While the comparative advantage of banks in intermediating financial resources hinges on their being able to enjoy economies of scale and scope in acquiring and processing information in the first place, a relevant issue in this context is whether this information is being put to optimal use for managing risks, both at the level of individual banks and also at the aggregate level. Although it is early days to assess the effectiveness of the institutional mechanism provided by credit information bureaus for the pooling of critical borrower information for common use within certain important safeguards, the importance of more intensive and extensive use of information hardly needs to be overemphasised.

Further, as the economy grows and new types of activities and enterprises appear on the scene, it would be an imperative for banks to be able to assess the risks associated with such activities and enterprises. As is the case elsewhere, this will also critically depend on collection and analysis of all relevant information.

Business Approach to Risk Management

Risk management is an integral part of the overall business planning and management and not something on the fringes or ‘add on’. When the Reserve Bank introduced the Asset Liability Management (ALM) framework in 1999, it was viewed by some banks initially as an exercise for finding out maturity mismatches or re-pricing mismatches. It was only when banks began compiling ALM statements that they realised the benefits of pursuing pro-active asset liability management themselves. In the context of transition to Basel II framework in India and elsewhere, where the focus is significantly on risk management, there is a perception among some banks that this is merely adding to their compliance costs: hence, they tend to view it as a compliance issue. Basel II attempts to promote more advanced risk management systems, align regulatory capital closer to economic capital and thus promote greater efficiency in the use of capital. It is evident from the experience of the last few years, which have witnessed gyrations in exchange rate and interest rates that banks with better risk management policies and systems are more resilient to shocks and volatilities, thereby creating value for their various stakeholders. Basel II offers an opportunity to banks to become more efficient, which fact should be accorded more importance than the regulatory requirement.

Whether risk management is at the centrestage or on the sidelines of business operations of banks is revealed in the pricing of various types of risks. Currently, the interest rate charged by banks in India on various types of loans and advances varies within an unusually wide range, say, between 6 per cent and 16 per cent, and even higher in some cases. Visiting bankers tell me that such a range is much wider than is observed in other markets. If this is true, is it the case that variance in risk is much higher among Indian borrowers relative to those in other countries? Or is it that our banks' risk appraisal techniques are faulty and that they end up magnifying the true variance in risk? Or is it the case that the pricing of credit is not scientifically linked to risk, leading to anomalies, such as cross subsidisation in the credit market? It could also be that the proportionate cost of credit appraisal varies inversely with the size of loan, and banks substitute a high credit price for the cost of credit appraisal. In this context, the introduction of credit information bureaus, referred to earlier may be expected to make a material difference in credit appraisal practices. Mis-pricing of credit risk is an issue, which apart from introducing systemic vulnerability, has welfare implications for small borrowers. Banks have access to all relevant credit information on the borrowers/potential borrowers and they are well positioned to use this to their advantage while discriminating between various grades of risk. Moreover, banks are well equipped today to re-orient their rating processes to assess the line of activity of the counterparty, in addition to the conventional assessment of the counterparty.

It needs to be emphasized in the context of Basel II that no amount of capital can make a financial institution absolutely secure. The key issue is proper pricing of risks. If a purely compliance attitude is taken in respect of risk management and capital adequacy, there is a danger that it may lead to 'seat belt law' banking. As the experience showed in many countries with mandatory use of seat belts, it became apparent soon that drivers were prepared to take more risks, believing themselves to be safer. Proper management of risks is the key. Risk management should be integrated with the activity of risk taking – one need to structure one's position according to the risks understood by him or her. Risks that are not understood well should be avoided.

Stress Testing

The corollary to increased risk related to the expectation of greater fluctuation in prices, exchange rates, and interest rates, is the need for developing regular systems for stress testing. In fact, the antidote to excessive complacency resulting from greater risk-related capital adequacy is the use and consciousness of regular stress testing.

Globally, stress testing is becoming an integral part of banks' risk management systems and is used to evaluate their potential vulnerability to certain unlikely but plausible events or movements in financial variables. In the above background, the need for banks in India to adopt 'stress tests' as a risk management tool has been emphasised in the Annual Policy Statement announced by the Governor in April 2006. The draft guidelines that were issued in this regard are now being given a final shape on the basis of the feedback that has been received from market participants. An efficient stress test framework is necessary to incorporate a forward looking element in banks' business strategies. Banks would do well to approach stress testing not merely as a regulatory requirement but as an integral part of their risk management processes and Basel II implementation. The stress test results need to be suitably integrated into the risk management processes, business strategies and capital planning.

Just as stress testing is important at the enterprise level, we need to upgrade our stress testing procedures at the systemic level as well. In the aftermath of the Asian financial crisis, and in the context of the increased discussion on global financial architecture, the World Bank and the IMF introduced a new procedure for 'Financial System Assessment Programmes' (FSAPs). India was one of the first countries to volunteer for this programme in 1999. We are now engaged in an update of that exercise, which we are doing ourselves so that such assessment programmes get internalised within the system. Such a programme also helps in coordinating approaches and thinking between the government and all the financial sector regulators.

Operational Risk Management

Operational risk is assumed during the normal course of business along with other major risks, *viz.,* credit risk or market risk, and is not normally assumed independently on a risk-return basis. Operational risk management is particularly relevant to banks, because although they are able to either transfer or hedge a portion of their other major risks, *viz.,* credit and market risk exposures, operational risk cannot be hedged or transferred. Further, banks are increasingly undertaking transaction processing, asset management services, cash management services, and sale of sophisticated financial products which are generating a fair amount of revenue. Banks have also begun using models for managing their credit and market risks and this exposes them to model risks. Banks increasingly use computers and IT for a larger segment of their operations, including certain critical operations, and this exposes them to a significant degree of operational risk. Further, banks are exposed to reputational risk to a considerable extent which has not yet been formally taken on board and addressed as a risk element in many banks. Since operational risk has changed its complexion due to the above factors, banks need to take a comprehensive view in this regard to have a wholesome picture of their exposure to operational risk.

Traditionally, some aspects of operational risks have been sought be minimised through internal inspection and audit. However, there is a need to recast and modernise this function so as to transform it into a mechanism designed to operate on the whole suite of operational risk events.

The issue of operational risk has assumed higher importance worldwide in recent years with the increased prevalence of outsourcing, particularly overseas. With India being a major recipient of such outsourcing, this issue assumes even greater importance for us. Banks and other financial intermediaries have to understand that operational risk management in their outsourced operations is their own responsibility. This issue has also given rise to a good deal of discussion among financial regulators: to what extent should they be examining risk management procedures in outsourced entities or how can they assess the risk management procedures in the regulated entities as they relate to their service providers?

Risk Management and the Use of Financial Derivatives

The implication of the huge expansion in the use of financial derivatives that has taken place over the past five years is attracting increasing discussion among financial sector regulators. How do we assess their impact on financial stability and systemic risk? The most succinct and lucid discussion of this general issue that I have come across is in a brief speech given just 2 weeks back by my US counterpart, Donald Kohn of the Federal Reserve Bank. As he puts it very eloquently, '….. (t)he securitisation of mortgages and other assets has been transforming regulated depository institutions from holders of interest rate risk and credit risk to originators and distributors of such risk' (Kohn, 2007).

What is the situation in India in respect of financial derivatives?

Use of Financial Derivatives in India

A liquid market for forward foreign exchange contracts has existed in India for several decades now. This product is still the main instrument for hedging foreign exchange risk in India, although foreign currency options are also getting increasingly popular. Over the last 10 years or so, several other types of derivatives have begun trading in India. As you are aware, efforts are on for introduction of credit derivatives in India. Feasibility probes for foreign exchange futures have begun. Efforts are also on for an appropriate design for interest rate futures. In the recent years, the regulatory ecosystem for financial derivatives has been sought to be made more effective and straightforward. Insertion of a new Chapter IIID to the RBI Act, 1934 by way of an amendment in 2006 has been a milestone in this regard, since this has provided legal clarity as regards OTC derivatives and has also defined regulatory domain and scope. Accounting treatment of financial derivatives in banks is also being streamlined so as to be broadly in tune with international standards.

What are the issues that we need to be concerned about as the use of financial derivatives increases in India? We need to understand that, as reflected Donald Kohn's remark that I have just quoted, we will witness a significant change in the function of financial sector intermediaries over time, as the use of financial derivatives gathers force. We will need to prepare ourselves for these changes from the regulatory point of view as will the financial intermediaries themselves in their internal risk operations. As has been the case in some developed markets, with growth in securitisation and expansion of credit derivatives, if banks which are now the storehouse of credit risks are to significantly abandon this space, what implication could this have for financial stability.

With more distribution of risk we will need to address the issue of where will the risks rest. We will also need to assess the capability of market participants who will ultimately bear the risks. Will they be such that regulators do not need to regulate them? Will financial regulators even need to know where the risks are distributed? One view is that as long as the participants in this market are large institutional investors, or high net worth individuals, they will need no protection. Let the risks be distributed among those who wish to take such risk, and let it be distributed according to their capacity as determined by the market itself. Hence, there is no need for any safety net like the one that is implicitly embedded in the lender of last resort role of central banks. What will be important in such markets is the availability of adequate market liquidity at all times for them to operate efficiently, enabling market participants to take and liquidate positions as necessary. The job for regulators would then be to ensure that there is adequate depth in the markets, that clearing and settlement systems are efficient and safe, that there are no dominant market players who can move markets, and that the players are themselves large and sophisticated. In times of market stress, the only issue would be the availability of adequate liquidity.

Given that the extraordinary growth of credit and other financial derivatives is still a relatively new phenomenon, and that this has happened in the context of accommodative monetary policies in G3 countries in recent years, it is too early to assess how such markets will work in times of stress and what the overall regulatory approach should then be.

One positive side of this assessment is that, unlike the 1980s and 1990s, when financial crises were frequent in developing and developed countries alike, the past decade has been remarkably free of such crises, worldwide. High oil prices, large business failures, large stock market fluctuations that have been witnessed in this period have not resulted in financial crises, or disruptive effects on financial intermediaries. This is attributed to the wider dispersion of risk by some, whereas others point to the overall benign macroeconomic and healthy global growth conditions that have prevailed over this period.

What is my take on these international developments and their implications for India? I don't have a clear answer. We need to embrace these financial developments in such a way that we continue to ensure financial stability, and that we enable domestic market participants, both financial and non-financial, to increasingly deal with the kind of risks that are emerging with greater market liberalisation both at home and abroad.

As a monetary authority and financial sector regulator, we will need to enhance our own risk management capacity, both for our internal purposes, and also as evaluators of the risk management capacity of regulated entities. We will continuously endeavour to enhance the risk management skills and capabilities of market participants and improve the micro-infrastructure of markets so that financial stability is maintained. Meanwhile, we will need to keep in mind the very varied nature of our economy that I had alluded to earlier.

The key to our approach to the development of financial derivatives in India has to be a proactive stance for the adoption of robust risk management systems within the relevant financial intermediaries and, from our point of view, particularly in banks. We have to ensure that the introduction of new risk instruments actually increases the risk management capabilities of the system as a whole, and not the other way round because of inadequate preparation.

Reflections on Risk Management at the Reserve Bank

The Reserve Bank of India**,** like all other central banks is also a financial institution that is exposed to a variety of risks. Over the last several years, there has been a structural transformation of the risk exposure of the Reserve Bank in that as against pre-dominantly Rupee-denominated assets figuring on its balance sheet, it now has an overwhelming proportion of assets denominated in major foreign currencies. This transformation means more volatility in its asset valuation in Rupee terms as also in the current earnings in Rupee terms. It needs to be emphasised that while a bank or a corporate in any country can choose to eliminate foreign currency risk, a central bank like the Reserve Bank, which does not have any liability in foreign exchange, cannot hedge exchange rate risk beyond a very modest extent. The approach followed by the Reserve Bank in this regard for a very long time has been to have a diversified portfolio of reserves, both in terms of currencies and instruments and a strong level of capitalisation. The Reserve Bank has also been very transparent in disclosing its risk management policies in annual reports and also in half-yearly reports of reserves management since January 2005.

In addition to the issues related to market risk management of our assets and, hence, the integrity of our balance sheet, which is so essential for the financial system as a whole, we have to deal increasingly with the issues of operational risk that I had outlined earlier. As the institution responsible for the payment and settlement system we are giving increased attention to all our own IT systems, back up, alternative sites, and the like.

Limits of Risk Management

Adoption of risk management policies and practices by economic entities in the sense that they assume risk by choice and not by chance is value enhancing. However, hedging through market instruments results in a redistribution of risks. Ideally, if this redistribution is done on the basis of a scientific appraisal of the optimal level and combination of risks for each entity it may result in an overall reduction of risks at the macro level. But the economy as a whole would still be exposed to risks. Also, for proper functioning of hedging products it is essential that expectations about the risk variable should be heterogeneous. If price movements are unidirectional for a long time, protection sellers demand large premium from protection buyers.

Apart from the above, there are more subtle issues concerning risk management. It is well-known that markets flagrantly violate some of the postulates and assumptions of traditional mathematical finance. The volatility of financial prices and the tendency of this volatility to occur sometimes in episodes generally unrelated to any clearly exogenous news about fundamentals has been a subject of research for a long time in behavioural finance.

The behavioral dimensions of risk management and hedging have attracted much attention in the recent years among academics and researchers. Among other things, hedging decisions of any entity are influenced by two important factors: (a) stance of the competitors in this regard; and (b) anomalies of human behaviour. The latter-mentioned aspect is significant: most often entities do not always have the intellectual or emotional impulse to take on risks and deal with them before they impinge on performance and it is too late. Many do not feel the same way when they buy a luxury car and when they buy insurance for the same car. When we are educated to risk management possibilities, we become aware of the rich potential that finance has for improving human welfare, but we do not find it emotionally easy always to take advantage of this potential. Experienced traders know it too well how difficult it is at times to quit a loss-making position. The field of risk management needs to design its methods to minimise the human weakness in risk management.

Finally, have adoption of risk management and use of risk mitigation products made the financial markets a safer place than before? It is a tough call to take. In a recent interview, Professor Robert Merton, who along with Myron Scholes and Fischer Black invented the famous option pricing formula in the early 1970s, reportedly said, 'The real story is not what happened to LTCM in 1998 but what happened to Amaranth later – or rather what did not happen….institutions have adjusted and we have learnt to deal with some of these crises which are not crises any more' (Tett, 2007).

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*Capital Account Liberalisation and Conduct of Monetary Policy: The Indian Experience**

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* Paper presented by Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India at an International Monetary Seminar organised by the Banque de France on Globalisation, Inflation and Financial Markets in Paris on June 14, 2007. Assistance of Sanjay Hansda, Indranil Bhattacharyya, Partha Ray and M.D. Patra in preparing the paper is gratefully acknowledged.

I. Overall Approach

The distinguishing feature of our overall reform process initiated in the early 1990s has been the accomplishment of high economic growth in an environment of macroeconomic and financial stability. In fact, we have achieved acceleration in growth while maintaining price and financial stability.

During this period, apart from all the other reforms, we have achieved current account convertibility, and also opened the capital account to a substantial extent. With this growing openness, we have not been insulated from exogenous shocks. These shocks, global as well as domestic, included a series of financial crises in Asia, Brazil, Russia and Mexico, in the 1990s and other events such as 9/11 terrorist attacks in the US, border tensions, sanctions imposed in the aftermath of nuclear tests, political uncertainties, changes in the Government, and the current oil shock. Nonetheless, stability could be maintained in financial markets. Indeed, inflation has been contained since the late-1990s to an average of around five per cent, distinctly lower than that of around seven to eight per cent per annum over the previous four decades. Simultaneously, the health of the financial sector has recorded very significant improvement.

The story of Indian reforms is by now well-documented (*e.g.*, Ahluwalia, 2002); nevertheless, what is less appreciated is that India achieved this acceleration in growth while maintaining price and financial stability. With increased deregulation of financial markets and increased integration of the global economy, the 1990s were turbulent for global financial markets: 63 countries suffered from systemic banking crises in that decade, much higher than 45 in the 1980s. Among countries that experienced such crises, the direct cost of reconstructing the financial system was typically very high: for example, recapitalisation of banks had cost 55 per cent of GDP in Argentina, 42 per cent in Thailand, 35 per cent in Korea and 10 per cent in Turkey. There were high indirect costs of lost opportunities and slow economic growth in addition (McKinsey & Co., 2005). It is therefore particularly noteworthy that India could pursue its process of financial deregulation and opening of the economy without suffering financial crises during this turbulent period in world financial markets. The cost of recapitalisation of public sector banks at less than 1 per cent of GDP is therefore low in comparison. Whereas we can be legitimately gratified with this record, we now need to focus on the new issues that need to be addressed for the next phase of financial development, particularly in the context of fuller capital account convertibility and increasing integration of financial markets.

That the current annual GDP growth of around 8.5 to 9.0 per cent can be achieved in India with a level of gross domestic investment in the range of 30 to 33 per cent over the past 4 years suggests that the economy is functioning quite efficiently. Thus our policy of gradual and sequenced reform cannot be said to have been at the cost of growth or efficiency. We need to ensure that we maintain this level of efficiency and attempt to improve on it further. As the Indian economy continues on such a growth path and attempts to accelerate it, new demands are being placed on the financial system.

In examining the conduct of monetary policy in India in the presence of continuing and gradual capital account liberalisation, a key lesson is that this process has to be viewed in the context of the overall reform process. As an economy undergoes the transition from a closed to an open economy, first on the current account and then on the capital account, the interest of financial stability is served by simultaneous action on a number of different fronts. The framework of monetary policy itself has to undergo a change from the previous direct methods of control of monetary aggregates to indirect methods imparting signals through the market. For such a change to be effective the monetary policy transmission process has to be strengthened through development of all financial markets, and the building of market micro-infrastructure. On the external front, the transition from a fixed or pegged exchange rate to a market determined one itself needs careful assessment of the efficiency of the foreign exchange market, the capabilities of market players and evaluation of effects of exchange rate volatility. The operation of financial markets and the degree of vulnerability that an economy becomes exposed to with greater opening is itself influenced significantly by fiscal conditions. Hence the efficacy of monetary policy, efficiency of financial markets, and external vulnerability are closely linked to the practice of prudent fiscal policy. Finally, for efficient monetary policy transmission, and depth, liquidity and efficiency of financial markets, financial intermediaries themselves have to be strengthened. It is in view of all these inter-linkages that I have chosen to provide a brief overview of developments in each of these areas as they have evolved over the past decade and a half in India.

II. Process of Setting out Monetary Policy Objectives

General Objectives

Traditionally, central banks pursue the twin objectives of price stability and growth or employment. In pursuing the basic objectives, central banks also need to keep in view considerations of orderly financial markets and financial stability. Needless to say, the objectives of monetary policy are interrelated and have trade-offs as well. The preamble to the Reserve Bank of India Act, 1934 sets out the Bank's objectives as "to regulate the issue of Bank notes and the keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage". Although there is no explicit mandate for price stability, as is the current trend in many countries, the objectives of monetary policy in India have evolved as those of maintaining price stability and ensuring adequate flow of credit to the productive sectors of the economy. In essence, monetary policy aims to maintain a judicious balance between price stability and economic growth. The relative emphasis between price stability and economic growth is governed by the prevailing circumstances at a particular time and is spelt out from time to time in the policy announcements of the Reserve Bank.

Considerations of financial stability have assumed greater importance in recent years in view of the increasing openness of the Indian economy, financial integration and the possibility of cross border contagion. As we observed the severe costs of financial instability elsewhere, financial stability has ascended the hierarchy of monetary policy objectives since the second half of the 1990s. Strong synergies and complementarities are observed between price stability and financial stability in India. Accordingly, we believe that regulation, supervision and development of the financial system remain within the legitimate ambit of monetary policy broadly interpreted.

Framework

Till 1997-98, monetary policy in India used to be conducted with broad money (M_3) as an intermediate target. The aim was to regulate money supply consistent with the expected growth of the economy and the projected level of inflation. The targeted monetary expansion used to be set on the basis of estimates of these two crucial parameters. In practice, the monetary targeting framework was used in a flexible manner with feedback from developments in the real sector.

In the wake of financial sector reforms and opening up of the economy in the 1990s, appropriateness of the monetary targeting framework was questioned with the changing inter-relationship between money, output and prices. Accordingly, the Reserve Bank switched over in 1998-99 to a multiple indicator approach. With this approach, interest rates or rates of return in different markets (money, capital and government securities markets), along with data on currency, credit extended by banks and financial institutions, fiscal position, trade flows, capital flows, inflation rate, exchange rate, refinancing and transactions in foreign exchange available on high-frequency basis, are all examined along with output in framing monetary policy.

The specific features of the Indian economy, including its socio-economic characteristics predicate the investing of the monetary authority with multiple objectives for some time to come. While it could be desirable in the interest of clarity and transparency to stack up the objectives in a hierarchy, the jury is still out on the merits of public announcement of the policy weights assigned to each objective. Flexibility in the setting of monetary policy should override consideration of transparency so that public indication of weighting patterns associated with objectives should not solidify into a binding rule. Moreover, continuous monitoring of the underlying macro economic and financial conditions for monetary policy purposes will necessitate a continuous rebalancing of weights assigned to various objectives. In a pragmatic sense, therefore, it should suffice for the monetary authority to indicate the main objectives and an ordinal ranking, at best, to reflect the reading of underlying developments.

A single objective for monetary policy, as is usually advocated, particularly in an inflation targeting framework, is a luxury that India cannot afford, at least over the medium term. The cause of monetary policy is not lost, however, analytically, it can be shown that even if one of the multiple objectives is nominal among others that may be real, it can serve as the quintessential nominal anchor and enable monetary policy to work. This view is supported by a pragmatic and influential strand in the literature which questions the recent proliferation of inflation targeting as a monetary policy framework (Friedman, 2000; McCallum, 1981). As regards inflation targeting, as the monetary policy regime fulfilling the single mandate advocacy, the jury is still out. Even though there has been an increase in the number of central banks adopting inflation targeting since the early 1990s, a number of central banks, notably the Federal Reserve, retain multiple objectives. I am not a monetary scholar, but I do feel that, given the current domestic and international complexities, we need to continue with a flexible framework for monetary policy. The least we need in the current circumstances is a less simplistic approach.

'In India, we have not favoured the adoption of inflation targeting, while keeping the attainment of low inflation as a central objective of monetary policy, along with that of high and sustained growth that is so important for a developing economy. Apart from the legitimate concern regarding growth as a key objective, there are other factors that suggest that inflation targeting may not be appropriate for India. First, unlike many other developing countries we have had a record of moderate inflation, with double digit inflation being the exception, and largely socially unacceptable. Second, adoption of inflation targeting requires the existence of an efficient monetary transmission mechanism through the operation of efficient financial markets and absence of interest rate distortions. In India, although the money market, government debt and forex market have indeed developed in recent years, they still have some way to go, whereas the corporate debt market is still to develop. Though interest rate deregulation has largely been accomplished, some administered interest rates still persist. Third, inflationary pressures still often emanate from significant supply shocks related to the effect of the monsoon on agriculture, where monetary policy action may have little role. Finally, in an economy as large as that of India, with various regional differences, and continued existence of market imperfections in factor and product markets between regions, the choice of a universally acceptable measure of inflation is also difficult' (Mohan, 2006b).

It is important to recognise the reality of multiple objectives of monetary policy in India. Nonetheless, it needs to be appreciated that relative to the past, we need to communicate better on the objective of price stability and as firmly as possible, *albeit* without necessarily a precise numerical objective. Indeed, why should a monetary policy invested with multiple objectives choose to quantify only one – the inflation rate? Indeed, setting such a precise numerical objective for inflation runs the risk of loss of central bank credibility in the context of the dominance of supply side shocks emanating from sources such as monsoon failure and administered pricing of various agricultural commodities and petroleum products. Whereas the share of agriculture in GDP has been declining and is now less than 20 per cent, the sector continues to be extremely important since the majority of the population remains dependent on agriculture. Therefore, setting precise numerical targets for inflation is fraught with the risk of loss of reputation across a large constituency.

Nevertheless, as the Indian economy becomes increasingly open with fuller capital account convertibility, the objective of progressively bringing inflation down to near international levels and maintaining price stability assumes greater importance. The experience of successfully bringing down inflation from persistent higher levels since the late 1990s to around 5 per cent in recent years has already brought down inflation expectations significantly.

As we place greater emphasis on low inflation and price stability, we also need to improve communication with respect to the understanding of inflation. At present, headline inflation in India is indicated by the weekly release of the All India Wholesale Price Index (WPI). Most countries use the Consumer Price Index (CPI) instead. The CPI is difficult to use in India because of the existence of 4 indexes of CPI, each reflecting the consumption basket of different sets of consumers in urban and rural areas.

An appropriate inflation indicator should (i) reflect price changes of constituent items accurately and (ii) provide some understanding of headline inflation. Whereas it is feasible to construct an economy wide consumer price index on the lines of the harmonised consumer price index (HICP) adopted in the UK and the Euro Area, it is not clear how useful it would be as an indicator of the general price level, given the widely differing consumption baskets as between rich and poor, between rural and urban areas and even between regions in India. In fact, a measure of producer prices to which the wholesale price index (WPI) is akin, is likely to be more representative and familiar across the country, since these prices are more likely to be uniform across the country. Accordingly, the commodity/services based price index should be seen as useful more as an indicator/information variable than as defining the inflation objective. Moreover, the WPI is available on a weekly basis, with a two week lag, whereas the CPI indices are only available on monthly basis, and with a 2 month lag.

Monetary policy should be more explicitly associated with managing inflation expectations rather than current inflation. Accordingly, the guiding criterion for inclusion of a variable in the inflation indicators panel should be the information content on future inflation. An important sub-set would be real sector indicators of future inflation such as variability of output around trend/potential, capacity utilisation, inventory, corporate performance, industrial/investment expectations and other indicators of aggregate demand. We have initiated greater quantitative technical work in these areas over the last couple of years to better inform our monetary policy making with a forward looking approach.

The Reserve Bank has also initiated inflation expectation surveys so that we can have some direct indicators of changing inflation expectations of the public. These quarterly surveys are still in the pilot testing stage so their results are not yet in the public domain. But the initial results look promising.

The more complex is the mandate for the central bank, the more is the necessity of communication (Mohan, 2005). The Reserve Bank clearly has complex objectives. Apart from pursuing monetary policy, financial stability is one of the overriding concerns of the Reserve Bank. Within the objective of monetary policy, both control of inflation and providing adequate credit to the productive sectors of the economy so as to foster growth are equally important. This apart, the Reserve Bank acts as a banking regulator, public debt manager, government debt market regulator and currency issuer. Faced with such multiple tasks and complex mandate, there is an utmost necessity of clearer communication on the part of the Reserve Bank.

A significant step towards transparency of monetary policy implementation is formation of various Technical Advisory Committees (TACs) in the Reserve Bank with representatives from market participants, other regulators and experts. In line with the international best practices and with a view to further strengthening the consultative process in monetary policy, the Reserve Bank, in July 2005, set up a Technical Advisory Committee on Monetary Policy (TACMP) with external experts in the areas of monetary economics, central banking, financial markets and public finance. The Committee meets at least once in a quarter, reviews macroeconomic and monetary developments and advises the Reserve Bank on the stance of monetary policy. The Committee has contributed to enriching the inputs and processes of monetary policy setting in India. Whether any further institutional changes are necessary, however, remains an open question.

III. Development of Monetary Policy Instruments and Transmission Process

Consistent with the structural changes in the monetary policy framework, improvements in the channels of transmission emerged early on as a concurrent objective in order to enhance policy effectiveness. Monetary policy clearly cannot work without adequate monetary transmission and the appropriate monetary transmission cannot take place without efficient price discovery of interest rates and exchange rates in the overall functioning of financial markets and their integration. Therefore, the corresponding development of the money market, government securities market and the foreign exchange market became necessary. Accordingly, from the 1990s, the Reserve Bank simultaneously undertook the development of the domestic financial market spectrum, sequenced into the process of deregulation of interest rates, the withdrawal of statutory pre-emptions, the qualitative improvement in monetary-fiscal coordination and the progressive liberalisation of the exchange and payments regime, including the institution of a market oriented exchange rate policy. The development of financial markets in India encompassed the introduction of new market segments, new instruments and a sharper focus on regulatory oversight.

We have made a carefully calibrated transition from an administered interest rate regime to one of market determined interest rates over a period of time, while minimising disruption and preserving financial stability. This approach also provided market participants adequate time to adjust to the new regime.

The growing market orientation of monetary policy has tilted the choice of instruments decisively from direct to more indirect and market-based monetary policy measures. Until the early 1990s, statutory pre-emptions in the form of cash reserve ratio (CRR) and statutory liquidity ratio (SLR) requirements locked away nearly 65 per cent of bank deposits, severely eroding the profitability of the financial system and effectiveness of monetary policy. The SLR was brought down from 38.5 per cent of net demand and time liabilities (NDTL) in early 1992 to 25 per cent in October-1997. The CRR had been reduced progressively from 15 per cent in 1991 to 4.5 per cent in 2003, before it had to be increased again in steps to 6.5 per cent in the current monetary tightening phase. Monetary manoeuverability has now been strengthened further with removal of the erstwhile floor of 3 per cent and ceiling of 20 per cent in CRR through a statutory amendment. The statutory minimum SLR of 25 per cent has also been removed to provide for greater flexibility in the Reserve Bank's monetary policy operations.

The key policy development that has enabled a more independent monetary policy environment was the discontinuation of automatic monetisation of the government's fiscal deficit since April 1997 through an agreement between the Government and the Reserve Bank in September 1994, marking a unique milestone in monetary–fiscal coordination. Another important institutional change was the freeing of the Reserve Bank's balance sheet from the burden of exchange guarantees accumulated in the pre-reform era. Subsequently, enactment of the Fiscal Responsibility and Budget Management Act, 2003 has strengthened the institutional mechanism further: from April 2006 onwards, the Reserve Bank is no longer permitted to subscribe to government securities in the primary market. This step completes the transition to a fully market based system for government securities. Looking ahead, consequent to the recommendations of the Twelfth Finance Commission, the Central Government has now ceased to raise resources on behalf of State Governments, which now have to access the market directly. Thus, State Governments' capability in raising resources will be market determined and based on their own financial health. For ensuring a smooth transition, institutional processes are being revamped towards greater integration in monetary operations.

Given the pivotal role of the money market in transmission, efforts initiated in the late 1980s were intensified over the full spectrum. Following the withdrawal of the ceiling on inter-bank money market rates in 1989, several financial innovations in terms of money market instruments such as certificates of deposit, commercial paper and money market mutual funds were introduced in phases. Barriers to entry were gradually eased by increasing the number of players and relaxing the issuance and subscription norms in respect of money market instruments, thus fostering better price discovery. In order to improve monetary transmission as also on prudential considerations, steps were initiated in 1999 to turn the call money market into a pure inter-bank market and, simultaneously, to develop a repo market outside the official window for providing a stable collateralised funding alternative, particularly to non-banks who were phased out of the call segment, and banks. The Collateralised Borrowing and Lending Obligation (CBLO), a repo instrument developed by the Clearing Corporation of India Limited (CCIL) for its members, with the CCIL acting as a central counter-party for borrowers and lenders, was permitted as a money market instrument in 2002. With the development of market repo and CBLO segments, the call money market has been transformed into a pure inter-bank market, including primary dealers, from August 2005. A recent noteworthy development is the substantial migration of money market activity from the uncollateralised call money segment to the collateralised market repo and CBLO markets. Thus, uncollateralised overnight transactions are now limited to banks and primary dealers in the interest of financial stability. Technological upgradation has accompanied the development of the money market. Efforts are currently underway to introduce screen-based negotiated quote-driven dealings in call/notice and term money markets. Information on overnight rates and volumes would be disseminated by the Reserve Bank in order to enable market participants to assess the liquidity conditions in an efficient and transparent manner.

The government securities market was moved to an auction-based system in 1992 to obtain better price discovery and to impart greater transparency in operations. This was a major institutional change, which, along with the freeing of the money and foreign exchange market and the phasing out of automatic monetisation of fiscal deficits, created a conducive environment for the progressive deregulation that was to follow. The setting up of well capitalised Primary Dealers (PDs) for dealing in government securities followed in 1995, backed up by the introduction of Delivery *versus* Payment (D*v*P) for government securities, adoption of new techniques of floatation, introduction of new instruments, particularly Treasury Bills of varying maturities and repos on all central government dated securities and Treasury Bills of all maturities by April 1997.

Since April 1992, the entire central government borrowing programme in dated securities has been conducted through auctions. In 2005, the Reserve Bank put in place an anonymous order matching system to improve price discovery, and settlement procedures for mitigating risks. To further activate trading and improve the depth of the securities market, the introduction of a 'when issued' market has also been announced recently. All these measures have brought about significant changes and a new treasury culture is developing, contributing to the formation of the term structure of interest rates. The demand for government securities is now driven more by considerations of effective management of liquidity rather than by statutory liquidity requirements.

The Indian foreign exchange market has been widened and deepened with the transition to a market-determined exchange rate system in March 1993 and the subsequent liberalisation of restrictions on various external transactions leading up to current account convertibility under Article VIII of the Articles of Agreement of the International Monetary Fund in 1994. Since the mid-1990s, banks and other authorised entities have been accorded significant freedom to operate in the market. Banks have been allowed freedom to fix their trading limits and to borrow and invest funds in the overseas markets up to specified limits. They have been allowed to use derivative products for hedging risks and asset-liability management purposes. Similarly, corporates have been given flexibility to book forward cover based on past turnover and are allowed to use a variety of instruments like interest rates and currency swaps, caps/collars and forward rate agreements. The swap market for hedging longer-term exposure has developed substantially in recent years. A number of steps have also been taken to liberalise the capital account covering foreign direct investment, portfolio investment, outward investment including direct investment as well as depository receipt and convertible bonds, opening of Indian corporate offices abroad and the like. In recent years, the Reserve Bank has delegated exchange control procedures to banks and authorised dealers to such an extent that there is hardly any need to approach the Reserve Bank for any approval. These reforms are being reflected in vibrancy in activity in various segments of the foreign exchange market with the daily turnover over US $ 28 billion (as at the end of April 2007).

A key area of emphasis in the development of financial markets in India is the provision of the appropriate technological infrastructure for trading, clearing, payment and settlement. Since the late 1990s, the establishment of a modern, robust payments and settlement system consistent with international best practices has emerged as an important objective of the Reserve Bank. A three-pronged strategy of consolidation, development and integration has been pursued in this regard. Consolidation revolves around strengthening the existing payment system by providing the latest levels of technology. The developmental dimension includes real time gross settlement, centralised funds management, securities settlement and structured electronic financial messaging. Other key elements in the technological content of market development are electronic clearing (introduced in 1994), electronic funds transfer (1996), quick funds transfers with centralised settlement in Mumbai (2003), negotiated dealing system (NDS), screen based order matching system (2002) for electronic reporting of trades and online dissemination system and submission of bids for primary issuance of government securities and a Clearing Corporation of India Ltd. (CCIL), promoted by banks, financial institutions and primary dealers for clearing and settlement of trades in foreign exchange, government securities and other debt instruments, commenced operations in April 2001. The CCIL acts as a central counterparty (CCP) to all transactions and guarantees settlement of trades executed through its rules and regulations eliminating counterparty risks in adherence to international best practices. Oversight over the payments and settlement system is vested in a National Payments Council, and Board for Payments and Settlement System established within the Reserve Bank.

As may be seen from this brief description of the various measures that had to be taken to develop the market and institutional framework for efficient monetary policy transmission, development of markets is an arduous and time consuming activity that requires conscious policy making and implementation. Markets do not develop and function overnight: they have to be created, nurtured and monitored on a continuous basis before they start functioning autonomously. Efficient transmission of monetary impulses clearly needs integration of markets.

Issues

Interest rate deregulation is essential to smoothen the transmission channels of monetary policy and to enhance the signaling effects of policy changes. Whereas considerable progress has been made in this direction, full deregulation is constrained by the need for various policy interventions in the context of a still developing economy. The Government had nationalised most of the banking system in 1969 in order to ensure the spread of banking throughout the country. Whereas new private sector banks have been introduced since the mid 1990s, public sector banks still account for 70 per cent of banking assets. These banks need to continue to perform various public policy activities, particularly in the area of agriculture, small and medium enterprises, and the cause of overall financial inclusion. This can also include certain degree of credit allocation and interest rate directions. Hence, monetary transmission can get muted at the margin.

The Government also fixes certain administered interest rates on a number of small saving schemes and on provident funds, along with providing certain tax incentives, in the absence of well developed social security systems. As banks have to compete for funds with small saving schemes, the rates offered on long-term deposits mobilised by banks sometimes have to be set at levels higher than would have obtained under competitive market conditions. In fact, this has been observed to be a factor contributing to downward stickiness of lending rates, which has some implications for the effectiveness of monetary policy. This is a reality that we have to appreciate and live with given the absence of social security coverage and adequate safety nets in the country. These small savings schemes administered by the government through the wide reach of post offices, and some through commercial banks, provide small savers access to tax savings instruments that are seen as safe and stable. Whereas they do have some impact in terms of blunting monetary transmission mechanisms, they can perhaps be seen as contributing to overall financial stability. Benchmarking these administered interest rates to market determined rates has been proposed from time to time. Whereas some rationalisation in schemes has indeed been done, more progress will depend on the emergence of better social security and pension systems, and perhaps easier access to marketable sovereign instruments.

While the government securities market is fairly well developed now, the corporate debt market remains to be developed for facilitating monetary signaling across various market segments. We understand, however, that it has been difficult to develop the corporate bond market in most countries. Almost half the world's corporate bond market is in the US, and another 15 per cent in Japan. Among other countries, while the UK has a long standing bond market, the European bond market has only began to really develop after European monetary integration and introduction of the Euro. Among developing countries, it is perhaps only South Korea that has a reasonably well developed bond market.

In the absence of a well developed corporate debt market, the demand for debt instruments has largely concentrated on government securities with the attendant implications for the yield curve and, in turn, for monetary transmission. The secondary market for corporate debt has suffered from lack of market making resulting in poor liquidity. Corporates continue to prefer private placements to public issues for raising resources in view of ease of procedures and lower costs.

There is a need for development of mortgage-backed securities, credit default swaps, bond insurance institutions for credit enhancement, abridgment of disclosure requirements for listed companies, credit information bureaus, rating requirements for unlisted companies, real time reporting of primary and secondary trading, and eventual retail access to the bond market by non-profit institutions and small corporates. A concerted effort is now being made to set up the institutional and technological structure that would enable the corporate debt market to operate. Furthermore, the on-going reforms in the area of social security coupled with the emergence of pension and provident funds are expected to increase the demand for long-term debt instruments. In the process, the investor base for government securities would be broadened, extending the monetary transmission across new players and participants.

For monetary policy to be more effective, the monetary transmission process has to be improved on a continuous basis so that price discovery is better. In this endeavour, we need to keep developing the various financial markets, increase their connection with credit markets, remove distortions in the market and reverse current tendency to move back to administered interest rates.

IV. Development of Financial Markets

There has been a great deal of progress in developing the money market, government securities market and forex market. With greater capital account openness, we need to develop them further to enable market participants to absorb greater volatility and shocks. Each of these markets needs to be deeper. In the context of progress towards further capital account convertibility, the market participants are going to be faced with increased risks on multiple accounts: volatility in capital flows, volatility in asset prices, increased contagion and state of ability of legacy institutions in managing risks.

Money Market

The money market remains fragmented with different segments giving rise to different overnight rates. The call money market, which remains an uncollateralised market has now become a pure inter-bank market amongst banks and primary dealers with the withdrawal of non-banks. Alongside, primarily for non-bank participants at the shorter end, there is the market repo outside the repo market under the liquidity adjustment facility. This is a collateralised segment of money market. The CBLO market, operated by the CCIL amongst its members is yet another collateralised money market instrument. With the decision to move gradually towards a pure inter-bank call/term money market, there is a need to remove the operational/regulatory constraints in the repo market. One of the perceived hurdles in the development of the repo market is the inability to rollover contracts. To enable continuous access to funds from the repo market, rollover of repos has been allowed with migration to DvP III.

The issue remains what further developments are needed in terms of eligible collaterals, membership, *etc.,* to integrate the different segments of the money market so that the money market as a whole is enabled to cope better with market fluctuations in the run-up to fuller capital account convertibility. An important gap in developing the money market is that term money market is still to emerge and hence, the evolution of yield curve remains inadequate. We need to explore what is to be done to build this market with further opening of capital account.

Interest Rate Derivatives

The need for a well developed interest rate derivatives market cannot be overemphasised in providing effective hedging tools for interest rate risks present in the balance sheet and in facilitating trading based on two-way view on interest rates, which is not possible in the underlying cash market in the absence of short selling. Deregulation of interest rates, which helped in making financial market operations efficient and cost effective, has brought to the fore a wide array of risks faced by market participants. To manage and control these risks, several instruments such as Forward Rate Agreements (FRA) and Interest Rate Swaps (IRS) were introduced in July 1999, which could provide effective hedges against interest rate risks. Further, in June 2003, the Reserve Bank had issued guidelines to banks/primary dealers/FIs for transacting in exchange traded interest rate futures, which were introduced on the exchanges. There has also been a sharp increase in the volume of transactions in the OTC products. Though there has been a significant increase in the number and amount of contracts, participation in the markets continues to remain limited mainly to select foreign and private sector banks and PDs. In fact, PDs are expected to be market makers in this segment. Since some difficulties have been experienced in the operation of the exchange traded interest rate futures market, we are now in the process of reviewing the structure so that it can become an active market for interest rate discovery and hedging.

Despite the growing volumes in the OTC derivatives market, as is the case globally, there had been some apprehensions regarding the appropriate legal backing for these instruments. This issue has now been addressed with an appropriate amendment to the Reserve Bank of India Act. OTC derivatives are now clearly legally valid, even if they are not traded on any recognised stock exchange. Exchange traded derivatives have their own role to play in the debt market - but by their very nature they have to be standardised products. OTC derivatives, on the other hand can be customised to the requirements of the trading entities. Thus, both OTC and exchange traded derivatives are essential for market development.

A central counter party based clearing arrangement for OTC derivatives would reduce counterparty risk and extend the benefits of netting. Accordingly, in order to strengthen the OTC derivatives market and to mitigate the risks involved, a clearing arrangement for the OTC interest rate derivatives also need to be considered. This measure would strengthen the OTC interest rate derivatives market, and provide greater transparency as needed through adequate reporting requirements.

While everywhere in the world, most trading is in the OTC segment, there is no reason why we cannot innovate and have electronic based, order matched trading to have a wider reach and also thereby enhance liquidity in the market. Work is now afoot to provide for an exchange traded system for corporate bonds.

As we make arrangements for the operation of better markets for interest rate discovery, trading and hedging instruments, I would like to stress the need and importance of sound and adequate risk management practices by market participants in the derivatives market. International experience teaches us the need for greater care in handling these instruments. I would expect that the market players not only put in place an appropriate risk management policy and procedures for these products, but would also give equal importance to the skills development of their human resources to handle these instruments and to appreciate the underlying risks. As interest rate derivatives grow, an area which requires attention relate to accounting and disclosures. The relevant standards need to be comprehensive and benchmarked to international standards.

Government Securities Market

Following the enactment of the Fiscal Responsibility and Budget Management Act, 2003, from April 2006 onwards, the Reserve Bank is no longer permitted to subscribe to government securities in the primary market. In order to ensure a smooth transition to the new regime, restructuring of current institutional processes has already been initiated (Mohan, 2006a). These steps are helping to achieve the desired integration in the conduct of monetary operations.

In the new milieu, the Reserve Bank may need to carry out greater open market operations (OMO) in the secondary market. Such operations could be qualitatively different from its LAF or MSS operations, which are guided by considerations of liquidity management primarily at the shorter end. The issue is what should be the determining factor for such secondary market operations. Generally, by controlling the short-term interest rate while letting markets determine the rest of the yield curve, the central bank attempts to transmit monetary policy impulses across the yield curve. The sovereign yield curve in turn influences the lending and deposit rates in the economy. Once bank lending gets affected, interest rates impact real variables such as consumption and investment, which in turn impact output and inflation levels. However, the government securities market is yet to emerge fully as a deep and liquid market across different maturities. Given such a state, in the interest of monetary transmission, there is a case for secondary market operation across the yield and maturity spectrum in the government securities market and more so, in the context of Reserve Bank's withdrawal from the primary market.

Efforts are being made to improve the retail holding of government securities since the government securities market still lacks in depth and is dominated by banks and financial institutions often exhibiting uni-directional perceptions about liquidity. To attract retail participation in government securities market, one of the foremost tasks ahead is to create an environment that provides a safe and secure investment avenue for small investors with adequate returns and liquidity. In this context, the Reserve Bank is emphasising the provision of demat holding facility for non-institutional retail/small investors for risk mitigation in scrip losses or settlement of deals in the secondary market. Non-competitive bidding has also been introduced since January 2002 for direct access to the primary issues for non-sophisticated investors.

As part of its constant endeavour to improve the facilities for trading and settlement in the government securities market, the Reserve Bank had formally launched, on August 1, 2005, an electronic

Order Matching trading module for government securities on its Negotiated Dealing System (NDS-OM in short). The NDS-OM is an additional facility available to the participants and the participants continue to have the option of using the current reporting and trading platform of the NDS. While the NDS-OM now accounts for a significant share of the total traded volume in government securities, the countrywide, anonymous, screen based, order driven system for trading in government securities introduced in the stock exchanges (NSE, BSE and OTCEI) in January 2003 has continued to suffer from very poor trading volumes, which need to be looked into for revival.

Corporate Debt Market

In order to activate the corporate debt market, the government had appointed an expert committee (Chairman: R.H. Patil) to provide directions on how this is to be done (Government of India, 2005). A key point that I would like to emphasise is that learning from the experience of developing the government securities market, we need to proceed in a measured manner with well thought out appropriate sequencing for developing the corporate debt market. Financial market development involves action on a number of fronts with the key objective, obviously, being to enable the most efficient allocation of resources to the most productive uses and efficient intermediation from savers to investors. In other words, banking development, equity market development, debt market development all go hand in hand. And within the debt market, an efficient government securities market is essential for price discovery and for providing reliable benchmarks to price corporate bonds off the credit risk free yield curve.

The key problem is that for a corporate bond market to function, we need a large number of issuers, a large number of investors and issues of a large size. It may be noted that each of the problems mentioned in respect of corporate bonds has been addressed in the context of development of government securities market. That goes to show that the problems are not insurmountable but only that it takes some time to resolve. But we have just begun and work is now in progress. It is true that the government securities market took a long time to develop, despite being much simpler. The corporate debt market being much more complex, would require some extra effort to move ahead. In short, we have a long way to go but we have to make a determined effort.

V. Exchange Rate Policy

Our exchange rate policy in recent years has been guided by the broad principles of careful monitoring and management of exchange rates with flexibility, without a fixed target or a pre-announced target or a band, coupled with the ability to intervene if and when necessary, while allowing the underlying demand and supply conditions to determine the exchange rate movements over a period in an orderly way. Subject to this predominant objective, the exchange rate policy is guided by the need to reduce excess volatility, prevent the emergence of destabilising speculative activities, help maintain adequate level of reserves, and develop an orderly foreign exchange market.

The Indian market, like other developing countries markets, is not yet very deep and broad, and can sometimes be characterised by uneven flow of demand and supply over different periods. In this situation, the Reserve Bank has been prepared to make sales and purchases of foreign currency in order to even out lumpy demand and supply in the relatively thin forex market and to smoothen jerky movements. However, such intervention is not governed by a predetermined target or band around the exchange rate. As the foreign exchange exposure of the Indian economy expands, the role of such uneven demands can be seen to reduce.

With this approach, we have achieved flexibility along with stability in the external sector. Increased earnings from exports of services and remittances coupled with enhanced foreign investment inflows have provided strength to the external sector. Reflecting the strong growth prospects of the Indian economy, the country has received large investment inflows, both direct and portfolio, since 1993-94 as compared with negligible levels till the early 1990s. Total foreign investment flows (direct and portfolio) increased from US$ 111 million in 1990-91 to US$ 24,748 million in 2006-07. Over the same period, current account deficits remained modest – averaging one per cent of GDP since 1991-92 and in fact recorded small surpluses during 2001-04. With capital flows remaining in excess of the current financing requirements, the overall balance of payments recorded persistent surpluses leading to an increase in reserves, which have now reached US$ 1,99,179 million at end-March 2007. The emergence of foreign exchange surplus leading to continuing and large accretion to reserves since the mid 1990s has been a novel experience for India after experiencing chronic balance of payment problems for almost four decades. These surpluses began to arise after the opening of the current account, reduction in trade protection, and partial opening of the capital account from the early to mid 1990s.

India’s integration with the world economy is also getting stronger, with implications for the conduct of exchange rate policies in the future. Trade in goods (*i.e.*, exports *plus* imports) as a proportion of GDP increased from 14.6 per cent in 1990-91 to 32.5 per cent in 2005-06; while gross current account receipts and payments as percentage of GDP increased from 19.4 per cent to 50.2 per cent over the same period, reflecting the buoyant growth in Indian trade in services. The trade deficit is also as high as 6.4 per cent of GDP. Correspondingly, in the capital account, gross flows (total inflows *plus* outflows) have more than doubled as a proportion of GDP: from 12.1 per cent in 1990-91 to 32.4 per cent (US$ 260 billion) in 2005-06. Thus, the Indian economy is today substantially exposed to the international economy and arguably more open than even the United States in terms of these metrics.

Issues

Dutch Disease

In recent years, the growth in current payments has been accompanied by healthy growth in current receipts - in both goods and services, thus providing for some confidence in the sustainability of current trade patterns and financial stability.

Current receipts pay for up to about 90 per cent of current payments. Within current receipts, merchandise exports are being rapidly exceeded in terms of growth rates by software earnings, currently at 2.9 per cent of GDP. Besides, private transfer receipts, comprising mainly remittances from Indians working abroad, seemed to have acquired a permanent character and have risen steadily to constitute around 3 per cent of GDP in recent years, impervious to exchange rate movements. These factors have strengthened the capability of the Indian economy to sustain higher current account deficits (CADs) than in the past. Net capital flows have thus regularly exceeded the CAD requirements by a fair measure, enabling large accretions to the reserves.

The large inflow of remittances and major and sustained spurt in software exports coupled with capital inflows have the potential for possible overvaluation of the currency and the resultant erosion of long-term competitiveness of other traditional goods sectors – popularly known as the Dutch disease. Given the fact that more people are in the goods sector, the human aspects of the exchange rate management should not be lost sight of. Therefore, the Dutch Disease syndrome has so far been managed by way of reserves build-up and sterilisation, the former preventing excessive nominal appreciation and the latter preventing higher inflation. However, the issue remains how long and to what extent such an exchange rate management strategy would work given the fact that we are faced with large and continuing capital flows apart from strengthening current receipts on account of remittances and software exports. This issue has assumed increased importance over the last year with increased capital flows arising from the higher sustained growth performance of the economy and significant enhancement of international confidence in the Indian economy.

Liquidity Management

Volatility in capital flows and hence in liquidity has marked the period during 2001-07 and posed considerable problems in liquidity and exchange rate management. Sharp shifts in capital flows can be explained as partly frictional and arising from seasonal and transient factors, partly cyclical and associated with the pick up in growth momentum and the induced demand for bank credit, and partly led by growth expectation. Moreover, the absorption of external savings is also dependent on the stage of a business cycle that a country may be going through. Further, the stage of business cycle and the timing of capital flows may not coincide. The early years of this decade were characterised by low industrial growth and hence the absorptive capacity of the country was constrained. As we have entered an expansionary phase, the current account has widened and the potential for some greater absorption has manifested itself.

The volatile capital flows have warranted appropriate monetary operations to obviate wide fluctuations in market rates and ensure reasonable stability consistent with the monetary policy stance. In fact, the Indian experience illustrates the tight link between external sector management and domestic monetary management. What may be small movements in capital flows for the rest of the world can translate into large domestic liquidity movements distorting market exchange and interest rates in a developing country. Just as foreign exchange reserves can act as a shock absorber, on the external front, we had to look for a parallel liquidity shock absorber for domestic monetary management.

In this context, a new instrument, named as the Market Stabilisation Scheme (MSS) has evolved as a useful instrument of monetary policy to sustain open market operations. The MSS was made operational from April 2004. Under this scheme, which is meant exclusively for liquidity management, the Reserve Bank has been empowered to issue Government Treasury Bills and medium duration dated securities for the purpose of liquidity absorption. The scheme works by impounding the proceeds of auctions of Treasury bill and government securities in a separate identifiable MSS cash account maintained and operated by the Reserve Bank. The amounts credited into the MSS cash account are appropriated only for the purpose of redemption and/or buy back of the Treasury Bills and/or dated securities issued under the MSS. MSS securities are indistinguishable from normal Treasury Bills and government dated securities in the hands of the lender. The payments for interest and discount on MSS securities are not made from the MSS Account, but shown in the Union budget and other related documents transparently as distinct components under separate sub-heads. The introduction of MSS has succeeded, in principle, in restoring LAF to its intended function of daily liquidity management. Since its introduction in April 2004, the MSS has served as a very useful instrument for medium term monetary and liquidity management. It has been unwound in times of low capital flows and greater liquidity needs and built up when excess capital flows could lead to excess domestic liquidity. In principle, the MSS is designed to sterilise excess capital flows that are deemed to be durable or semi-durable. In practice this is difficult to discern *ex-ante*: hence the range of MSS instruments in terms of their duration can effectively modulate the sterilisation on an *ex-post* basis.

Our strategy of introducing this new MSS instrument to manage excess capital flows and reduce volatility in the exchange rate reflects the overall issue of global capital flows that many developing countries are facing, particularly in Asia. Net private flows (equity + debt) have increased from an average of about US$ 180 billion over the five year period 1998 to 2002, to about US$ 650 billion in 2006, amounting to about 5 per cent of their GDP (World Bank, 2007). Absorption of such a volume of flows would imply a corresponding current account deficit of about 5 per cent of GDP. What should be the approach to exchange rate determination in such circumstances? To what extent is the current account balance a good guide to evaluation of the appropriate level of an exchange rate? To what extent should the capital account influence the exchange rate? What are the implications of large current account deficits for the real economy? Are they sustainable and, if not, what are the implications for financial stability in developing countries? In India's case, as mentioned, we have almost always had a modest current account deficit though, because of remittances and service exports, the trade deficit has widened significantly in recent years. These are the issues that we have to deal with as we negotiate fuller capital account convertibility, but I believe these are wider questions that are engaging most countries in Asia.

Going forward, there will be a continuous need to adapt the strategy of liquidity management as well as exchange rate management for effective monetary management and short-term interest rate smoothening. The key questions we continue to face with are what should be the instruments and modes of management of liquidity in the interest of growth and financial stability and how much should capital flows affect exchange rate. These issues become even more relevant under a freer regime of capital flows. Global developments are expected to have an increasing role in determining the conduct of monetary and exchange rate policies in our countries. In an environment of global convergence, retaining independence of monetary policy may become increasingly difficult, calling for hard choices in terms of goals and instruments.

VI. Fiscal Situation and Fiscal Responsibility and Budget Management Act

Some Progress

Public finances have exhibited a mixed trend in the reforms period. After witnessing some correction till 1996-97, public finances underwent deterioration, reflecting a variety of factors such as the decline in tax revenues (as per cent to GDP) in consonance with the cyclical downturn of economic activity, as well as the effects of the 5th Pay Commission award. Indeed, the combined fiscal deficit of the Centre and States was higher in 2001-02 than that in 1990-91. Since 2002-03 onwards, public finances have witnessed a significant improvement, reflecting both policy efforts at fiscal consolidation as well as the upturn in economic activity (Table 1). A noteworthy development at the federal level is the transformation of state level sales taxes into the value added tax (VAT), which has introduced a large measure of rationality and uniformity in the state tax system. The state sales tax system had also suffered from great complexity in terms of multiplicity of rates and special provisions. A vital feature of this tax reform has been the consultative process among all the states as mediated by the central government, which then resulted in this consensus for massive reform.

Issues

Notwithstanding the recent correction, combined public debt remains high (almost 79 per cent of GDP at end March 2006). The latest most significant measure taken is the introduction of the Fiscal Responsibility and Budget Management Act (FRBM) in 2004,

Table 1: Combined Deficit Indicators: Centre and States

(As per cent of GDP)

Year	Fiscal Deficit	Revenue Deficit	Primary Deficit
2001-02	10.0	7.0	3.7
2002-03	9.6	6.6	3.1
2003-04	8.5	5.8	2.1
2004-05	7.5	3.7	1.4
2005-06	7.4	3.1	1.6
2006-07	6.4	2.2	0.8

Source: Reserve Bank of India.

which enjoins the government to eliminate its revenue deficit and reduce its fiscal deficit to 3 per cent of GDP by 2009. Similar acts have been passed by most state governments (25 states so far). So fiscal responsibility has now become part of our legislative commitments. Together, they, however, amount to a total deficit of about six per cent of GDP, which is considered high by global standards.

After the award of the 5th Pay Commission in 1997, public finances had come under strain and hence public savings had become negative. Now the growth process has clearly recovered and we seem to be on a sustainable path of annual GDP growth in excess of 8.5 per cent. The 8.5 per cent plus growth would itself place in demand for higher government wages and the 6th Pay Commission has to come, complicating the fiscal consolidation process.

Achieving the FRBM target of zero revenue deficit by 2008-09 requires continued focus on containing expenditures, increase in tax revenues and reduction in tax exemptions. Revenue augmentation would critically depend upon improvement in tax/GDP ratio as non-tax revenue is set to decline in the coming years. In this context, the reversal of the declining trend in tax-GDP ratio is welcome. This increasing trend needs to be maintained through further widening of the tax base and curtailment in tax exemptions. It is in this context that the erosion of tax base on account of various exemptions poses a cause for concern.

With the attainment of a sustainable higher growth path in excess of 8.5 per cent annual real GDP growth, the prospects for continued fiscal consolidation have improved. Tax revenues have become buoyant with continuing healthy growth in corporate profits and personal incomes. Furthermore, the introduction of the value added tax (VAT) system at the state level provides further ground for optimism. What we will need to guard against are the usual demands for exemptions that contribute to erosion of the tax base.

An important point to note in relation to the Indian fiscal situation is that, despite the long term persistence of high fiscal deficits by any standards, India has not been subject to banking or financial market turbulence. Our fiscal parameters have not been too different from some of the countries that have experienced the most turbulence, such as Turkey and Argentina. In fact, it is because of our inadequate fiscal performance that India did not have investment grade rating until earlier this year. The main reasons why India has been able to maintain financial stability in the presence of such fiscal stress is that almost all the sovereign debt has been domestic, except for bilateral and multilateral external borrowing, which itself has been small proportionately. India has eschewed sovereign borrowing in external markets, thereby insulating ourselves from external volatility in exchange rates and interest rates. The move to increased market borrowing has also been useful in providing market signals on the cost of borrowing. Finally, coordination between monetary policy, domestic debt management, and financial sector policies in the Reserve Bank and the Government has also helped in this regard.

VII. Strengthening of Financial Sector/Banks

The financial system in India, through a measured, gradual, cautious, and steady process, has undergone substantial transformation. It has been transformed into a reasonably sophisticated, diverse and resilient system through well-sequenced and coordinated policy measures aimed at making the Indian financial sector more competitive, efficient, and stable. The overall capital adequacy ratio of the banking sector as a whole has increased from 10.4 per cent at end-March 1997 to 12.3 per cent at end-March 2007[1]. The asset quality of the banking sector has recorded a significant improvement: the ratio of net non-performing assets (NPAs) to net advances has declined from 8.1 per cent at end-March 1997 to 2.0 per cent at end-March 2007 despite tightening of NPA classification norms. The profitability of banks as defined by the return on assets increased from 0.7 per cent in 1996-97 to 0.9 per cent in 2006-07. Intermediation cost of banks has declined from 2.9 per cent in 1995-96 to around 2 per cent by 2006-07. The financial system is now robust and resilient, and is enabling accelerated economic growth in an environment of stability.

Consistent with the policy approach to benchmark the banking system to the best international standards with emphasis on gradual harmonisation, in a phased manner, all foreign banks operating in India and all Indian commercial banks having foreign operations are required to start implementing Basel II with effect from March 31, 2008, while other commercial banks are required to implement Basel II by March 31, 2009[2]. Recognising the differences in degrees of sophistication and development of the banking system, it has been decided that the banks will initially adopt the Standardised Approach for credit risk and the Basic Indicator Approach for operational risk. After adequate skills are developed, both by the banks and also by the supervisors, some of the banks may be allowed to migrate to the Internal Rating Based (IRB) Approach. Although implementation of Basel II will require more capital for banks in India, the cushion available in the system - at present, the Capital to Risk Assets Ratio (CRAR) is over 12 per cent - provides some comfort. In order to provide banks greater flexibility and avenues for meeting the capital requirements, the Reserve Bank has issued policy guidelines enabling issuance of several instruments by the banks, *viz.*, innovative perpetual debt instruments, perpetual non-cumulative preference shares, redeemable cumulative preference shares and hybrid debt instruments.

The Reserve Bank founded the Board for Financial Supervision (BFS) in 1994 to upgrade its practice of financial supervision of banks. In course of time, development financial institutions, specialised term-lending institutions, non-banking financial companies (NBFCs), urban co-operative banks and primary dealers (PDs) have all been brought under the supervision of the BFS. A set of prudential norms for the commercial banking sector had been instituted as early as 1994 with regard to capital adequacy, income recognition and asset classification, provisioning, exposure

[1] Data for 2006-07 are unaudited and provisional.

[2] They have, however, the option of implementing Basel II with effect from March 31, 2008 as well.

norms and more recently, in respect of their investment portfolio. With the aim of regulatory convergence for entities involved in similar activities, prudential regulation and supervision norms were also introduced in phases for DFIs, NBFCs, co-operative banks and PDs.

In tandem with the gradual opening up of the economy, the regulatory and supervisory framework was spruced up comprising of a three-pronged strategy of regular on-site inspections, technology-driven off-site surveillance and extensive use of external auditors. As a result of improvements in the regulatory and supervisory framework, the degree of compliance with the Basel Core Principles has gradually improved. The supervisory framework has been further upgraded with the institution of a framework of Risk-based Supervision (RBS) for intensified monitoring of vulnerabilities. A scheme of Prompt Corrective Action (PCA) was effected in December 2002 to undertake mandatory and discretionary intervention against troubled banks based on well-defined financial/prudential parameters. In view of the growing emergence of financial conglomerates and the possibility of systemic risks arising therefrom, a system of consolidated accounting has been instituted. A half-yearly review based on financial soundness indicators is being undertaken to assess the health of individual institutions and macro-prudential indicators associated with financial system soundness. The findings arising thereof are disseminated to the public through its various Reports.

The bankruptcy procedures for containing the level of NPAs have been strengthened over the years. Debt Recovery Tribunals (DRTs) were established consequent to the passing of Recovery of Debts Due to Banks and Financial Institutions Act, 1993. With a view to putting in place a mechanism for timely and transparent restructuring of corporate debts of viable entities facing problems, a Scheme of Corporate Debt Restructuring (CDR) was started in 2001 outside the purview of BIFR (*i.e.*, Board for Industrial and Financial Reconstruction), DRT and other legal proceedings. Similar guidelines on debt restructuring of viable or potentially viable SME units were issued in September 2005. To provide a significant impetus to banks to ensure sustained recovery, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act was passed in 2002 and was subsequently amended to ensure creditor rights. With a view to increasing the options available to banks for dealing with NPAs, guidelines were also issued on sale/purchase of NPAs in July 2005. Subsequently, a few Asset Reconstruction Companies have been registered. Thus, the bankruptcy procedures for recovery of bad debts have been streamlined over the years even though the Sick Industrial Companies Act (SICA) continues to be in vogue.

A further challenge for policy in the context of fuller capital account opennes will be to preserve the financial stability of the system as greater deregulation is done on capital outflows and on debt inflows. This will require market development, enhancement of regulatory capacity in these areas, as well as human resource development in both financial intermediaries and non-financial entities. In consonance with the objective of enhancing efficiency and productivity of banks through greater competition - from new private sector banks and entry and expansion of several foreign banks - there has been a consistent decline in the share of public sector banks in total assets of commercial banks. Notwithstanding such transformation, the public sector banks still account for nearly 70 per cent of assets and income. Public sector banks have also responded to the new challenges of competition, as reflected in their increased share in the overall profit of the banking sector. This suggests that, with operational flexibility, public sector banks are competing relatively effectively with private sector and foreign banks. Public sector bank managements are now probably more attuned to the market consequences of their activities (Mohan, 2006a). But it is also they who face the most difficult challenges in human resource development. They will have to invest very heavily in skill enhancement at all levels: at the top level for new strategic goal setting; at the middle level for implementing these goals; and at the cutting edge lower levels for delivering the new service modes. Wide disparities exist within the banking sector as far as technological capabilities are concerned: the percentage of 'computer literate' employees as percentage of total staff in 2000 was around 20 per cent in public sector banks compared with 100 per cent in new private and around 90 per cent in foreign banks (Reserve Bank of India, 2002). Data reported by the RBI suggests that nearly 71 per cent of branches of public sector banks are fully computerised. However, computerisation needs to go beyond the mere 'arithmeticals', to borrow a term from the Report of the Committee on Banking Sector Reforms (Government of India, 1998), and instead, needs to be leveraged optimally to achieve and maintain high service and efficiency standards. Given the average age of 45 years *plus* for employees in the public sector banks, they will also face new recruitment challenges in the face of adverse compensation structures in comparison with the freer private sector.

The issue of mixed ownership as an institutional structure where government has controlling interest is a salient feature of bank governance in India. Such aspects of corporate governance in public sector banks is important, not only because public sector banks dominate the banking industry, but also because, it is likely that they would continue to remain in banking business. To the extent there is public ownership of public sector banks, the multiple objectives of the government as owner and the complex principal-agent relationships needs to be taken on board. Over the reform period, more and more public sector banks have begun to get listed on the stock exchange, which, in its wake, has led to greater market discipline and concomitantly, to an improvement in their governance aspects as well. The broadbased and diversified ownership of public sector banks has brought about a qualitative difference in their functioning, since there is induction of private shareholding as well as attendant issues of shareholder's value, as reflected by the market capitalisation, board representation and interests of minority shareholders. Given the increased technical complexity of most business activities including banking and the rapid pace of change in financial markets and practices, public sector banks would need to devise imaginative ways of responding to the evolving challenges within the context of mixed ownership.

Another aspect of greater capital market openness concerns the presence of foreign banks in India. The Government and the Reserve Bank outlined a roadmap on foreign investment in banks in India in February 2005, which provides guidelines on the extent of their presence until 2009. This roadmap is consistent with the overall guidelines issued simultaneously on ownership and governance in private sector banks in India. The presence of foreign banks in the country has been very useful in bringing greater competition in certain segments in the market. They are significant participants in investment banking and in development of the forex market. With the changes that have taken place in the United States and other countries, where the traditional barriers between banking, insurance and securities companies have been removed, the size of the largest financial conglomerates has become extremely large. Between 1995 and 2004, the size of the largest bank in the world has grown three-fold by asset size, from about US $ 0.5 trillion to US $ 1.5 trillion, about one and a half times the size of Indian GDP. This has happened through a great degree of merger activity: for example, J.P.Morgan Chase is the result of mergers among 550 banks and financial institutions. The ten biggest commercial banks in the US now control almost half of that country's banking assets, up from 29 per cent just 10 years ago (Economist, 2006). Hence, with fuller capital account convertibility and greater presence of foreign banks over time, a number of issues will arise. First, if these large global banks have emerged as a result of real economies of scale and scope, how will smaller national banks compete in countries like India, and will they themselves need to generate a larger international presence? Second, there is considerable discussion today on overlaps and potential conflicts between home country regulators of foreign banks and host country regulators: how will these be addressed and resolved in the years to come? Third, given that operations in one country such as India are typically small relative to the global operations of these large banks, the attention of top management devoted to any particular country is typically low. Consequently, any market or regulatory transgressions committed in one country by such a bank, which may have a significant impact on banking or financial market of that country, is likely to have negligible impact on the bank's global operations. It has been seen in recent years that even relatively strong regulatory action taken by regulators against such global banks has had negligible market or reputational impact on them in terms of their stock price or similar metrics. Thus, there is loss of regulatory effectiveness as a result of the presence of such financial conglomerates. Hence, there is inevitable tension between the benefits that such global conglomerates bring and some regulatory and market structure and competition issues that may arise.

Along with the emergence of international financial conglomerates we are also witnessing similar growth of Indian conglomerates. As in most countries, the banking, insurance and securities companies each come under the jurisdiction of their respective regulators. A beginning has been made in organised cooperation between the regulators on the regulation of such conglomerates, with agreement on who would be the lead regulator in each case. In the United States, it is a financial holding company that is at the core of each conglomerate, with each company being its subsidiary. There is, as yet, no commonality in the financial structure of each conglomerate in India: in some the parent company is the banking company; whereas in others there is a mix of structure. For Indian conglomerates to be competitive, and for them to grow to a semblance of international size, they will need continued improvement in clarity in regulatory approach.

VIII. Concluding Remarks

I have described at length the evolution of India's macroeconomic and monetary management over the last decade and a half to demonstrate the complexity of such management in the context of a developing economy that manages its opening up to the rest of the world in a gradual manner. Monetary policy and exchange rate regimes have necessarily to be operated as fuzzy or intermediate regimes not obeying the almost received wisdom of purist approaches. The judgement on the legitimacy of such a regime must be based on their efficacy as revealed by the outcomes. On this count, I believe that India's macroeconomic, monetary and financial managers can justifiably claim a reasonable degree of success: economic growth is high and accelerating; inflation has shifted to lower sustainable levels; savings and investments are growing; financial markets have been growing and developing in an orderly manner; the health of the banking system has improved continuously and is approaching best practice standards; the external account is healthy in the presence of robust trade growth in both goods and services; and increasing capital flows indicate growing international confidence in the Indian economy; and the Indian exchange rate has been flexible in both directions providing for reasonable market determination, in the presence of central bank forex interventions.

These are the achievements of the past. As we ascend to a higher growth path, and as we have fuller capital account convertibility, we will face newer challenges and will have to continue to adapt. The key point is that with greater capital account openness, we have to develop markets such that market participants, financial and non financial, are enabled to cope better with market fluctuations. As we do this, we need to be cognizant of the vast range of capabilities of different market participants in as diverse a country as India: from subsistent farmers to the most sophisticated financial market practitioners.

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Statistical System of India: Some Reflections*

Rakesh Mohan

I am delighted and honoured to be at this auspicious occasion of the first Statistics Day and to inaugurate the first Annual Conference on Financial Statistics. As a member of the statistics community, it is matter of great pride that June 29, birth anniversary of (late) Professor Prasanta Chandra Mahalanobis, has been declared by the Government of India as Statistics Day. I am particularly happy that Professor Parikh is here who began his professional life in the ISI Statistical Unit in the Planning Commission and had a great deal of interaction with Professor Mahalanobis.

Statistics in simple terms is defined as the study of the 'laws of chance'. On this Statistics Day, let me however not take a chance to talk about field statistics. In the preface to his book on "Statistics and Truth", C.R.Rao (1989) writes, which I thought is worth quoting at length,

"Statistics as a method of learning from experience and decision making under uncertainty must have been practiced from the beginning of mankind. But the inductive reasoning involved in these processes have never been codified due to the uncertain nature of the conclusions drawn from given data on formation. The breakthrough occurred only in the beginning of the present century with the realisation that inductive reasoning can be made precise by specifying the amount of uncertainty involved in the conclusions drawn. This paved the way for working out an optimum course of action involving minimum risk, in any given uncertain situation, by a purely deductive process. Once this mechanism was made available, the floodgates opened and there was no end to the number of applications impatiently awaiting for

* Inaugural address by Dr. Rakesh Mohan, Deputy Governor, Reserve Bank of India on the Statistics Day and Annual Conference on Financial Statistics, on June 29, 2007 at the Department of Statistical Analysis and Computer Services, Reserve Bank of India, Mumbai. Assistance of Amal Kanti Ray and Abhiman Das in preparing the speech is gratefully acknowledged.

methods which could really deliver the goods. From the time of Aristotle to the middle of the 19th century, chance was considered by scientists as well as philosophers to be an indication of our ignorance which makes predictions impossible. It is now regarded that chance is inherent in all natural phenomena, and the only way of understanding nature and making predictions (with minimum loss) is to study the laws (or the inner structure) of chance and formulate appropriate rules of action. Chance may appear as an obstructor and an irritant in our daily life but chance can also create. We have now learnt to put chance to work for the benefit of mankind. All knowledge is, in the final analysis, history. All sciences are, in the abstract, mathematics and all methods of acquiring knowledge are essentially statistics."

What has been the historical development of the statistical system in India? Who have been its main architects? What has been the role of the Reserve Bank in the national statistical system? I thought these questions will be of interest to the audience assembled here today.

Historical developments

Let me go back in history. India has a long historical tradition of collection and use of various kinds of statistics. Kautilya's Arthasastra (321-296B.C.), one of the greatest treatise of economics, indicates a system of census and data collection relating to agriculture, population and other economic activities, covering villages and towns. In addition, the concept of cross-checking and validation by independent agents was very much part of the data collection system. Thus, early evidence established the coexistence of economics and statistics, and their application for the welfare of the states. Subsequent historical anecdotes based on Huen Tsang's writings (dated late seventh to early eighth century) give a detailed description of the plan of cities, construction of houses, and an account of common products of India and data on the area of kingdoms and the distances between them. During the *Moghul* period, evidence and application of statistical knowledge was prominent in *Ain-i-Akbari* by Abul Fazal. Documentary evidence includes the system of legalised measurements, land classification and crop yields by season, *etc.* The system of land tenure and land revenue, followed during the *Moghul* period, had enough empirical basis.

The statistical system was strengthened during the British period. During this period, the statistical development was geared towards administration, tax collection, revenue, trade and commerce and related activities as might be expected. With a view to rationalise and establish a sound system of revenue collection, the East India Company in 1807 emphasised the need of a statistical survey of the country. A small department of statistics was founded in the India House in 1847. In 1848, the first census relating to the area and revenue of each in North-West Provinces was released. In 1853, the department released the first series of statistical papers on India. Impressed by the trend in statistical activities, the Secretary of State ordered the Governor-General in Council to prepare a 'comprehensive and coordinated scheme of statistical survey' for each of the twelve great provinces of the then British

India and Dr. W.W. Hunter was appointed as Director-General of Statistics in India in 1869, who can perhaps be regarded as the original precursor to the Chief Statistician of India today. The Statistical Account of Bengal (the present Bangladesh, West Bengal, Bihar and Orissa) was published in 20 volumes. For each district there were details on topographical data, ethnic divisions and creeds, agricultural situation, commerce, working of district administration and finally the sanitary and health aspects. Although censuses of Calcutta were undertaken in the year 1822 and in 1847, the operation of a decennial census for the whole country started in 1881 and is continuing ever since. The report on the Census of British India taken in 1881 was published in three volumes.

The need for timely and accurate collection of agricultural data felt by the Indian Famine Commission and agricultural departments were organised in various provinces which resulted in the publication of 'Agricultural Statistics of British India' in 1886. To scrutinise and summarise the data collected by the agricultural departments, a statistical Bureau was formed at the centre in 1895 to coordinate the agricultural, foreign trade, prices, wages and industrial statistics. During 1905, a separate body Directorate General of Commercial Intelligence and Statistics (DGCI & S) was constituted to collect/publish commercial and trade statistics and to help trade and business. The first issue of Indian Trade Journal was released in 1906 and first price statistics based on a survey was released in 1910. The Economic Enquiry Committee set up in 1925 under the Chairmanship of Dr. Visweswarayya and more importantly the Bowley-Robertson Committee set up later in 1934, were mainly responsible for the Government's decision to set up an Inter-Departmental Committee with the Economic Adviser to the Government of India as the Chairman. The Inter-Departmental Committee recommended the formation of a Central Statistical Office for coordination, institution of a statistical cadre, establishment of State Bureaus at State Head Quarters and maintenance of important statistics for the entire country.

Architect of Modern Statistical Methods in the Indian Subcontinent

The developments in statistics that took place between 1930 and 1960 are quite remarkable and in some sense unique. No other discipline in India recorded such growth and development during the same period in India. There were several important ingredients. In statistics, unlike other disciplines, India was not a late starter. Indeed, much of the development even in the United States came later. Only Britain had started earlier. This helped creation of an Indian school of statistics with its own mix of theory and applications. The architect of modern statistical methods in the Indian subcontinent was undoubtedly Professor Prasanta Chandra Mahalanobis. He was helped by a very distinguished group of scientists that included R.C. Bose, S.N. Roy C.R. Rao, S.S. Bose, K.R. Nair, D.B. Lahiri and many others. There were others like P.V. Sukhatme, and V.G. Panse who worked independently of Mahalanobis. The history of statistics is basically a history of some of these persons as well as a history of institutions and interactions between persons and institutions. The institute around which all these development took place is none other than the Indian Statistical Institute (ISI), Calcutta. Looking back at the history, one observed that 1950s was unarguably the golden period of ISI. Besides, Prof. Mahalanobis and C. R. Rao, the faculty of ISI included R.R. Bahadur, D. Basu, G. Kallianpur, D.B. Lahiri, M. Mukherjee, R. Mukherjee and many other distinguished luminaries. Some of them studied abroad and subsequently joined ISI as a faculty. D. Basu joined the ISI as a student and later became a Professor as well as the first Dean of Studies. D. B. Lahiri was a self-taught mathematician, contributed significantly on sample survey methods. Between them Rao, Bahadur, Basu and Kallianpur and a new group of brilliant students including K.R. Parthasarathy, R. Ranga Rao, V.S. Varadarajan, S.R.S. Varadhan made fundamental contributions to probability and classical inference during this period which were as important as the earlier contributions of Bose and Roy to design of experiments and multivariate analysis. Among the other earlier students of the Institute who achieved international reputation are G.P. Patil, T.N.Srinivasan, R.G. Laha, J. Roy, Sujit Kumar Mitra, D.K. Roy Choudhury, and others. I may also mention that S.R.S. Varadhan, currently a professor of mathematics at New York University and only Indian ever, won the prestigious Abel Prize (which is perhaps equivalent to a Nobel Prize) in mathematics this year.

Professor P. C. Mahalanobis and Statistics

As the Statistics Day is being celebrated in honour of the birth anniversary of (late) Professor Prasanta Chandra Mahalanobis, I thought a brief sketch of his life will be appropriate at this juncture. Born on June 29, 1893 in a well-to-do progressive Brahmo family, he passed away on June 28, 1972. He graduated in Physics from Presidency College, Kolkata and went on to study in Cambridge in 1913 and in 1915 finished his Tripos in Natural Science with a first class. His first encounter with Statistics was also a chance-event, when his tutor Macaulay drew his attention to some bound volumes of *Biometrika*. He got so interested that he bought a complete set of *Biometrika* volumes towards his journey back to India. Mahalanobis set up the Statistical Laboratory in the Presidency College sometime in the 1920s. His contribution to statistics is enormous. During the 1920s and until the mid-1930s, all or nearly all the statistical work done in India, was done single-handedly by Mahalanobis. The early statistical studies included analyses of data on stature of Anglo-Indians, meteorological data, rainfall data, data on soil conditions, *etc.* Some of the findings of these early studies were of great impact in the control of floods, development of agriculture, *etc.*, and led to the recognition of Statistics as a key discipline. His passion and conviction was truly guided for the solutions of applied problems. His further work on anthropological data resulted in new methodology for classifying or distinguishing populations characterised by such measurements called Mahalonobis D-square[1]. Another very important initiative undertaken by Professor Mahalonobis was

[1] He submitted the paper in Biometrika for publication. Pearson had expressed reservations about Mahalonobis D-square and thus did not publish it. However, Mahalanobis published it in other place.

the initiation of Crop Cutting Surveys to estimate agricultural production in India, which was a novel idea of that time. These surveys have continued till today and continue to be important in the estimation of agricultural production.

The Indian Statistical Institute was founded in a small room in the Presidency College as a society on December 17, 1931. *Sankhya,* the Indian Journal of Statistics, was founded two years later. Mahalanobis' influence was so ubiquitous that even students of Physics began to take interest in statistics. Later, several talented young scholars joined to form an active group of statisticians. Mahalanobis continued to be the nucleus. Theoretical research in Statistics began to flourish in all the areas of statistics including design of experiments, statistical quality control, operations research, *etc.* Research on large scale sample surveys won Mahalanobis a Fellowship of the Royal Society. Design and analysis of agricultural experiments also bloomed and led to some international contacts, notably with Sir Ronald A. Fisher. At the request of the Government of India, a draft of the second Five Year Plan was prepared at the Indian Statistical Institute in 1954 by Mahalanobis. The second plan pattern of industrial investment, with its marked shift in favour of capital good industries, was deeply influenced by the two-sector growth model developed by Mahalanobis. The substantial contributions of the Institute to theoretical and applied work, its training and promotional activities culminated in recognition by the Government of India. The Parliament passed the Indian Statistical Institute Act, 1959 which declared the Institute as an "Institution of National Importance" and empowered it to award degrees and diplomas in Statistics. The first computer of the country was installed in ISI in 1960. Subsequently, ISI made significant contributions to the development of advanced numerical algorithms[2]. Mahalanobis' mastery over empirics was exemplary as illustrated in using the method of fractal graphical analysis of consumption data, which was published in *Econometrica* (1960)[3]. It is also understood that the concept of interpenetrative sub-sampling and pilot survey, pioneered by Mahalanobis, essentially form the basis of sequential analysis and modern bootstrap methods.

Evolution of the Statistical System after Independence

After independence in 1947, the country saw an urgent need for a statistical framework suitable for economic and social development. Mahalanobis was appointed as an Honorary Statistical Adviser in 1949 to the Government of India and Central Statistical Unit was setup under his technical guidance which was later named as Central Statistical Organisation (CSO) in 1951.This organisation was setup mainly to coordinate the statistical work done in various ministries and other government agencies and to advise them, to maintain standards with regard to definitions, concepts and procedures, to provide consultancy, to liaison with international

[2] It is also believed that the seed of computer and IT revolution in India was germinated in ISI.

[3] The editor of *Econometrica* published a shorter version of this paper what reportedly Mahalanobis did not like. As a result, he again published the full version of the paper in Sankhya.

statistical organisations, to prepare and publish a Monthly Statistical Abstract and an Annual Statistical Abstract and to inform annual statistical information to public. In India, prior to 1947, the estimation of national income was attempted by individual economists and scholars for specific years. Among these, the most systematic work was that of V.K.R.V. Rao in his book *National Income in British India 1931-32* (London; MacMillan, 1940), which formed the basis of national income estimation in the post-independence period. In 1949, the Government of India formed the National Income Committee (NIC) under the Chairmanship of P.C. Mahalanobis, with V.K.R.V. Rao and D.R. Gadgil as members. From then onwards the national income estimation has been steadily strengthened. NIC recommended the holding of an annual conference on national income and wealth. The First Indian Conference on Research in National Income was organised by the Central Statistical Organisation (CSO) in early 1957. In 1964, this conference was converted into the Indian Association for Research in National Income and Wealth (IARNIW). Dr. V.K.R.V Rao was the first President of IARNIW. He is credited with the building of IARNIW as an independent research body under the aegis of the CSO.

In order to improve the quality and fill up the gaps in statistical information, it was decided to establish a National Sample Survey Organisation (NSSO). This organisation had four divisions: Survey design and research, Field operations, Data processing, and Economic Analysis. The national sample survey (NSS) is the largest multi-purpose socio-economic survey.

The coverage and scope of data collection and dissemination by CSO has increased manifold in recent times. Its current activities include National Income Accounting, conduct of Annual Survey of Industries, Economic Censuses and its follow up surveys, compilation of Index of Industrial Production, as well as Consumer Price Indices for Urban Non-Manual Employees, Human Development Statistics, Gender Statistics, imparting training in Official Statistics, Five Year Plan work relating to Development of Statistics in the States and Union Territories; dissemination of statistical information, work relating to trade, energy, construction, and environment statistics, revision of National Industrial Classification, *etc.*

The National Statistical Commission (NSC) set up by the Government of India in January 2000 under the Chairmanship of Dr. C. Rangarajan reviewed the statistical system and the entire gamut of Official Statistics in the country. Core functions of NSC, *inter alia*, include identification the core statistics which are of national importance and are critical to the development of the economy, to evolve national policies and priorities relating to the statistical system and to evolve standard statistical concepts, definitions, classifications and methodologies in different areas in statistics and lay down national quality standards on core statistics. One of the key recommendations of this Commission was to establish a permanent National Commission on Statistics to serve as a nodal and empowered body for all core statistical activities of the country, evolve, monitor and enforce statistical priorities and standards and to ensure statistical coordination among the different agencies involved. In line with the above recommendations, the Government of India ordered the setting up of a permanent National Statistical Commission (NSC) on 1st June 2005. The present setup of NSC is a type of umbrella organisation covering both CSO and NSSO.

National Statistical System and the Role of the Reserve Bank

Reserve Bank of India collects and analyses statistics on various economic transactions of banking and other financial institutions in the process of implementing its policies towards achieving its implicit twin objectives of growth and price stability. A major part of the statistics in the Reserve Bank is collected through either statutory or control returns, which are exclusively used for monetary policy and supervision. In the field of information generation and analysis we adhere to international standards and practices. To collect supplementary statistics, the Reserve Bank conducts surveys in the fields of credit to rural/urban households, industrial outlook, inflation expectations, different aspects of banking sector, external sector and the private corporate sector. At present, the surveys conducted by the Reserve Bank can be broadly classified into five categories:

(a) **external sector** including (1) survey of foreign liabilities and assets for corporate, insurance & mutual fund sectors, (2) coordinated portfolio investment survey, (3) survey on software export, (4) unclassified receipt survey used for BoP, (5) survey on balances in Nostro / Vostro account used in BoP, and (6) survey on non-resident deposits;

(b) **banking sector** including (1) survey on distribution of credit, deposits and employment in banks, (2) survey on composition and ownership of deposits with scheduled commercial banks, (3) survey on investment portfolio of scheduled commercial banks, (4) survey of debits to deposit accounts with scheduled commercial banks, (5) survey on international assets and liabilities of banks and (6) survey of small borrowal accounts;

(c) **corporate sector** including survey of performance of private corporate business sector, conducted since 1951-52;

(d) **monetary policy** including (1) industrial outlook survey, (2) inflation expectation survey for households and (3) survey of inventories, order books and capacity utilisation;

(e) **ad hoc**: Census of non-banking financial companies not accepting public deposits.

In addition to the abovementioned surveys, recently the Reserve Bank has initiated steps to make use of survey methods for various operational purposes**,** *e.g.,* to assess the extent of success and realities of implementation of financial inclusion. You may be aware that in India, the Government as well as the central bank attach enormous importance towards financial empowerment of the rural poor and the Reserve Bank has taken steps for financial inclusion and spread of Self Help Groups. In support of monetary policy, we propose to introduce survey of professional forecasters, as done in most of the central banks in developed countries. In addition, it may be necessary to collect necessary information for compiling housing starts, in view of the increasing importance of housing construction in the economy.

However, in view of the current state of data availability with local authorities, this will need considerable additional work before any significant progress can be made. Other central banks conduct a number of other surveys, both *ad hoc* and regular ones, in order to help more informed monetary policy meeting, and other needs as they arise. As we improve the technical basis of our monetary policy apparatus we will need to keep innovating in this area.

Traditionally the Reserve Bank is directly involved in national accounts compilation, especially in savings estimation and flow of fund compilation. Basic information on household and corporate savings is provided to CSO for preparing the final estimates. Besides, data on output of banking system in GDP is imputed from the data supplied by us. The Reserve Bank also has a long tradition of conducting important surveys in collaboration of NSSO. The first comprehensive survey conducted by the Reserve Bank is known as All-India Rural Credit Survey, with 1951-52 as the reference period. The objective of the survey was to collect such data/information as would assist the Reserve Bank and the Government of India in formulating an integrated credit policy for rural credit and to assess the extent of indebtedness of rural households to financial institutions in the organised and unorganised sectors. Findings of this landmark survey subsequently changed the entire landscape of Indian banking and culminated in introducing the world's biggest social banking experiments in the form of rural credit and priority sector lending. Such All-India surveys were conducted decennially and the latest survey pertained to the year 2002-03. While the 1951-52 and 1961-62 surveys covered only rural households, the subsequent surveys covered urban households also. The surveys of 1971-72 and 1981-82 were conducted jointly with NSSO, Government of India, whereas those of 1991-92 onwards were conducted entirely by NSSO.

The other area, which has direct consequence with the Reserve Bank's activities, relates to measurement of output and price. As member of the Technical Advisory Committee of National Accounts Statistics (NAS), Statistics on Prices and Cost of Living (SPCL), revision of WPI and CPI series, *etc.*, the Reserve Bank has been playing a critical role. Let me highlight a few recent initiatives. The procedure of converting current price estimate into constant price followed earlier, especially for estimating the output of financial sector, resulted in some kind of anomalies. In some cases, while estimate at current price was negative, constant price estimate was positive and increasing. However, in the last GDP revision (1999-00 series), this problem was corrected after a series of academic discussion with CSO. Similarly, treatment of some of the financial intermediaries like mutual funds was not defined clearly in SNA 1993. And treating mutual funds similar to banks was conceptually not correct. Recently, CSO set up a committee within the Reserve Bank to look into this matter and the recommendations of the committee has been accepted by TAC of NAS. Besides, the Reserve Bank is also working in close collaboration with CSO for implementing the ensuing changes of SNA revision due this year.

Let me cite an example of the Reserve Bank's recent involvement in price measurement issues. The need for integration of CPIs is nothing new. The National Statistical Commission (2001) recommended, *inter alia*, that the current CPIs do not provide changes in the prices for the entire rural and urban population since they are designed to measure the changes in the prices of goods and services consumed by specific segments of the population and hence there is a need to compile the CPI separately for the entire rural and urban population. In this context, a Sub-Group set-up in the Reserve Bank, recommended the compilation of separate CPIs for whole rural and urban population and provided a roadmap for compilation. I am happy to note that TAC on SPCL has finally accepted this and shortly we shall have CPI(U) and CPI(R). Needless to mention that these price indices will be very useful for monetary policy purposes.

Application of Statistical Methods in the Reserve Bank: Need for Further Work

Before I conclude, let me outline a few areas of work in the Reserve Bank where statisticians can contribute significantly. First, as monetary policy formulation largely depends on the forward-looking behaviour of the economy, the use of forecasting techniques automatically comes in the forefront. While traditional time series techniques are useful, we need to build up expertise on forecasting using calibrated models. Such models have definitive advantage of incorporating economic agents utility, requires less data and can be maneuvered easily with different alternatives. Second, the Reserve Bank incurs a huge expenditure on management of currency through out the country. Operations research techniques could be utilised effectively in the areas of inventory, transportation, *etc.*, so as to develop an efficient and cost effective currency management systems. Third, risk analysis under a statistical framework is a pre-requisite for implementing Basel II norms. Fourth, innovative sample surveys in the area of financial inclusion, development of leading indicators like house-start index, inflation expectation, *etc.*, could be very useful tools. Fifth, we do not have an appropriate measure of potential output. It is not an easy task; however, efforts should be made to devise a suitable methodology for estimating potential output at the earliest.

Finally, let me conclude by saying that knowledge building is an ongoing activity. Frontiers are shifting upwards consistently and thus demanding a persistent catching up with the advanced knowledge. Central banking today is more challenging than ever and accurate information is the key to supplement policy decisions. I hope the Statistics Day and the conference on financial statistics pave the platform of knowledge sharing and understanding of advanced frontiers.

Financial Inclusion – The Indian Experience*

Usha Thorat

We, in India, have been greatly impressed by the focused attention being paid by the UK Government to the subject of Financial Inclusion (FI). I had read a very detailed report by the British Banker's Association in 2000 dwelling upon the issues involved in providing greater access to financial services and the concept of a basic banking account. The setting up of the Financial Inclusion Task Force and the Financial Inclusion Fund reflect the priority attached by the Government to the subject. DFID has been involved in a number of livelihood diversification projects in India and other countries, especially for the marginalised, and DFID's stake in the subject obviously derives from the development aspect of FI. The interest shown by authorities in different countries in FI clearly show that there are concerns that large segments of the world's population are excluded from formal payments system and financial markets while financial markets are developing and globalising rapidly. There is an obvious market failure and thus governments and financial sector regulators are seeking to create enabling conditions such that markets become more open, more competitive, affordable and inclusive.

Focus of Financial Inclusion in India

The Indian economy is growing at a steady rate of 8.5 per cent to 9.0 per cent in the last five years or so. Most of the growth is from industry and services sector. Agriculture is growing at a little over 2 per cent. The potential for growth in the primary and SME sector is enormous. Limited access to affordable financial

* Speech delivered by Smt. Usha Thorat, Deputy Governor, Reserve Bank of India at the HMT-DFID Financial Inclusion Conference 2007 on June 19, 2007 at Whitehall Place, London, UK

services such as savings, loan, remittance and insurance services by the vast majority of the population in the rural areas and unorganised sector is believed to be acting as a constraint to the growth impetus in these sectors. Access to affordable financial services - especially credit and insurance - enlarges livelihood opportunities and empowers the poor to take charge of their lives. Such empowerment aids social and political stability. Apart from these benefits, FI imparts formal identity, provides access to the payments system and to savings safety net like deposit insurance. Hence FI is considered to be critical for achieving inclusive growth; which itself is required for ensuring overall sustainable growth in the country.

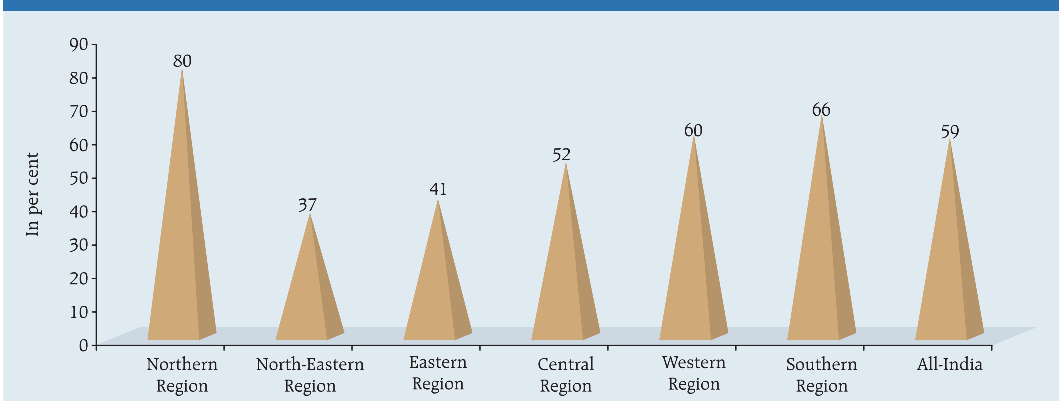
The approach to FI in developing countries such as India is thus somewhat different from the developed countries. In the latter, the focus is on the relatively small share of population not having access to banks or the formal payments system whereas in India, we are looking at the majority who are excluded.

FI can be thought of in two ways. One is exclusion from the payments system – *i.e.,* not having access to a bank account. The second type of exclusion is from formal credit markets, requiring the excluded to approach informal and exploitative markets. After nationalisation of major banks in India in 1969, there was a significant expansion of branch network to unbanked areas and stepping up of lending to agriculture, small industry and business. More recently, the focus is on establishing the basic right of every person to have access to affordable basic banking services.

Measures of Financial Exclusion

One common measure of FI is the percentage of adult population having bank accounts (Chart 1). Going by the available data on the number of savings bank accounts and assuming that one person has only one account, (which assumption may not be correct as many persons could have more than one bank account) we find that on an all India basis 59 per cent of adult population in the country have bank

Chart 1: Percentage of Savings Deposits to Adult Population – 2005



accounts – in other words 41 per cent of the population is unbanked. In rural areas the coverage is 39 per cent against 60 per cent in urban areas. The unbanked population is higher in the North Eastern and Eastern regions.

The extent of exclusion from credit markets is much more, as number of loan accounts constituted only 14 per cent of adult population (Chart 2). In rural areas, the coverage is 9.5 per cent against 14 per cent in urban areas. Regional differences are significant with the credit coverage at 25 per cent for the Southern Region and as low as 7, 8 and 9 per cent, respectively, in North Eastern, Eastern and Central Regions.

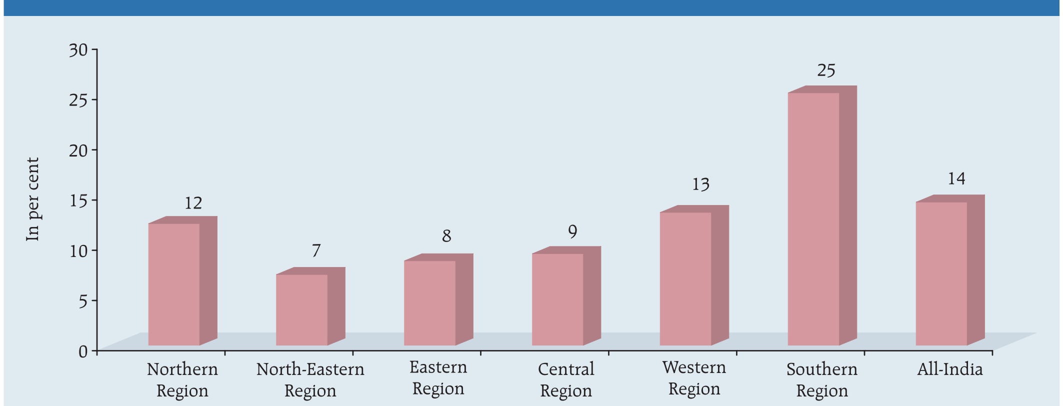
The extent of exclusion from credit markets can be observed from a different view point. Out of 203 million households in the country, 147 million are in rural areas – 89 million are farmer households. 51.4 per cent of farm households have no access to formal or informal sources of credit, while 73 per cent have no access to formal sources of credit. Similar data are not available for non-farm and urban households.

Looking at the different sources of credit, it is observed that the share of non institutional sources reduced from 70.8 per cent in 1971 to 42.9 per cent in 2002. However after 1991, the share of non institutional sources has increased; specifically, the share of moneylenders in the debt of rural households increased from 17.5 per cent in 1991 to 29.6 per cent in 2002. In urban areas the share of non institutional sources has come down significantly from 40 per cent in 1981 to around 25 per cent in 2002.

Who are the Excluded?

The financially excluded sections largely comprise marginal farmers, landless labourers, oral lessees, self employed and unorganised sector enterprises, urban slum dwellers, migrants, ethnic minorities and socially excluded groups, senior citizens and women. While there are pockets of large excluded population in all parts of the country, the North East, Eastern and Central regions contain most of the financially excluded population.

Chart 2: Percentage of Credit Accounts to Adult Population



Reasons for Financial Exclusion

There are a variety of reasons for financial exclusion. In remote, hilly and sparsely populated areas with poor infrastructure, physical access itself acts as a deterrent. From the demand side, lack of awareness, low incomes/assets, social exclusion, illiteracy act as barriers. From the supply side, distance from branch, branch timings, cumbersome documentation and procedures, unsuitable products, language, staff attitudes are common reasons for exclusion. All these result in higher transaction cost apart from procedural hassles. On the other hand, the ease of availability of informal credit sources makes these popular even if costlier. The requirements of independent documentary proof of identity and address can be a very important barrier in having a bank account especially for migrants and slum dwellers.

Recent Initiatives by Reserve Bank of India

The period 1969 to 1991 saw a huge increase in the branch outreach in India as the average population covered by a bank branch fell from 64,000 to 13,711. In 1991 along with reforms for liberalising and opening up of the economy, financial sector reform aimed at deregulation, increased competition and strengthening the banking sector through recapitalisation and adoption of prudential measures. The Indian banking industry today is quite robust and strong to be able to take on the challenges of achieving greater financial inclusion.

In the Annual Policy of the Reserve Bank for 2004-05, the Governor, Dr. Reddy observed and I quote - *"There has been expansion, greater competition and diversification of ownership of banks leading to both enhanced efficiency and systemic resilience in the banking sector. However, there are legitimate concerns in regard to the banking practices that tend to exclude rather than attract vast sections of population, in particular pensioners, self-employed and those employed in unorganised sector. While commercial considerations are no doubt important, the banks have been bestowed with several privileges, especially of seeking public deposits on a highly leveraged basis, and consequently they should be obliged to provide banking services to all segments of the population, on equitable basis."*

Pursuant to this, the Reserve Bank has undertaken a number of measures with the objective of attracting the financially excluded population into the structured financial system. In November 2005, banks were advised to make available a basic banking 'no-frills' account with low or nil minimum balances as well as charges to expand the outreach of such accounts to vast sections of the population. Banks are required to make available all printed material used by retail customers in the concerned regional language.

In order to ensure that persons belonging to low income group, both in urban and rural areas do not encounter difficulties in opening bank accounts, the know your customer (KYC) procedures for opening accounts has been simplified for those persons with balances not exceeding Rs. 50,000/- (about GBP 600) and credits in the accounts not exceeding Rs.1,00,000/- (about GBP 1,200) in a year. The simplified procedure allows introduction by a customer on whom full KYC drill has been followed.

Banks have been asked to consider introduction of a General purpose Credit Card (GCC) facility up to Rs. 25,000/- at their rural and semi urban branches. The credit facility is in the nature of revolving credit entitling the holder to withdraw upto the limit sanctioned. Based on assessment of household cash flows, the limits are sanctioned without insistence on security or purpose. Interest rate on the facility is completely deregulated.

A simplified mechanism for one-time settlement of overdue loans up to Rs.25,000/- has been suggested for adoption. Banks have been specifically advised that borrowers with loans settled under the one time settlement scheme will be eligible to re-access the formal financial system for fresh credit.

In January 2006, banks were permitted to utilise the services of non-governmental organisations (NGOs/SHGs), micro-finance institutions and other civil society organisations as intermediaries in providing financial and banking services through the use of business facilitator and business correspondent (BC) models. The BC model allows banks to do 'cash in - cash out' transactions at the location of the BC and allows branchless banking.

Other measures include setting up pilots for credit counselling and financial education. A multilingual website in 13 Indian languages on all matters concerning banking and the common person has been launched by the Reserve Bank on June 18, 2007.

Strategies and Approach

At the regional level, a forum called the State Level Bankers' Committee (SLBC) has been in operation since nationalisation. SLBC is a group of bankers and government officials and is convened by a bank having major presence in the State called the SLBC convenor bank. It meets quarterly and reviews the banking developments in the State. At the district level, the district level committee functions; it is headed by the District Commissioner and is convened by a designated lead bank for the district. In early 2006, one district in each State was identified by the SLBC for 100 per cent financial inclusion. So far, SLBCs have reported having achieved 100 per cent financial inclusion in the Union Territory of Puducherry and in some districts in Haryana, Himachal Pradesh, Karnataka, Kerala and Punjab. The Reserve Bank proposes to undertake an evaluation of the progress made in these districts by an independent external agency to draw lessons for further action in this regard.

In the districts taken up for 100 per cent financial inclusion, surveys were conducted using various data base such as electoral rolls, public distribution system or other household data, to identify households without bank account and responsibility given to the banks in the area for ensuring that all those who wanted to have a bank account were provided with one by allocating the villages to the different banks. Mass media was deployed for creating awareness and publicity. The banks used different approaches to communicate the advantages of having a bank account. Bank staff or their agents who are usually local

NGOs or village volunteers would contact the people at their households. Ration card / Electoral ID cards of the families were taken for fulfilling the simplified KYC norms. Photographs of all the persons who opened bank accounts were taken on the spot by a photographer accompanying the bank team. In most States, the product used for launching the program for financial inclusion is the 'No frills' accounts. In one State the farmer's credit card or KCC is being used ensuring first to credit rather than savings. In other States no frills account was followed by small overdraft facility or a general purpose revolving credit upto pre-specified limit. Recognising the need for providing social security to vulnerable groups, in some cases in association with insurance companies, banks have provided innovative insurance policies at affordable cost covering life, disability and health cover.

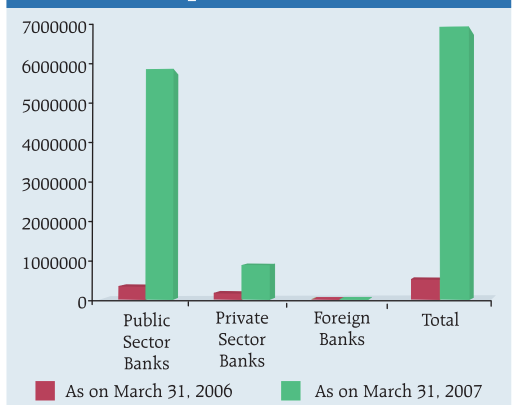
Cooperative banks and regional rural banks being local level institutions are well suited for achieving financial inclusion. These banks are being revived and strengthened with incentives for better governance. Being local institutions they are ideally suited for achieving FI.

The role of an efficient payments system for FI cannot be overstressed and new efforts are being made to bring about improvements in the payments system especially in the relatively less developed parts of the country.

Huge Increase in No Frills Accounts

The outcome of the efforts made is reflected in the increase of 6 million new 'no frills' bank accounts opened between March 2006 and 2007. In view of their vast branch

Chart 3: No. of 'No-Frills' Accounts Opened in India



network (45000 rural and semi urban branches) public sector banks and the regional rural banks have been able to scale up their efforts by merely leveraging on the existing capacity. FI is being viewed by these banks as a huge business opportunity in an overall environment that facilitates enterprise and growth. It provides them a competitive advantage and defines a clear niche for their growth.

Use of Intermediaries

One of the ways in which access to formal banking services has been provided very successfully since the early 90s is through the linkage of Self Help Groups (SHGs) with banks. SHGs are groups of usually women who get together and pool their savings and give loans to members. Usually there is a NGO that promotes and nurture these groups. National Bank for Agriculture and Rural Development has played a very significant role in supporting group formation, linking them with banks as also promoting best practices. The SHG is given loan against guarantee of group members. The recovery experience has been very good and there are currently 2.6 million SHGs linked to banks touching nearly 40 million households through its members. Banks provide credit to such groups at reasonable rates of interest. However the size of loans is quite small and used mostly for consumption smoothening or very small businesses. In some SHGs, credit is provided for agricultural activities and other livelihoods and could be several times the deposits made by the SHG. Most of the SHGs have been linked to public sector banks in view of the latter's dominant presence in the rural areas.

The foreign banks and private sector banks have approached the access issue through either setting up relatively lower cost non bank companies for providing small value retail loans or have partnered with micro finance institutions that provide financial services to the relatively higher risk segments of the population. Microfinance has drawn attention to an entire sector of borrowers who had been previously poorly served by the formal financial sector - and MF has demonstrated how to make lending to this sector a viable proposition. However the rates of interest charged are quite high, typically 24 to 30 per cent, mainly on account of the high transaction cost for the average loan size that can be quite small. Compared to the informal sector, perhaps the rates are lower, but issues are raised whether these rates are affordable - in the sense whether they would leave any surplus in the hands of the borrowers and lead to higher levels of living.

For commercial banks, the lower cost of funding, advantages of size and scale gives scope for cross subsidisation and their interest rates are more competitive compared to the MFIs, but they have not been as successful in dealing with the last mile issue. The partnering with SHGs and MFIs with reasonable cost of funding by the banks has been seen as a more optimal approach till now.

As indicated earlier, a recent important regulatory measure is the permission given to banks to use post offices, cooperative societies, non government organisations set up as trusts or societies, as business correspondents (agents) for doing branchless banking after conducting due diligence on such intermediaries. Agency risk is sought to be minimised by using well respected local organisations and use of IT solutions for tracking transactions in the bank accounts. Many banks are exploring the use of this model to increase their outreach and deliver doorstep banking services at lower cost. The viability and scalability of the model would require some flexibility in charging of interest rates or services charges to cover costs.

IT Solutions for Financial Inclusion

The use of IT solutions for providing banking facilities at doorstep holds the potential for scalability of the FI initiatives. Pilot projects have been initiated using smart cards for opening bank accounts with bio metric identification. Link to mobile or hand held connectivity devices ensure that the transactions are recorded in the bank's books on real time basis. Some State Governments are routing social security payments and also payments under the National Rural Employment Guarantee Scheme through such smart cards. The same delivery channel can be used to provide other financial services like low cost remittances and insurance. The use of IT also enables banks to handle the enormous increase in the volume of transactions for millions of households for processing, credit scoring, credit record and follow up.

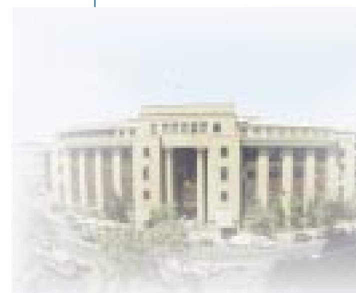
Role of Government

State Governments can play a pro-active role in facilitating FI. Issuing official identity documents for opening accounts, creating awareness and involving district and block level functionaries in the entire process, meeting cost of cards and other devices for pilots, undertaking financial literacy drives are some of the ways in which the State and district administration have involved themselves.

India Post is also looking to diversify its activities and leverage on its huge network of post offices, the postman's intimate knowledge of the local population and the enormous trust reposed in him. Banks are entering into agreements with India Post for using post offices as agents for branchless banking.

Work in Progress

The Finance Minister in his budget for 2007-08 has announced the setting up of two funds for FI; the first called Financial Inclusion Fund for developmental and promotional interventions and the other called Financial Inclusion Technology Fund to meet cost of technology adoption of about $ 125 million each. The scope of these funds is being worked out. Setting up of financial literacy centres and credit counseling on a pilot basis, launching a national financial literacy campaign, forging linkages with informal sources with suitable safeguards through appropriate legislation, evolving industry wide standards for IT solutions, facilitating low cost remittance products are some of the initiatives currently under way for furthering FI.



Articles

Investment Portfolio of Scheduled Commercial Banks, 2006 (As on March 31)

International Banking Statistics of India – December 2006

Quick Estimates of National Income, 2005-06 and Revised Estimates of National Income, 2006-07: A Review

India's Foreign Trade: 2007-08 (April)

*Investment Portfolio of Scheduled Commercial Banks, 2006 (As on March 31)**

This article presents the investment portfolio of Scheduled Commercial Banks (excluding Regional Rural Banks) in India and abroad, as at end-March 2006, as per the reporting system of annual Basic Statistical Return (BSR)-5. The investment portfolio covers investments in Central and State Government securities, securities other than Central and State Government securities - approved for the purpose of investments under the Indian Trusts Act, 1882, other domestic securities and investments, foreign securities and other foreign investments. Analysis of investments according to bank groups, namely, State Bank of India and its Associates, Nationalised Banks, Other Indian Scheduled Commercial Banks and Foreign Banks has been presented in terms of instruments, maturity, interest rate (coupon) and states. The article also highlights a comparative position of banks' portfolio in 2006 with that of the previous year.

- *During 2005-06, at overall, total investments of the Scheduled Commercial Banks (SCBs) increased marginally (by 0.4 per cent) as against very high rise (9.0 per cent) as recorded in 2004-05. This possibly reflected a rebalancing of the banks' portfolio to meet expanding credit needs of the growing economy.*
- *Incrementally, while the SBI and its Associates and Nationalised Banks*

* Prepared in the Banking Statistics Division of the Department of Statistical Analysis and Computer Services. The previous article as at end-March 2005 was published in June 2006 issue of the Reserve Bank of India Bulletin.

groups reported decline in their investment portfolio, the other Scheduled Commercial Banks and Foreign Banks registered enlargement of portfolio.

- *The maturity profile of holdings of Government securities (Central and State securities taken together) as at end-March 2006 depicted that over two-fifths of such securities held by SCBs were in the maturity bracket 2010-2015, followed by the maturity bracket 2015 and above (25.8 per cent), and 14.3 per cent share was accounted for by securities maturing within one year (2006-07).*
- *Across different bank groups, Foreign Banks reported bulk (80.5 per cent) of their holding with residual maturity less than 4 years, as against 33.4 per cent for all SCBs.*
- *During 2005-06, Central Government securities with interest rate of '6 per cent to 10 per cent' witnessed further concentration.*

Introduction

The analysis of investment portfolio of Scheduled Commercial Banks (SCBs), excluding Regional Rural Banks, covers 85 banks, *viz.,* 8 from the State Bank Group (SBI and its Associates), 20 from the Nationalised Banks group (including IDBI Ltd.), 28 Other Indian Scheduled Commercial Banks (OSCBs) or Indian Private Sector Banks and 29 Foreign Banks operating in India. These banks accounted for 97.3 per cent of the investments in approved securities for Statutory Liquidity Ratio (SLR) purposes of all SCBs[1] (including Regional Rural Banks) on the last reporting Friday of March 2006. The analysis is based on data furnished by SCBs in the Basic Statistical Return (BSR)-5. The investments of SCBs, covered in the survey are grouped into: i) Central and State Government securities, ii) securities, other than Central and State Government securities - approved for the purpose of investments under the Indian Trusts Act, 1882, iii) shares, bonds and debentures of Indian joint stock companies, iv) fixed deposits with banks, v) domestic securities which are not eligible as trustee securities, such as initial contribution to the Unit Trust of India (UTI), share capital in RRBs, and vi) foreign securities and other foreign investments. The study covers domestic investments as well as foreign investments in respect of domestic banks whereas for foreign banks operating in India, only their investments made in India through their domestic branches are covered.

Results

The results of the survey are presented in four sections. Section I relates to aggregate investments of SCBs according to types of securities and the Section II discusses bank group-wise investments. Section III covers information on the investments of SCBs in loans floated by the State Governments, contributions in the share capital of RRBs, subscription to

[1] As per the reported figures of investments of RRBs in Form 'A' return under Section 42 (2) of RBI Act, 1934 as on last reporting Friday of March 2006.

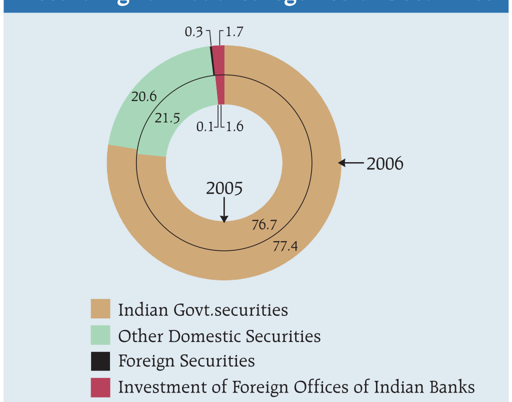
debentures of cooperative institutions, subscription to bonds of the State Government guaranteed bodies, *viz.,* Municipalities, State Electricity Boards, State Financial Institutions, Road Transport Corporations, *etc*. A summary of the results is presented in concluding section IV. The investment data presented in this article, in general, is referred to by their face value and in the case of investments in shares, bonds and debentures of Indian joint stock companies, market value is also indicated along with the face value. The data obtained through the current survey, together with those based on the previous survey (March 31, 2005) are presented in 10 Statements and 12 charts. Select macroeconomic and financial indicators having a bearing on investment portfolio of banks are presented as Annex Table and Charts.

I. Aggregate Investments

I.1 In the backdrop of high credit growth (37.0 per cent) during 2005-06, the aggregate investment of SCBs, excluding RRBs, as on March 31, 2006, at Rs.8,54,657 crore registered a marginal increase of 0.4 per cent (Rs. 3,103 crore) over the position as on March 31, 2005 (Statement 1). Investments of banks' offices located in India continued to dominate the total investments portfolio and accounted for 98.3 per cent share as on March 31, 2006 (98.4 per cent as at end-March 2005). The balance 1.7 per cent of total investments was held by foreign offices of Indian banks in the form of securities of foreign countries, and shares and debentures of joint stock companies registered abroad. Incrementally, during 2005-06 there were increases in the investments of the Indian offices of banks, in Indian Government securities and Foreign securities (by Rs.8,022 crore and Rs.1,883 crore, respectively), while investments in other domestic securities, bonds, shares, *etc.* decreased by Rs. 7,088 crore.

The composition of investments according to broad categories of securities, revealed banks' preferences for investments in Government securities, in order to meet stipulation in respect of SLR requirements and also, mainly, due to their risk free nature (Statement 1 and Chart 1). As on March 31, 2006, Government securities comprising of Central Government securities, State Governments securities and others (including postal saving deposit certificates and postal obligations) accounted for 77.4 per cent of total investments of banks (76.7 per cent share on March 31, 2005). However, this improvement in the share/deposits, resulted from a lower increase of Rs. 8,022 crore in holding of Government securities, compared with an increase of Rs. 69,075 crore registered in 2004-05. The share of 'other domestic securities' moved down

Chart 1: Composition of Investments According to Broad Categories of Securities



from 21.5 per cent of the total investments of banks as on March 31, 2005 to 20.6 per cent as on March 31, 2006. The share of investments in foreign securities by domestic branches of SCBs at Rs. 2,701 crore accounted for 0.3 per cent of total investments as on March 31, 2006, compared to 0.1 per cent (Rs.818 crore) a year ago.

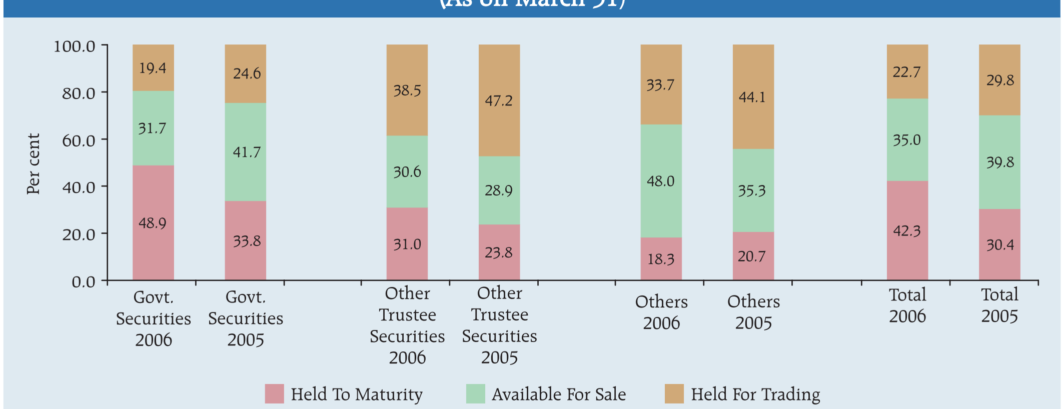
Analysis of changes in constituents of investment in Government securities (*i.e.*, Central Government and State Government securities) during 2005-06 indicated that SCBs holdings of Central Government securities increased by Rs.9,805 crore (1.8 per cent) to Rs. 5,47,897 crore, while their investment in State Governments securities decreased by Rs.1,594 crore (1.4 per cent) to Rs. 1,13,622 crore as on March 31, 2006 in contrast to growth of 7.4 per cent recorded in 2004-05.

The investments of SCBs in 'other domestic securities' mainly comprise shares and debentures of joint stock companies, other trustee securities (excluding units of UTI), fixed deposits (FDs), units of UTI, certificates of deposit (CDs), commercial papers (CPs), mutual funds, initial contribution to share capital of UTI, bonds and debentures of *quasi*-government bodies, venture capital funds, *etc.* SCBs' investments in such domestic securities declined by 3.9 per cent in 2005-06 as against a marginal increase of 1.6 per cent recorded in the preceding year.

I.2 Classification of Investment Portfolio of Banks into HTM, AFS and HFT Categories

The investment portfolio of SCBs classified under the categories 'held to maturity' (HTM), 'available for sale' (AFS) and 'held for trading' (HFT) for different types of investments is depicted in Chart 2. At the aggregate level, the share of investments under the HTM category increased during 2005-06, while those of investments under AFS and HFT categories decreased. Compared with the share of investments in HTM category at 30.4 per cent as on March 31, 2005, the share of investments classified under this category was 42.3 per cent as on March 31,2006. The share of investments classified under AFS

Chart 2: Portfolio of Scheduled Commercial Banks in Various Types of Investments (As on March 31)



and HFT categories declined from 39.8 per cent in 2005 to 35.0 per cent in 2006 and 29.8 per cent in 2005 to 22.7 per cent in 2006, respectively. In the case of Government securities, the share of investments classified under HTM category, increased to 48.9 per cent as on March 31, 2006, from 33.8 per cent a year ago. As regards investments in subsidiaries and joint ventures of banks, the share of HTM category of investments was substantial at 60.1 per cent due to absence of secondary market trading in such investments, while in the case of investments in shares, 59.8 per cent of investments were in the AFS category.

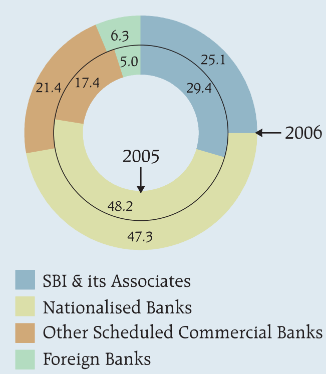
II. Bank Group-wise Investment of Scheduled Commercial Banks

The investments of SCBs classified by bank groups and type of securities are presented in Statement 2.

II.1 Composition of Investment

Among the various bank groups, Nationalised Banks continued to account for almost 50 per cent of investment as on March 31, 2006. These banks accounted for 47.3 per cent to total investment followed by SBI and its associates (25.1 per cent), OSCBs (21.4 per cent) and Foreign Banks (6.3 per cent) (Chart 3). Incrementally, among various bank groups there were asymmetric changes. The SBI and its Associates and Nationalised Banks groups reported 14.4 per cent and 1.5 per cent decline in their investment portfolio as on March 31, 2006 over the position a year ago, respectively. As against this, OSCBs and Foreign Banks registered 23.2 per cent and 25.4 per cent increase respectively, during the same period. Perhaps, in order to bridge the resource gap for expanding credit, the public sector banks which have comfortable position in terms of SLR maintenance, reported decline in their holdings of Central Government securities during 2005-06. The sharp decline was (14.6 per cent) in the holding by the SBI & its associates, while Nationalised Banks reported marginal fall (0.2 per cent) in their holdings. Investments by OSCBs and Foreign Banks in the Central Government securities increased to the extent of 29.5 per cent and 25.5 per cent, respectively.

Chart 3: Bank Group-wise Share of Investments of Scheduled Commercial Banks



Investment in foreign securities, across the bank groups, continue to be negligible. Similarly, investment of foreign offices of the Indian banks in foreign securities continue to be very low, below 2 per cent.

II.2 Investment in Other Trustee Securities

Investment of SCBs in other trustee securities comprised of investment in securities/shares/bonds/debentures issued by major all-India bodies, State Financial Corporations (SFCs), State Electricity Boards

(SEBs), IFCI Ltd., National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), *etc.* Such investments of SCBs, amounted to Rs. 15, 023 crore as on March 31, 2006 compared with Rs. 18,884 crore as on 31, March 2005 registering a decrease of 20.4 per cent during 2005-06 (Statement 3).

II.3 Investment in the Instruments of Capital Market

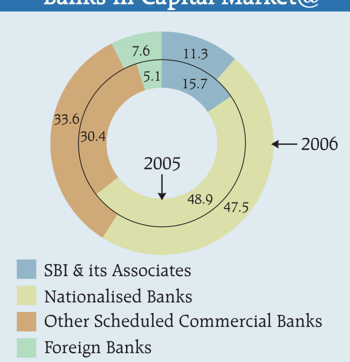
Instruments of capital market, comprise mainly of shares and debentures of joint stock companies, units of UTI and other mutual funds, initial contribution to share capital of UTI, CDs, CPs, FDs with banks and shares of DICGC. Investment by SCBs in these instruments stood at Rs.1,61,163 crore as on March 31, 2006, recording a decline of 2.0 per cent during 2005-06 (Statement 4). The investment by banks in debentures issued by joint stock companies constituted the major component (79.0 per cent in terms of market value) of total investment in shares and debentures as on March 31, 2006 as against 82.9 per cent as on March 31, 2005, although the investment in debentures of joint stock companies declined by 16.2 per cent during 2005-06. Investment by banks in shares of joint stock companies increased by 8.1 per cent to Rs.19,138 crore during this period. Further, it was observed that all bank groups continued to show a marked preference for debentures over shares, though proportion of investment in shares has increased over the year across bank groups, except Foreign Banks. The SCBs' investments in 'other capital market instruments' increased by 15.2 per cent during 2005-06 to Rs. 70,071 crore as on March 31, 2006.

Bank group-wise investment in instruments of capital market as on March 31, 2006 indicated that the Nationalised Banks accounted for the largest share of 47.5 per cent. This was followed by OSCBs (33.6 per cent), the SBI and its Associates (11.3 per cent) and Foreign Banks (7.6 per cent) (Chart 4). While the relative shares of the SBI and its Associates and Nationalised Banks declined, those of the other two bank groups witnessed increase during 2005-06.

II.4 Investment in Public Sector Enterprises

Investment of SCBs in bonds of Public Sector Enterprises witnessed a decline of 20.9 per cent to Rs. 10,824 crore as on March 31, 2006 (Statement 5). As regards their composition, banks invested 38.6 per cent in the bonds of Rural Electrification Corporation, followed by Power Finance Corporation (18.5 per cent). The SBI and its Associates recorded 24.4 per cent decline in investment in PSE bonds during 2005-06, while Nationalised Banks and OSCBs witnessed a decline of 24.3 per cent and 14.6 per cent, respectively.

Chart 4: Bank Group-wise Share in Investments of Scheduled Commercial Banks in Capital Market@



@: Investments in Capital Market include investments in shares, debentures, units of UTI and other Mutual Funds, etc.

II.5 Maturity Profile of Outstanding Investment in Government Securities

The maturity classification of investment in Central and State Government securities excluding postal savings and other obligations for different bank groups is presented in Statement 6.

The maturity profile of holdings of Government securities (Central and State securities taken together) by SCBs as at the end-March 2006 is depicted in Chart 5. As reflected in Chart 5, over two-fifths (40.9 per cent) of such securities held by SCBs were in the maturity bracket 2010-2015, followed by the maturity bracket 2015 and above (25.8 per cent) and maturity bracket 2007-10 (19.1 per cent). Investment outstanding for the maturity bracket (2006-07), accounted for the lowest share (in the maturity profile of government securities held by SCBs). The maturity profile of holdings of Government securities was, however, not uniform across different bank groups. The share in the maturity bracket of 2010-2015 for SBI and its associates was the highest (48.5 per cent), followed by Nationalised Banks (42.3 per cent), while for Foreign Banks it was 16.3 per cent. About one-third (33.4 per cent) of Government securities held by SCBs would be maturing by 2010 (*i.e.*, residual maturity less than 4 years). The proportion of Government securities in this maturity bracket was 33.3 per cent for SBI and its Associates, 23.9 per cent for Nationalised Banks. Foreign Banks held substantial portion (80.5 per cent) of their holdings in this maturity bracket.

The maturity profile of Central Government securities held by SCBs as at end-March 2006 followed the pattern observed for their holding of Government securities (Central and State securities taken together) (Chart 6). At all SCBs level, Central Government securities maturing in 2010-2015 constituted the largest share (36.5 per cent), followed by the maturity beyond 2015 (27.9 per cent). In the case of SBI and its associates, 37.3 per cent of holding of Central Government securities was with maturity up to 2010, as against 23.5 per cent in the case of Nationalised Banks. In the case of OSCBs and Foreign Banks, a large proportion of their

Chart 5: Bank Group-wise Maturity Pattern of Investments of Scheduled Commercial Banks in Central and State Government Securities as at end-March 2006

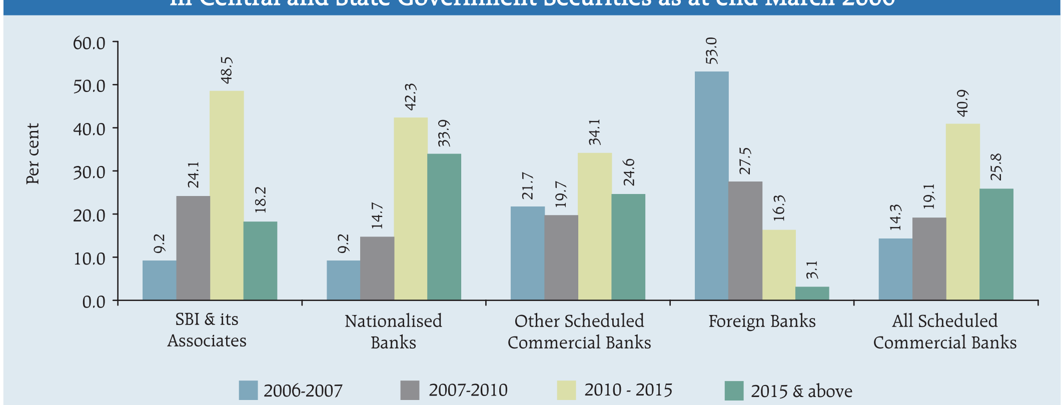
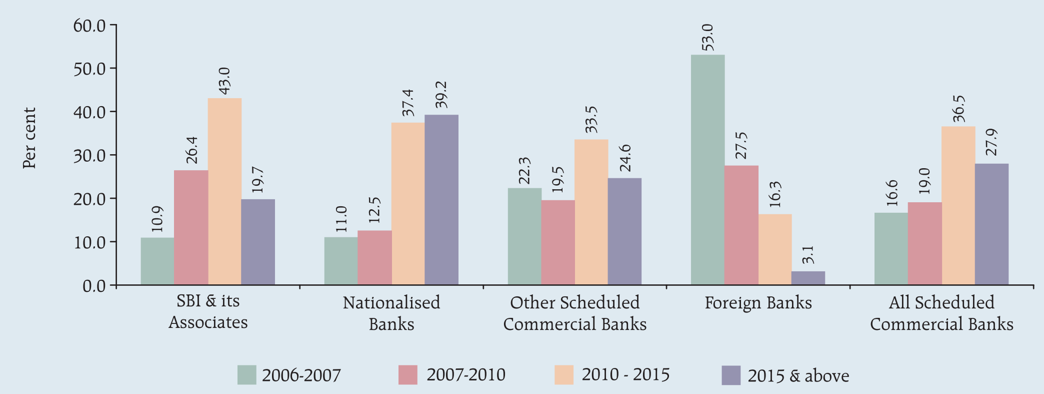


Chart 6: Bank Group-wise Maturity Pattern of Investments of Scheduled Commercial Banks in Central Government Securities as at end - March 2006



holdings (41.8 per cent and 80.5 per cent, respectively) fell in this bracket. The proportion of Central Government securities with maturity in 2015 and beyond was 39.2 per cent for Nationalised Banks. It was lower at 24.6 for the OSCBs and at 19.7 per cent for SBI and its Associates.

As regards the State Government securities, 62.2 per cent of SCBs holdings were in the maturity bracket 2010-2015. Across bank groups, this proportion was highest in the case of the SBI and its Associates (70.1 per cent), followed by Nationalised Banks (58.6 per cent) and OSCBs (50.6 per cent) (Chart 7). State Government securities maturing up to 2010 constituted 18.2 per cent, 25.5 per cent and 26.2 per cent of holdings in the case of the SBI and its Associates, Nationalised Banks and OSCBs, respectively.

II.6 Investments in Central and State Government Securities (excluding Treasury Bills, Postal Obligations, etc.) - According to Interest Rate

The distribution of banks' investments in Central and State Government securities

Chart 7: Bank Group-wise Maturity Pattern of Investments of Scheduled Commercial Banks in State Government Securities as at end - March 2006

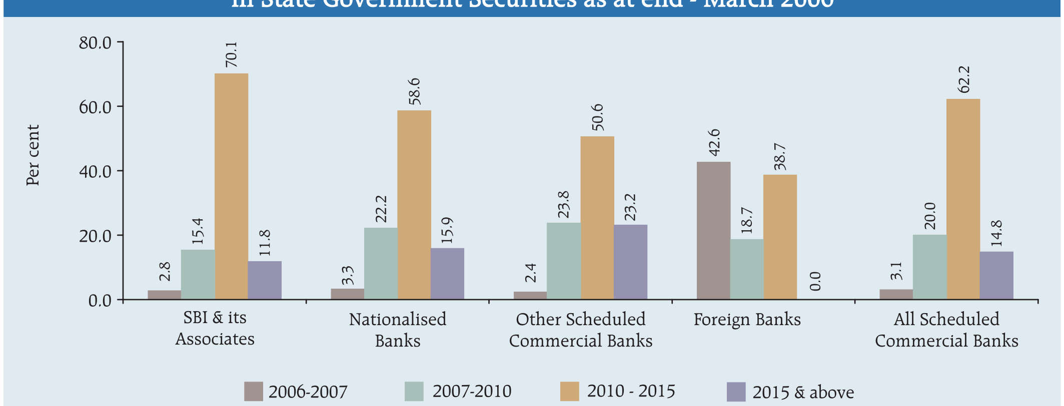
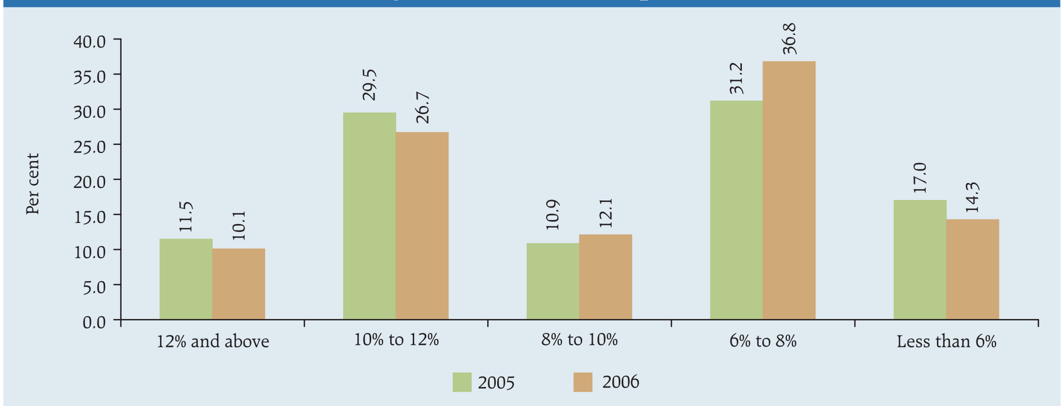


Chart 8: Share of Investments of Scheduled Commercial Banks in Central Government Securities according to Interest Rate (Coupon) (as on March 31)

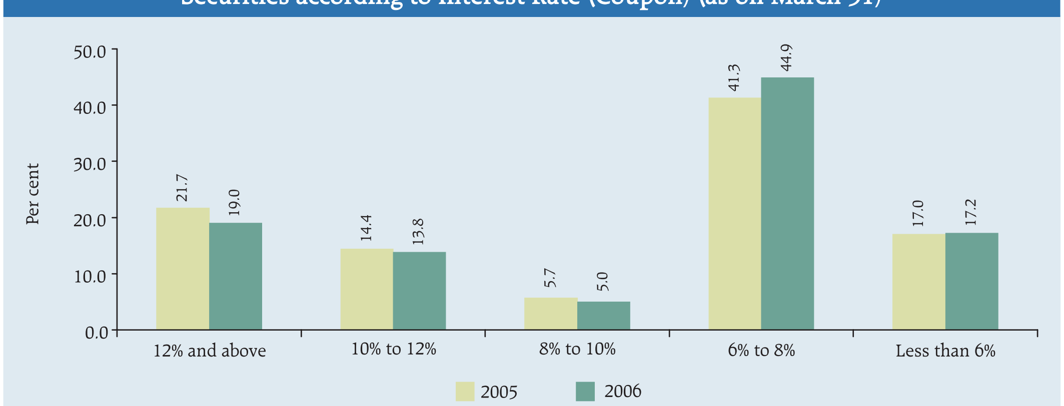


according to different interest (coupon) rate classes as on March 31, 2006 is set out in Statement 7.

During 2005-06, Central Government securities with interest rate of '6 per cent to 10 per cent' witnessed concentration as their share increased from 42.1 per cent as on March 31, 2005 to 48.9 per cent. As against this the proportion of banks' holdings of Central Government securities with interest rate 'less than 6 per cent' and '10 per cent and above' declined from 17.0 per cent as on March 31, 2005 to 14.3 per cent as on March 31, 2006 and from 41.0 per cent as on March 31, 2005 to 36.8 per cent as on March 31, 2006, respectively (Chart 8).

In regard to State Government securities, the distribution of securities in various interest rate groups did not depict perceptible changes in their position as on March 31, 2006 over the position as on March 31, 2005. The proportion of securities with interest rate of '6 per cent to 8 per cent' increased from 41.3 per cent as on March 31, 2005 to 44.9 per cent as on March 31, 2006 (Chart 9). The proportion of State

Chart 9: Share of Investments of Scheduled Commercial Banks in State Government Securities according to Interest Rate (Coupon) (as on March 31)



Government securities with interest rate '12 per cent and above' stood at 19.0 per cent as on March 31, 2006; as against at 21.7 per cent on March 31, 2005.

SBI and its Associates' holdings of Central Government securities with interest rate of 'less than 6 per cent' fell from 20.1 per cent in 2005 to 13.3 per cent in 2006 and those with interest rate of '6 per cent to 8 per cent' accounted for 33.2 per cent (as against 25.4 per cent in 2005) of their total holdings in Central Government securities as on March 31, 2006 (Chart 10). The share of securities with interest rate of '10 per cent and above', however, declined from 42.5 per cent to 38.6 per cent during 2005-06. Of the total Central Government securities held by Nationalised Banks at end-March 2006, 42.5 per cent were in the interest rate ranges of '6 to 8 per cent' as against 36.6 per cent at end-March 2005 (Chart 10). The share of securities in the interest rate range of '10 per cent and above' declined from 41.8 per cent to 34.0 per cent.

In case of OSCBs, the share of Central Government securities with coupon less than 6 per cent decreased from 33.1 per cent in 2005 to 25.7 per cent as at end-March 2006, and that of securities with interest rate ranges of '6 to 8 per cent' and '10 to 12 per cent' moved up. In respect of Foreign Banks, the proportion of Central Government securities with the interest rate of '10 to 12 per cent' was 50.3 per cent of investment in March 2006; the share in the previous year was 53.2 per cent.

In the case of State Government securities held by different bank groups, major portion of the holdings was in interest rate range of '6 per cent to 8 per cent' for SBI and its associates (51.9 per cent), Nationalised Banks (41.4 per cent) and OSCBs (44.1 per cent) (Chart 11). Compared to investments of other bank groups, the Foreign Banks had negligible amount of investment in State Government securities and their investment was entirely in the interest range of '11 per cent and above'.

Chart 10: Interest Rate (Coupon) and Bank Group wise Distribution of Investments in Central Government Securities, March 2005 and March 2006

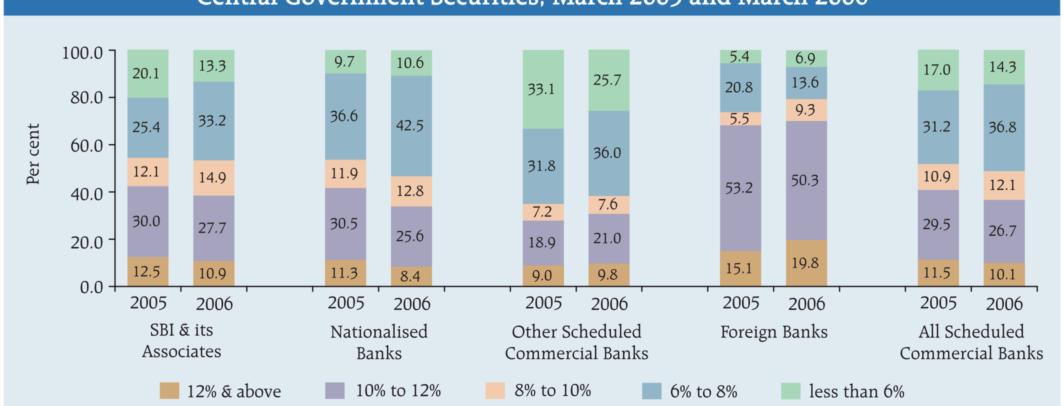
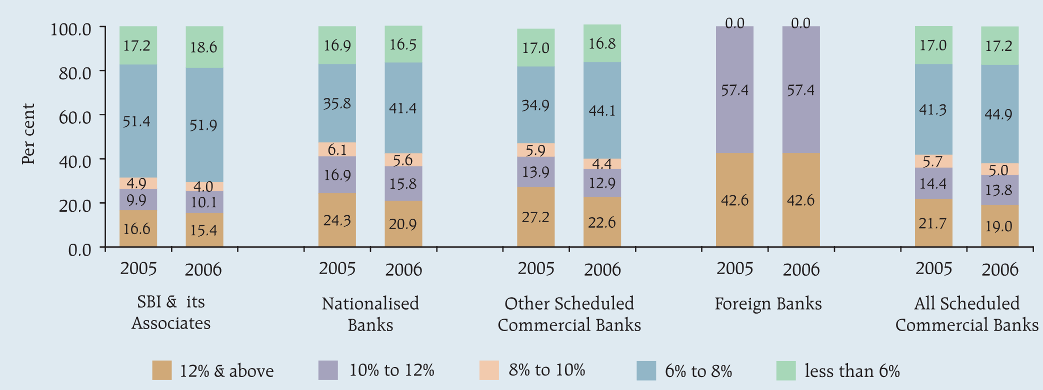


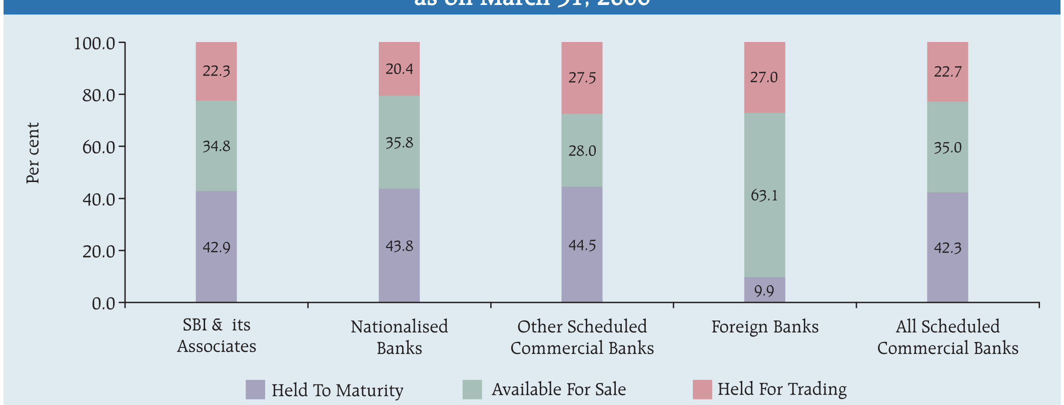
Chart 11: Interest Rate (Coupon) and Bank Group wise Distribution of Investments in State Government Securities, March 2005 and 2006



II.7 Classification of Investment Portfolio of Banks into HTM, AFS and HFT Categories- Bank Group-wise

The SCBs' investment in different types of securities, as on March 31, 2006, as classified into three categories, *viz.*, held to maturity (HTM), available for sale (AFS) and held for trading (HFT) for each bank group are depicted in Chart 12. All the bank groups, except Foreign Banks, held major part of their investment portfolio (in the range of 42.9 per cent to 44.5 per cent), under HTM category. AFS category for the SBI and its associates, Nationalised Banks and OSCBs accounted for 34.8 per cent, 35.8 per cent and 28.0 per cent, respectively. Foreign Banks held 63.1 per cent of the investments in AFS category and 27.0 per cent under HFT category. The shares of securities in HFT category was the lowest for Nationalised Banks (20.4 per cent), followed by SBI and its associates (22.3 per cent) and about 27.5 per cent for OSCB and Foreign Banks.

Chart 12: Bank Group-wise Investments Portfolio of Scheduled Commercial Banks as on March 31, 2006



III. Investment of Scheduled Commercial Banks in State-level Securities

The state-wise investment of SCBs in various state-level securities as on March 31, 2005 and 2006 are presented in Statement 8. State-level securities consisted of securities floated by the State Governments, bonds of state-level bodies guaranteed by the State Governments, share capital of RRBs and debentures of cooperative institutions. SCBs' investments in such securities declined by 4.1 per cent to Rs 1,23,930 crore as at end March 2006. The decline in investment was seen across the securities issued by different state level bodies, except investment in RRBs. Majority of such investments were in State Government securities (State Development Loans - SDL), accounting for 91.7 per cent of the total amount of State-level securities as on March 31, 2006 (89.1 per cent as on March 31, 2005). Other important state-level securities in which banks invested were State Electricity Boards (3.3 per cent), other Government and *Quasi*-Government bodies (2.0 per cent) and State Financial Corporations (SFCs) (1.3 per cent). Banks' investment in six States, *viz.*, Uttar Pradesh, West Bengal, Andhra Pradesh, Maharashtra, Rajasthan and Tamil Nadu accounted for more than 50 per cent (52.4 per cent) of their investment in various state-level securities in 2006 (52.1 per cent as on March 31, 2005).

State-wise investment of banks as on March 31, 2006 in the State Government securities (SDL) was the highest in Uttar Pradesh (Rs.14,976 crore), followed by West Bengal (Rs.10,642 crore) and Andhra Pradesh (Rs.10,062 crore). The investment of SCBs in the bonds of SEBs was at Rs.4,129 crore as on March 31, 2006 and the state of Madhya Pradesh was the largest recipient (Rs.587 crore) followed by West Bengal (Rs.541 crore). SCBs' investment in SFCs amounted to Rs.1,656 crore as on March 31, 2006 and were the highest in Uttar Pradesh (Rs.343 crore), followed by Rajasthan (Rs.151 crore). Banks' investment in securities of State Industrial Development Corporations (SIDCs) amounted to Rs.598 crore as on March 31, 2006 and of this amount, investment in Tamil Nadu (Rs.167 crore) was the highest. Banks' investment in RRBs amounted to Rs.723 crore as on March 31, 2006 constituting 0.6 per cent of total investment in state level securities.

SCBs' investment in interest-bearing State Government securities (SDLs) as on March 31, 2005 and 2006 are presented in Statement 9. Of the total outstanding State Government securities of Rs.2,35,173 crore, SCBs holdings amounted to Rs. 1,13,622 crore indicating the proportion (absorption rate) of investment of SCBs, at the aggregate level at 48.3 per cent of the total outstanding amount of interest-bearing state securities as at end-March 2006 (54.8 per cent as at end-March 2005).

Bank group-wise pattern of investment in the State Government securities, shares, bonds, debentures, *etc.*, issued by state level bodies, for the years 2005 and 2006 is presented in Statement 10. Of the total investments of Rs.1,23,930 crore in state-level securities as on March 31, 2006, the Nationalised Banks accounted for the highest share at 63.6 per cent, followed by the SBI and its Associates at 32.2 per cent. Their respective shares were 62.1 per cent and 33.7 per cent, as at March 31, 2005.

Specifically, with respect to investment in state-level securities in North-Eastern States, the SBI and its Associates accounted for the highest share among all bank groups. These banks contributed, in the respective State level securities, 58.0 per cent in Mizoram, 56.6 per cent in Manipur, 55.7 per cent in Nagaland and 51.7 per cent in Tripura. In Uttaranchal and Sikkim, this bank group's share stood at 55.1 per cent and 45.9 per cent, respectively.

IV. Summary

During 2005-06 total investment of SCBs increased merely by Rs.3,103 crore or 0.4 per cent to Rs. 8,54,657 crore as on March 31, 2006; the increase was substantially higher at Rs.70,060 crore in 2004-05. The fall in these investments of SCBs, could also reflect the rebalancing of their portfolio to meet expanding credit needs of the growing economy. The incremental investment in Government securities in 2005-06 at Rs.8,022 crore was significantly low compared with that in 2004-05 (Rs. 69,075 crore). Of the total incremental investment Rs.9,616 crore in Central Government securities in 2005-06, OSCBs and Foreign banks had a positive contribution of Rs. 27,158 crore and Rs.8,378 crore, respectively, while the SBI and its Associates and Nationalised Banks showed a decline in their Central Government securities portfolio to the extent of Rs.25,507 crore and Rs.414 crore, respectively.

Share of investments of SCBs under the HTM category stood at 42.3 per cent as on March 31, 2006 compared with a lower share of 30.4 per cent as on March 31, 2005. The share of investments classified under AFS and HFT categories declined from 39.8 per cent and 29.8 per cent in 2005 to 35.0 per cent and 22.7 per cent in 2006, respectively. In the case of Government securities, the share of investments classified under HTM category in 2005-06 increased to 48.9 per cent from 33.8 per cent a year ago.

Over two-fifths (40.9 per cent) of the Government securities (Central and State securities taken together) held by SCBs were in the maturity bracket 2010-2015, while 19.7 per cent had maturity between 2015-2020 and 33.4 per cent of securities were maturing up to 2010 (*i.e.*, residual maturity less than 4 years). As regards holding of State Governments securities, SCBs are holdings 62.2 per cent in the maturity bracket 2010-2015.

SCBs' investments in State-level securities (securities floated by the State Governments, bonds of state-level bodies guaranteed by the State Governments, share capital of RRBs and debentures of cooperative institutions, etc.) declined by 4.1 per cent to Rs 1,23,930 crore as at end- March 2006. The decline in investment was spread across the securities issued by different state level bodies, except investment in RRBs. State Government securities (State Development Loans - SDLs), constituted the major part, accounting for 91.7 per cent of the total investments in State-level securities. State-wise investment of banks as on March 31, 2006, in the State Government securities (SDL) was highest in Uttar Pradesh (Rs.14,976 crore), followed by West Bengal (Rs.10,642 crore) and Andhra Pradesh (Rs.10,062 crore). The investment of SCBs in the bonds of State Electricity Boards (SEBs) was Rs.4,129 crore, as on

March 31, 2006, as against Rs. 5,034 crore as on March 31, 2005. SCBs' investment in State Financial Corporations (SFCs) amounted to Rs.1,656 crore as on March 31, 2006, as against Rs. 2,871 crore as on March 31, 2005. Banks' investment in securities of State Industrial Development Corporations (SIDCs) amounted to Rs.598 crore as on March 31, 2006, as against Rs. 858 crore as on March 31, 2005. Banks' investment in RRBs amounted to Rs.723 crore as on March 31, 2006 constituting 0.6 per cent of total investment in State level securities.

Statement 1 : Investments of Scheduled Commercial Banks (As at End-March)

(Amount in Rs. lakh)

Category	2005	2006	Absolute Variation		Percentage Variation	
			2005 over 2004	2006 over 2005	2005 over 2004	2006 over 2005
1	2	3	4	5	6	7
I. Investment by offices in India	**837559,19 (98.4)**	**840376,03 (98.3)**	**69685,65 (99.5)**	**2816,84 (90.8)**	**9.1**	**0.3**
A. Indian Government Securities	653496,70 (76.7)	661518,31 (77.4)	69075,10 (98.6)	8021,61 (258.5)	11.8	1.2
(i) Central Government	538091,36 (63.2)	547896,67 (64.1)	62570,72 (89.3)	9805,31 (316.0)	13.2	1.8
(ii) State Government	115216,12 (13.5)	113621,64 (13.3)	7963,30 (11.4)	-1594,48 (-51.4)	7.4	-1.4
(iii) Others *	189,22 –	–	-1458,92 (-2.1)	-189,22 –	-88.5	-100.0
B. Other Domestic Securities, Bonds, Shares, etc.	183244,96 (21.5)	176156,80 (20.6)	2918,61 (4.2)	-7088,16 (-228.4)	1.6	-3.9
(i) Other Trustee Securities (excluding units of UTI)	18864,55 (2.2)	14993,68 (1.8)	-1637,84 (-2.3)	-3870,87 (-124.8)	-8.0	-20.5
(ii) Fixed Deposits	19630,70 (2.3)	15779,13 (1.8)	503,28 (0.7)	-3851,57 (-124.1)	2.6	-19.6
(iii) Shares and Debentures of joint Stock companies(Market Value)	103531,31 (12.2)	91092,55 (10.7)	-2103,32 (-3.0)	-12438,76 (-400.9)	-2.0	-12.0
(iv) Initial Contribution to share capital of UTI	3,61 –	3,47 –	2,48 –	-14 –	219.5	-3.9
(v) Units of UTI	19,00 –	29,17 –	2,28 –	10,17 (0.3)	13.6	53.5
(vi) Certificate of Deposits and Commercial Papers.	3449,80 (0.4)	8457,10 (1.0)	1154,12 (1.6)	5007,30 (161.4)	50.3	145.1
(vii) Mutual Funds	10480,43 (1.2)	11454,62 (1.3)	935,32 (1.3)	974,19 (31.4)	9.8	9.3
(viii) Others @	27265,56 (3.2)	34347,08 (4.0)	4062,29 (5.8)	7081,52 (228.2)	17.5	26.0
C. Foreign Securities	817,53 (0.1)	2700,92 (0.3)	-2308,06 (-3.3)	1883,39 (60.7)	-73.8	230.4
(i) Foreign Government Securities	25 –	1 –	-81,52 (-0.1)	-24 –	-99.7	-96.0
(ii) Other Foreign Investments	817,28 (0.1)	2700,91 (0.3)	-2226,54 (-3.2)	1883,63 (60.7)	-73.1	230.5
II. Investments by Foreign Offices of Indian Banks	**13995,34 (1.6)**	**14281,30 (1.7)**	**373,92 (0.5)**	**285,96 (9.2)**	**2.7**	**2.0**
(i) Indian securities	0 –	131,68 –	–	131,68 (4.2)	–	–
(ii) Foreign Countries Securities	3353,13 (0.4)	2583,48 (0.3)	433,10 (0.6)	-769,65 (-24.8)	14.8	-23.0
(iii) Other Investments	10642,21 (1.2)	11566,14 (1.4)	-59,18 (-0.1)	923,93 (29.8)	-0.6	8.7
Total	**851554,53 (100.0)**	**854657,33 (100.0)**	**70059,57 (100.0)**	**3102,80 (100.0)**	**9.0**	**0.4**

– : Nil or Negligible.
* : Includes Postal Savings Deposits Certificates and Other Postal Obligations.
@ : Includes Investments in Debentures and Bonds of Quasi - Govt.Bodies, Venture Capital Funds, *etc.*
Note : Figures in brackets indicate percentages to 'Total'.

Statement 2: Bank Group-Wise Investments by Types of Securities

(Amount in Rs. lakh)

Bank Group	Year (end - March)	Investments of Indian offices			
		Indian Govt. Securities		Other Trustee Securities	
		Central Government Securities@	State Government Securities	Total	*of which* All India Bodies
1	2	3	4	5	6
1. State Bank of India & Associates	2005	174163,79	40892,72	5222,89	2765,44
		(69.6)	(16.3)	(2.1)	(1.1)
	2006	148656,86	37740,95	4803,62	2710,97
		(69.3)	(17.6)	(2.2)	(1.3)
Variation in 2006 over 2005					
(a) Absolute		-25506,93	-3151,77	-419,27	-54,47
(b) Percentage		(-14.6)	(-7.7)	(-8.0)	(-2.0)
2. Nationalised Banks	2005	239062,38	70319,28	11318,30	6522,66
		(58.3)	(17.1)	(2.8)	(1.6)
	2006	238648,78	71796,72	9466,82	5764,67
		(59.1)	(17.8)	(2.3)	(1.4)
Variation in 2006 over 2005					
(a) Absolute		-413,60	1477,44	-1851,48	-757,99
(b) Percentage		(-0.2)	(2.1)	(-16.4)	(-11.6)
3. Other Scheduled Commercial Banks	2005	92213,59	3993,78	624,00	315,42
		(62.2)	(2.7)	(0.4)	(0.2)
	2006	119371,76	4073,63	482,52	274,13
		(65.4)	(2.2)	(0.3)	(0.2)
Variation in 2006 over 2005					
(a) Absolute		27158,17	79,85	-141,48	-41,29
(b) Percentage		(29.5)	(2.0)	(-22.7)	(-13.1)
4. Foreign Banks	2005	32840,82	10,34	1718,36	1715,87
		(76.5)	–	(4.0)	(4.0)
	2006	41219,27	10,34	269,89	269,50
		(76.6)	–	(0.5)	(0.5)
Variation in 2006 over 2005					
(a) Absolute		8378,45	–	-1448,47	-1446,37
(b) Percentage		(25.5)		(-84.3)	(-84.3)
5. All Scheduled Commercial Banks	2005	538280,58	115216,12	18883,55	11319,39
		(63.2)	(13.5)	(2.2)	(1.3)
	2006	547896,67	113621,64	15022,85	9019,27
		(64.1)	(13.3)	(1.8)	(1.1)
Variation in 2006 over 2005					
(a) Absolute		9616,09	-1594,48	-3860,70	-2300,12
(b) Percentage		(1.8)	(-1.4)	(-20.4)	(-20.3)

– : Nil or Negligible.

@ : Inclusive of investments in Postal Savings Deposit Certificates and other postal obligations.

Note : Figures in brackets indicate percentages to 'Total'.

Statement 2: Bank Group-Wise Investments by Types of Securities *(Concld.)*

(Amount in Rs. lakh)

Bank Group	Year (end - March)	Investments of Indian offices			Investments of Foreign Offices	Total Investments
		Shares and Debentures of Joint Stock Companies (Market Value)	Other Domestic Securities	Foreign Securities		
1	2	7	8	9	10	11
1. State Bank of India & Associates	2005	19179,83	6560,97	90	4347,96	250369,06
		(7.7)	(2.6)	–	(1.7)	(100.0)
	2006	10886,70	7298,36	152,59	4847,00	214386,08
		(5.1)	(3.4)	(0.1)	(2.3)	(100.0)
Variation in 2006 over 2005						
(a) Absolute		-8293,13	737,39	151,69	499,04	-35982,98
(b) Percentage		(-43.2)	(11.2)	(16854.0)	(11.5)	(-14.4)
2. Nationalised Banks	2005	53934,48	26400,26	171,74	8849,21	410055,65
		(13.2)	(6.4)	–	(2.2)	(100.0)
	2006	51426,36	25116,47	2011,00	5372,43	403838,58
		(12.7)	(6.2)	(0.5)	(1.3)	(100.0)
Variation in 2006 over 2005						
(a) Absolute		-2508,12	-1283,79	1839,26	-3476,78	–6217,07
(b) Percentage		(-4.7)	(-4.9)	(1071.0)	(-39.3)	(-1.5)
3. Other Scheduled Commercial Banks	2005	24874,60	25075,76	644,89	798,17	148224,79
		(16.8)	(16.9)	(0.4)	(0.5)	(100.0)
	2006	22057,94	32026,25	537,33	4061,87	182611,30
		(12.1)	(17.5)	(0.3)	(2.2)	(100.0)
Variation in 2006 over 2005						
(a) Absolute		-2816,66	6950,49	-107,56	3263,70	34386,51
(b) Percentage		(-11.3)	(27.7)	(-16.7)	(408.9)	(23.2)
4. Foreign Banks	2005	5542,40	2793,11	–	–	42905,03
		(12.9)	(6.5)			(100.0)
	2006	6721,55	5600,32	–	–	53821,37
		(12.5)	(10.4)			(100.0)
Variation in 2006 over 2005						
(a) Absolute		1179,15	2807,21	–	–	10916,34
(b) Percentage		(21.3)	(100.5)			(25.4)
5. All Scheduled Commercial Banks	**2005**	**103531,31**	**60830,10**	**817,53**	**13995,34**	**851554,53**
		(12.2)	**(7.1)**	**(0.1)**	**(1.6)**	**(100.0)**
	2006	**91092,55**	**70041,40**	**2700,92**	**14281,30**	**854657,33**
		(10.7)	**(8.2)**	**(0.3)**	**(1.7)**	**(100.0)**
Variation in 2006 over 2005						
(a) Absolute		**-12438,76**	**9211,30**	**1883,39**	**285,96**	**3102,80**
(b) Percentage		**(-12.0)**	**(15.1)**	**(230.4)**	**(2.0)**	**(0.4)**

Statement 3 : Bank Group-wise Classification of Investments in Other Trustee Securities

(Amount in Rs.lakh)

Securities / Shares / Bonds / Debentures issued by	Year (end-March)	Bank Group				All Scheduled Commercial Banks
		State Bank of India and its Associates	Nationalised Banks	Other Scheduled Commercial Banks	Foreign Banks	
1	2	3	4	5	6	7
1. Local Authorities *	2005	55,62	424,29	34,54	39	514,84
		(1.1)	(3.7)	(5.5)	(0.0)	(2.7)
	2006	174,93	370,74	26,91	–	572,58
		(3.6)	(3.9)	(5.6)	–	(3.8)
2. State Financial Corporations	2005	520,17	1880,80	197,57	2,10	2600,64
		(10.0)	(16.6)	(31.7)	(0.1)	(13.8)
	2006	305,63	1034,36	118,05	10	1458,14
		(6.4)	(10.9)	(24.5)	(0.0)	(9.7)
3. State Industrial Development Corporations	2005	78,00	107,05	15,53	–	200,58
		(1.5)	(0.9)	(2.5)		(1.1)
	2006	45,44	115,63	6,35	–	167,42
		(0.9)	(1.2)	(1.3)		(1.1)
4. State Electricity Boards	2005	1326,38	1424,92	34,14	–	2785,44
		(25.4)	(12.6)	(5.5)		(14.8)
	2006	1322,24	1342,66	33,39	–	2698,29
		(27.5)	(14.2)	(6.9)		(18.0)
5. Co-operative Institutions	2005	91,10	89,53	1,25	–	181,88
		(1.7)	(0.8)	(0.2)		(1.0)
	2006	15,31	47,86	67	29	64,13
		(0.3)	(0.5)	(0.1)	(0.1)	(0.4)
6. Industrial Finance Corporation of India	2005	624,58	1111,69	70,85	8,49	1815,61
		(12.0)	(9.8)	(11.4)	(0.5)	(9.6)
	2006	724,02	1111,73	46,95	8,47	1891,17
		(15.1)	(11.7)	(9.7)	(3.1)	(12.6)
7. National Bank for Agriculture and Rural Development	2005	39,56	153,81	10,30	1201,00	1404,67
		(0.8)	(1.4)	(1.7)	(69.9)	(7.4)
	2006	39,56	113,61	10,30	198,20	361,67
		(0.8)	(1.2)	(2.1)	(73.4)	(2.4)
8. Rural Electrification Corporation	2005	69,96	245,81	20,25	–	336,02
		(1.3)	(2.2)	(3.2)		(1.8)
	2006	66,96	151,01	14,35	–	232,32
		(1.4)	(1.6)	(3.0)		(1.5)

* : Includes Municipalities and Port Trust.
'–' : Nil or Negligible.
Note : Figures in brackets indicate percentages to 'Total'.

Statement 3 : Bank Group-wise Classification of Investments in Other Trustee Securities *(Concld.)*

(Amount in Rs.lakh)

Securities / Shares / Bonds / Debentures issued by	Year (end-March)	Bank Group				All Scheduled Commercial Banks
		State Bank of India and its Associates	Nationalised Banks	Other Scheduled Commercial Banks	Foreign Banks	
1	2	3	4	5	6	7
9. Export-Import Bank of India	2005	57,45	224,21	13,66	3,70	299,02
		(1.1)	(2.0)	(2.2)	(0.2)	(1.6)
	2006	50,44	150,07	13,01	4,20	217,72
		(1.1)	(1.6)	(2.7)	(1.6)	(1.4)
10. National Co-operative Development Corporation of India	2005	47,75	349,15	–	–	396,90
		(0.9)	(3.1)			(2.1)
	2006	43,75	324,15	–	–	367,90
		(0.9)	(3.4)			(2.4)
11. Housing and Urban Development Corporation of India	2005	119,59	285,01	23,00	45	428,05
		(2.3)	(2.5)	(3.7)	(0.0)	(2.3)
	2006	117,42	244,74	6,60	45	369,21
		(2.4)	(2.6)	(1.4)	(0.2)	(2.5)
12. Unit Trust of India	2005	–	19,00	–	–	19,00
			(0.2)			(0.1)
	2006	–	29,17	–	–	29,17
			(0.3)			(0.2)
13. Industrial Reconstruction Bank of India	2005	96,58	304,69	24	50	402,01
		(1.8)	(2.7)	–	–	(2.1)
	2006	95,75	205,43	59	50	302,27
		(2.0)	(2.2)	(0.1)	(0.2)	(2.0)
14. Housing Boards	2005	11,54	68,30	2,55	–	82,39
		(0.2)	(0.6)	(0.4)		(0.4)
	2006	8,05	68,94	1,40	–	78,39
		(0.2)	(0.7)	(0.3)		(0.5)
15. Others	2005	2084,61	4630,04	200,12	501,73	7416,50
		(39.9)	(40.9)	(32.1)	(29.2)	(39.3)
	2006	1794,12	4156,72	203,95	57,68	6212,47
		(37.3)	(43.9)	(42.3)	(21.4)	(41.4)
16. Total	**2005**	**5222,89**	**11318,30**	**624,00**	**1718,36**	**18883,55**
		(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**
	2006	**4803,62**	**9466,82**	**482,52**	**269,89**	**15022,85**
		(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Statement 4: Bank Group-Wise Investments in Shares and Debentures of Joint Stock Companies, Units and 'Other' Securities

(Amount in Rs.lakh)

Bank Group	Year (end-March)	Shares		Debentures	
		Face Value	Market Value@	Face Value	Market Value@
1	2	3	4	5	6
1. State Bank of India & its Associates	2005	2459,59 (13.9)	3948,77 (20.6)	15210,82 (86.1)	15231,06 (79.4)
	2006	2125,23 (23.3)	4267,16 (39.2)	6998,78 (76.7)	6619,54 (60.8)
2. Nationalised Banks	2005	5507,37 (10.6)	7880,43 (14.6)	46366,61 (89.4)	46054,05 (85.4)
	2006	5316,45 (11.3)	9228,79 (17.9)	41752,63 (88.7)	42197,57 (82.1)
3. Other Scheduled Commercial Banks	2005	4154,08 (16.9)	5452,57 (21.9)	20455,53 (83.1)	19422,03 (78.1)
	2006	9161,28 (34.3)	5225,89 (23.7)	17526,15 (65.7)	16832,05 (76.3)
4. Foreign Banks	2005	425,58 (7.7)	430,47 (7.8)	5133,91 (92.3)	5111,93 (92.2)
	2006	412,87 (6.0)	416,54 (6.2)	6439,24 (94.0)	6305,01 (93.8)
All Scheduled Commercial Banks	**2005**	**12546,62 (12.6)**	**17712,24 (17.1)**	**87166,87 (87.4)**	**85819,07 (82.9)**
	2006	**17015,83 (19.0)**	**19138,38 (21.0)**	**72716,80 (81.0)**	**71954,17 (79.0)**

@ : Investments in shares and debentures are at estimated realisable value where market value is not available.

* : 'Others' includes securities such as initial contribution to share capital of UTI, shares of DICGC, Fixed Deposits with banks and Mutual Funds, CDs and CPs.

Note : Figures in brackets indicate percentages to 'Total'.

Statement 4: Bank Group-Wise Investments in Shares and Debentures of Joint Stock Companies, Units and 'Other' Securities *(Concld.)*

(Amount in Rs.lakh)

Bank Group	Year (end-March)	Sub Total		Units of UTI and Others* Face Value	Total
		Face Value	Market Value@		
1	2	7 (3+5)	8 (4+6)	9	10 (8+9)
1. State Bank of India & its Associates	2005	17670,41 (100.0)	19179,83 (100.0)	6560,97	25740,80 (15.7)
	2006	9124,01 (100.0)	10886,70 (100.0)	7298,36	18185,06 (11.3)
2. Nationalised Banks	2005	51873,98 (100.0)	53934,48 (100.0)	26419,26	80353,74 (48.9)
	2006	47069,08 (100.0)	51426,36 (100.0)	25145,64	76572,00 (47.5)
3. Other Scheduled Commercial Banks	2005	24609,61 (100.0)	24874,60 (100.0)	25075,76	49950,36 (30.4)
	2006	26687,43 (100.0)	22057,94 (100.0)	32026,25	54084,19 (33.6)
4. Foreign Banks	2005	5559,49 (100.0)	5542,40 (100.0)	2793,11	8335,51 (5.1)
	2006	6852,11 (100.0)	6721,55 (100.0)	5600,32	12321,87 (7.6)
All Scheduled Commercial Banks	**2005**	**99713,49 (100.0)**	**103531,31 (100.0)**	**60849,10**	**164380,41 (100.0)**
	2006	**89732,63 (100.0)**	**91092,55 (100.0)**	**70070,57**	**161163,12 (100.0)**

Statement 5 : Scheduled Commercial Banks' Investments in Bonds Issued by Public Sector Enterprises (As at end-March)

(Amount in Rs.lakh)

Public Sector Enterprises/Undertakings	State Bank of India and its Associates		Nationalised Banks		Other Scheduled Commercial Banks	
	2005	2006	2005	2006	2005	2006
1	2	3	4	5	6	7
1. Indian Railway Finance Corporation (Railway Bonds)	236,80	35,00	1126,65	1057,42	215,98	155,06
2. National Thermal Power Corporation (NTPC)	50,00	50,00	364,25	281,45	–	10,00
3. National Hydro-Electric Power Corporation (NHPC)	–	–	13,00	5,00	11,00	22,00
4. Nuclear Power Corporation	21,00	10,75	1171,40	514,30	68,50	144,60
5. Power Finance Corporation	152,10	148,10	1514,51	1041,39	776,96	460,14
6. Indian Telephone Industries (ITI)	–	–	240,50	192,60	16,30	225,80
7. Neyvelli Lignite Corporation	–	38,00	30,00	30,00	–	–
8. Indian Petrochemical Corporation Limited	–	–	99	–	3,33	7,00
9. Mahanagar Telephone Nigam Ltd. (MTNL)	–	–	–	–	68	–
10. Rural Electrification Corporation (REC)	168,96	142,96	3388,57	2632,93	1495,64	1398,02
11. Hindustan Photo Film Mfg. Co. Ltd.	3,00	3,00	–	–	–	–
12. Housing & Urban Dev. Corp. (HUDCO)	354,57	318,10	1205,34	1095,97	685,62	374,98
Total	**986,43**	**745,91**	**9055,21**	**6851,06**	**3274,01**	**2797,60**

– : Nil or Negligible.
Note : Figures in brackets indicate percentages to 'Total'.

Statement 5 : Scheduled Commercial Banks' Investments in Bonds Issued by Public Sector Enterprises (As at end-March) *(Concld.)*

(Amount in Rs.lakh)

Public Sector Enterprises/Undertakings	Foreign Banks		All Scheduled Commercial Banks	
	2005	2006	2005	2006
1	8	9	10	11
1. Indian Railway Finance Corporation (Railway Bonds)	100,00	–	1679,43 (12.3)	1247,48 (11.5)
2. National Thermal Power Corporation (NTPC)	97,17	–	511,42 (3.7)	341,45 (3.2)
3. National Hydro-Electric Power Corporation (NHPC)	–	–	24,00 (0.2)	27,00 (0.2)
4. Nuclear Power Corporation	–	–	1260,90 (9.2)	669,65 (6.2)
5. Power Finance Corporation	31,00	353,00	2474,57 (18.1)	2002,63 (18.5)
6. Indian Telephone Industries (ITI)	–	–	256,80 (1.9)	418,40 (3.9)
7. Neyvelli Lignite Corporation	–	–	30,00 (0.2)	68,00 (0.6)
8. Indian Petrochemical Corporation Limited	–	–	4,32 –	7,00 (0.1)
9. Mahanagar Telephone Nigam Ltd. (MTNL)	–	–	68 –	–
10. Rural Electrification Corporation (REC)	–	–	5053,17 (36.9)	4173,91 (38.6)
11. Hindustan Photo Film Mfg. Co. Ltd.	–	–	3,00 –	3,00 –
12. Housing & Urban Dev. Corp. (HUDCO)	146,84	76,02	2392,37 (17.5)	1865,07 (17.2)
Total	**375,01**	**429,02**	**13690,66** **(100.0)**	**10823,59** **(100.0)**

Statement 6 : Classification of Investments in Government Securities According to Period of Maturity @ (As at end - March)

(Amount in Rs.lakh)

Year/Period of Maturity (during April-March)	State Bank of India and its Associates				Nationalised Banks			
	2005		2006		2005		2006	
	Central	State	Central	State	Central	State	Central	State
1	2	3	4	5	6	7	8	9
2005-06	25636,61 (14.7)	935,54 (2.3)	–	–	30546,86 (12.8)	1819,62 (2.6)	–	–
2006-07	14282,39 (8.2)	1067,90 (2.6)	16139,46 (10.9)	1075,09 (2.8)	11961,13 (5.0)	2355,07 (3.3)	26301,85 (11.0)	2359,35 (3.3)
2007-08	12217,88 (7.0)	2219,73 (5.4)	11787,34 (7.9)	2212,61 (5.9)	6025,22 (2.5)	4102,29 (5.8)	4725,22 (2.0)	4043,96 (5.6)
2008-09	11004,17 (6.3)	2070,97 (5.1)	9733,52 (6.5)	1541,82 (4.1)	12424,05 (5.2)	7079,98 (10.1)	9177,40 (3.8)	5941,53 (8.3)
2009-10	16949,58 (9.7)	1715,70 (4.2)	17817,01 (12.0)	2026,59 (5.4)	18237,52 (7.6)	5040,19 (7.2)	15874,98 (6.7)	5931,59 (8.3)
2010-15	61731,01 (35.4)	28759,49 (70.3)	63897,66 (43.0)	26448,45 (70.1)	79464,19 (33.3)	42630,45 (60.6)	89159,60 (37.4)	42104,32 (58.6)
2015-20	23744,97 (13.6)	4123,39 (10.1)	25504,69 (17.2)	4436,39 (11.8)	57306,64 (24.0)	7287,94 (10.4)	66666,97 (27.9)	11412,20 (15.9)
2020-25	8597,18 (4.9)	–	479,68 (0.3)	–	22968,71 (9.6)	3,74 –	14443,47 (6.1)	–
2025 and above	–	–	3297,50 (2.2)	–	–	–	12299,29 (5.2)	3,77 –
Total	**174163,79** **(100.0)**	**40892,72** **(100.0)**	**148656,86** **(100.0)**	**37740,95** **(100.0)**	**238934,32** **(100.0)**	**70319,28** **(100.0)**	**238648,78** **(100.0)**	**71796,72** **(100.0)**

– : Nil or Negligible.

@ : Excluding postal savings and other obligations.

Note : Figures in brackets indicate percentages to 'Total'.

Statement 6 : Classification of Investments in Government Securities According to Period of Maturity @ (As at end - March) *(Contd.)*

(Amount in Rs.lakh)

Year/Period of Maturity (during April-March)	Other Scheduled Commercial Banks				Foreign Banks			
	2005		2006		2005		2006	
	Central	State	Central	State	Central	State	Central	State
1	10	11	12	13	14	15	16	17
2005-06	16941,94	135,89	–	–	18418,15	–	–	–
	(18.4)	(3.4)			(56.1)			
2006-07	7946,08	99,71	26652,60	98,78	5775,57	4,41	21853,06	4,41
	(8.6)	(2.5)	(22.3)	(2.4)	(17.6)	(42.6)	(53.0)	(42.6)
2007-08	4543,87	291,03	8063,94	289,54	1814,97	–	4235,37	–
	(4.9)	(7.3)	(6.8)	(7.1)	(5.5)		(10.3)	
2008-09	2223,75	383,55	6478,47	341,58	3467,72	1,93	5250,47	1,93
	(2.4)	(9.6)	(5.4)	(8.4)	(10.6)	(18.7)	(12.7)	(18.7)
2009-10	7527,42	345,00	8768,58	337,45	856,89	–	1864,33	–
	(8.2)	(8.6)	(7.3)	(8.3)	(2.6)		(4.5)	
2010-15	29207,47	2179,57	39993,14	2061,97	2009,26	4,00	6716,70	4,00
	(31.7)	(54.6)	(33.5)	(50.6)	(6.1)	(38.7)	(16.3)	(38.7)
2015-20	16814,62	559,03	20381,34	944,31	398,26	–	953,36	–
	(18.2)	(14.0)	(17.1)	(23.2)	(1.2)		(2.3)	
2020-25	6947,28	–	2770,50	–	100,00	–	47,10	–
	(7.5)		(2.3)		(0.3)		(0.1)	
2025 and above	–	–	6263,19	–	–	–	298,88	–
			(5.2)				(0.7)	
Total	**92152,43**	**3993,78**	**119371,76**	**4073,63**	**32840,82**	**10,34**	**41219,27**	**10,34**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Statement 6 : Classification of Investments in Government Securities According to Period of Maturity @ (As at end - March) *(Concld.)*

(Amount in Rs.lakh)

Year/Period of Maturity (during April-March)	All Scheduled Commercial Banks			
	2005		2006	
	Central	State	Central	State
1	18	19	20	21
2005-06	91543,56	2891,05	–	–
	(17.0)	(2.5)		
2006-07	39965,17	3527,09	90946,97	3537,63
	(7.4)	(3.1)	(16.6)	(3.1)
2007-08	24601,94	6613,05	28811,87	6546,11
	(4.6)	(5.7)	(5.3)	(5.8)
2008-09	29119,69	9536,43	30639,86	7826,86
	(5.4)	(8.3)	(5.6)	(6.9)
2009-10	43571,41	7100,89	44324,90	8295,63
	(8.1)	(6.2)	(8.1)	(7.3)
2010-15	172411,93	73573,51	199767,10	70618,74
	(32.0)	(63.9)	(36.5)	(62.2)
2015-20	98264,49	11970,36	113506,36	16792,90
	(18.3)	(10.4)	(20.7)	(14.8)
2020-25	38613,17	3,74	17740,75	–
	(7.2)	(0.0)	(3.2)	
2025 and above	–	–	22158,86	3,77
			(4.0)	–
Total	**538091,36**	**115216,12**	**547896,67**	**113621,64**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**

Statement 7 : Distribution of Investments of Scheduled Commercial Banks in Central Government@ and State Government Securities by Interest Rate

(Amount in Rs.lakh)

Bank Group	Year	Less than 6%		6% to 8%		8% to 10 %		10% to 11%	
	(end - March)	Central Govt.	State Govt.	Central Govt.	State Govt.	Central Govt.	State Govt.	Central Govt.	State Govt.
1	2	3	4	5	6	7	8	9	10
State Bank of India and Associates	2005	33812,74 (20.1)	7024,24 (17.2)	42727,70 (25.4)	21013,32 (51.4)	20286,05 (12.1)	2005,05 (4.9)	3794,19 (2.3)	1532,28 (3.7)
	2006	19235,11 (13.3)	7024,23 (18.6)	47981,11 (33.2)	19583,84 (51.9)	21482,68 (14.9)	1504,43 (4.0)	2749,42 (1.9)	1410,71 (3.7)
Nationalised Banks	2005	20702,18 (9.7)	11848,19 (16.9)	78157,09 (36.6)	25177,87 (35.8)	25321,85 (11.9)	4323,73 (6.1)	29698,18 (13.9)	5076,26 (7.2)
	2006	23075,49 (10.6)	11817,10 (16.5)	92100,18 (42.5)	29690,30 (41.4)	27711,73 (12.8)	4045,14 (5.6)	27645,49 (12.7)	4709,63 (6.6)
Other Scheduled Commercial Banks	2005	26467,08 (33.1)	680,67 (17.0)	25380,16 (31.8)	1394,83 (34.9)	5753,03 (7.2)	236,92 (5.9)	2987,81 (3.7)	283,32 (7.1)
	2006	25998,99 (25.7)	683,93 (16.8)	36369,40 (36.0)	1796,67 (44.1)	7627,28 (7.6)	180,69 (4.4)	3041,60 (3.0)	213,12 (5.2)
Foreign Banks	2005	1291,06 (5.4)	–	4954,43 (20.8)	–	1314,80 (5.5)	–	801,50 (3.4)	–
	2006	1924,56 (6.9)	–	3803,01 (13.6)	–	2609,81 (9.3)	–	92,60 (0.3)	–
All Scheduled Commercial Banks	**2005**	**82273,06 (17.0)**	**19553,10 (17.0)**	**151219,38 (31.2)**	**47586,02 (41.3)**	**52675,73 (10.9)**	**6565,70 (5.7)**	**37281,68 (7.7)**	**6891,86 (6.0)**
	2006	**70234,15 (14.3)**	**19525,26 (17.2)**	**180253,70 (36.8)**	**51070,81 (44.9)**	**59431,50 (12.1)**	**5730,26 (5.0)**	**33529,11 (6.8)**	**6333,46 (5.6)**

– : Nil or Negligible.

@ : Excludes Govt.of India Treasury Bills, Saving Deposits Certificates and other Postal Obligations.

Note : Figures in brackets indicate percentages to 'Total'.

Statement 7 : Distribution of Investments of Scheduled Commercial Banks in Central Government@ and State Government Securities by Interest Rate *(Concld.)*

(Amount in Rs.lakh)

Bank Group	Year	11% to 12 %		12% to 13%		13% and above		Total	
	(end - March)	Central Govt.	State Govt.	Central Govt.	State Govt.	Central Govt.	State Govt.	Central Govt.	State Govt.
1	2	3	4	5	6	7	8	9	10
State Bank of India and Associates	2005	46557,41	2532,01	12444,38	2772,36	8528,82	4013,46	168151,29	4089,27
		(27.7)	(6.2)	(7.4)	(6.8)	(5.1)	(9.8)	(100.0)	(100.0)
	2006	37345,92	2414,70	11295,53	2725,06	4531,70	3077,98	144621,47	37740,95
		(25.8)	(6.4)	(7.8)	(7.2)	(3.1)	(8.2)	(100.0)	(100.0)
Nationalised Banks	2005	35393,64	6836,75	20002,12	9553,67	4153,55	7499,07	213428,61	70315,54
		(16.6)	(9.7)	(9.4)	(13.6)	(1.9)	(10.7)	(100.0)	(100.0)
	2006	28081,52	6590,17	16633,09	9300,09	1622,61	5640,52	216870,11	71792,95
		(12.9)	(9.2)	(7.7)	(13.0)	(0.7)	(7.9)	(100.0)	(100.0)
Other Scheduled Commercial Banks	2005	12174,73	308,49	3326,44	672,66	3807,40	416,89	79896,65	3993,78
		(15.2)	(7.7)	(4.2)	(16.8)	(4.8)	(10.4)	(100.0)	(100.0)
	2006	18130,14	278,37	6535,33	642,28	3291,43	278,57	100994,17	4073,63
		(18.0)	(6.8)	(6.5)	(15.8)	(3.3)	(6.8)	(100.0)	(100.0)
Foreign Banks	2005	11881,40	5,93	2128,27	–	1476,75	4,40	23848,21	10,34
		(49.8)	(57.4)	(8.9)		(6.2)	(42.6)	(100.0)	(100.0)
	2006	13961,37	5,93	4099,24	–	1432,64	4,41	27923,23	10,34
		(50.0)	(57.4)	(14.7)		(5.1)	(42.6)	(100.0)	(100.0)
All Scheduled Commercial Banks	**2005**	**106007,18**	**9683,18**	**37901,21**	**12998,69**	**17966,52**	**11933,83**	**485324,76**	**115212,38**
		(21.8)	**(8.4)**	**(7.8)**	**(11.3)**	**(3.7)**	**(10.4)**	**(100.0)**	**(100.0)**
	2006	**97518,95**	**9289,17**	**38563,19**	**12667,43**	**10878,38**	**9001,48**	**490408,98**	**113617,87**
		(19.9)	**(8.2)**	**(7.9)**	**(11.1)**	**(2.2)**	**(7.9)**	**(100.0)**	**(100.0)**

Statement 8 : State-Wise Classification of Scheduled Commercial Banks' Investments in State Government Securities and State Level Bodies (As at end-March)

(Amount in Rs. lakh)

State / Union Territory	State Government Securities		Regional Rural Banks		Co-operative Institutions		State Electricity Boards	
	2005	2006	2005	2006	2005	2006	2005	2006
1	2	3	4	5	6	7	8	9
Andhra Pradesh	10045,32	10062,04	60,98	61,89	29,36	15,47	193,79	155,99
Arunachal Pradesh	146,46	147,57	1,09	1,09	–	–	–	–
Assam	2438,54	2291,47	6,31	6,31	1,08	8	182,57	179,97
Bihar	5833,53	5214,93	89,28	89,28	–	–	122,53	122,53
Chhattisgarh	1069,88	1028,86	9,42	15,45	–	50	21,29	21,29
Goa	609,15	585,38	–	–	–	–	–	–
Gujarat	6685,57	6616,31	28,99	28,99	26,28	16,19	674,84	459,96
Haryana	2950,37	2929,16	16,21	16,21	15,28	6,21	139,38	108,56
Himachal Pradesh	2117,68	2141,93	5,40	5,40	88	88	133,09	105,43
Jammu & Kashmir	1403,46	1391,94	15,42	15,42	58	63	56,16	46,16
Jharkhand	1375,41	1416,39	–	5,69	–	–	–	–
Karnataka	6086,39	5992,80	41,57	45,89	44,57	67	7,33	16,07
Kerala	5625,35	5793,90	70	2,94	85	–	269,85	169,70
Madhya Pradesh	5506,41	5378,16	105,28	95,33	13,85	5,22	581,28	586,62
Maharashtra	8863,77	8783,41	41,36	45,28	23,02	12,44	436,26	402,17
Manipur	336,23	333,52	35	35	–	–	–	–
Meghalaya	439,16	425,74	91	91	–	–	43,59	41,59
Mizoram	269,89	267,56	3,16	3,16	–	–	–	–
Nagaland	636,05	590,50	1,09	1,09	–	–	–	–
Orissa	4701,18	4474,45	44,79	44,79	–	–	23,70	23,70
Punjab	4427,89	4578,28	8,88	8,88	–	–	253,51	188,15
Rajasthan	8016,31	7601,01	64,11	64,12	3,32	2,57	478,95	308,09
Sikkim	156,50	160,98	–	–	–	–	3,00	1,20
Tamil Nadu	7068,70	7356,49	1,05	2,65	10,06	4,44	519,07	394,26
Tripura	475,61	458,27	35	35	–	–	–	–
Uttar Pradesh	15323,56	14976,43	124,69	138,91	–	–	232,93	257,36
Uttaranchal	1943,61	1982,26	5,72	5,72	–	–	–	–
West Bengal	10664,14	10641,90	17,01	17,01	72	8	660,76	540,58
Andaman & Nicobar Islands	–	–	–	–	–	–	–	–
Chandigarh	–	–	–	–	–	–	–	–
Delhi	–	–	–	–	17,63	–	–	–
Daman & Diu	–	–	–	–	–	–	–	–
Lakshadweep	–	–	–	–	–	–	–	–
Pondicherry	–	–	–	–	15	–	–	–
Dadra & Nagar Haveli	–	–	–	–	–	–	–	–
All India	**115216,12**	**113621,64**	**694,12**	**723,11**	**187,63**	**65,38**	**5033,88**	**4129,38**
	(89.1)	**(91.7)**	**(0.5)**	**(0.6)**	**(0.1)**	**(0.1)**	**(3.9)**	**(3.3)**

– : Nil or Negligible.

Notes : 1. Figures in brackets indicate percentages to total.
2. Figures in this statement are inclusive of non-guaranteed bonds and unsecured debentures.
3. Data on State Government Securities are exclusive of loans matured but still held by the banks.

Statement 8 : State-Wise Classification of Scheduled Commercial Banks' Investments in State Government Securities and State Level Bodies (As at end-March) *(Contd.)*

(Amount in Rs. lakh)

State / Union Territory	Municipal Corporation Municipality and Port Trusts		State Financial Corporations		Housing Boards		State Industrial Development Corporations	
	2005	2006	2005	2006	2005	2006	2005	2006
1	10	11	12	13	14	15	16	17
Andhra Pradesh	12,00	3,00	272,86	139,44	7,53	7,33	6,53	13,14
Arunachal Pradesh	–	–	–	–	–	–	–	–
Assam	–	–	31,94	4,09	–	–	–	–
Bihar	–	–	86,29	86,29	–	–	–	–
Chhattisgarh	–	–	1,58	5,68	49	74	–	–
Goa	–	–	5	–	–	–	11,73	11,68
Gujarat	211,48	166,12	183,16	50,80	2,05	1,33	112,57	19,00
Haryana	–	–	155,19	68,65	1,10	1,10	–	6,07
Himachal Pradesh	–	–	15,48	3,97	–	–	19,00	3,50
Jammu & Kashmir	–	–	45,40	32,91	–	–	–	–
Jharkhand	–	–	–	–	–	–	–	–
Karnataka	21,00	–	290,57	136,49	1,10	1,50	29,96	81,48
Kerala	1,58	1,49	141,98	121,67	11,69	10,84	35,95	27,21
Madhya Pradesh	45	–	208,69	135,45	13,79	16,46	11,02	14,95
Maharashtra	137,34	125,66	153,55	128,08	11,85	55	141,35	70,95
Manipur	–	5,14	5	–	–	–	4,21	4,21
Meghalaya	–	–	–	–	–	–	–	–
Mizoram	–	–	–	–	–	–	4,28	4,28
Nagaland	–	–	–	–	–	–	4,73	4,73
Orissa	–	–	145,13	98,59	–	–	1,10	3,96
Punjab	1,00	1,00	145,23	61,22	–	–	37,70	10,00
Rajasthan	–	–	234,09	151,17	22,13	21,93	69,43	46,98
Sikkim	–	–	–	–	–	–	13,37	11,37
Tamil Nadu	16,79	13,43	64,86	17,50	22,96	20,11	200,06	166,66
Tripura	–	–	–	–	–	–	1,64	1,64
Uttar Pradesh	–	–	516,27	342,53	–	–	42,80	26,45
Uttaranchal	–	–	–	–	–	–	–	–
West Bengal	35,78	25,13	171,83	68,74	5,55	5,55	102,37	61,57
Andaman & Nicobar Islands	–	–	–	–	–	–	–	–
Chandigarh	–	–	–	–	–	–	–	–
Delhi	–	–	6,84	2,68	3,62	1,35	–	–
Daman & Diu	–	–	–	–	–	–	–	–
Lakshadweep	–	–	–	–	–	–	–	–
Pondicherry	–	–	–	–	–	–	8,54	8,58
Dadra & Nagar Haveli	–	–	–	–	–	–	–	–
All India	**437,42**	**340,97**	**2871,04**	**1655,95**	**103,86**	**88,79**	**858,34**	**598,41**
	(0.3)	**(0.3)**	**(2.2)**	**(1.3)**	**(0.1)**	**(0.1)**	**(0.7)**	**(0.5)**

Statement 8 : State-Wise Classification of Scheduled Commercial Banks' Investments in State Government Securities and State Level Bodies (As at end-March) *(Concld.)*

(Amount in Rs. lakh)

State / Union Territory	Road Transport Corporations		Other Government & Quasi Government Bodies		Total	
	2005	2006	2005	2006	2005	2006
1	18	19	20	21	22	23
Andhra Pradesh	13,50	30,80	218,72	238,12	10860,59	10727,22
Arunachal Pradesh	–	–	–	–	147,55	148,66
Assam	–	–	10	10	2660,54	2482,02
Bihar	–	–	10	10	6131,73	5513,13
Chhattisgarh	–	–	–	–	1102,66	1072,52
Goa	–	–	18,75	3,75	639,68	600,81
Gujarat	96,54	62,89	502,86	303,28	8524,34	7724,87
Haryana	–	–	4,63	10,83	3282,16	3146,79
Himachal Pradesh	82,50	45,64	114,57	86,99	2488,60	2393,74
Jammu & Kashmir	–	–	10,15	20,10	1531,17	1507,16
Jharkhand	–	–	68,15	–	1443,56	1422,08
Karnataka	70	75	437,21	296,57	6960,40	6572,22
Kerala	14,45	14,45	83,68	87,52	6186,08	6229,72
Madhya Pradesh	17,00	–	55,35	72,53	6513,12	6304,72
Maharashtra	93,00	67,50	1073,44	686,89	10974,94	10322,93
Manipur	–	–	–	1,00	340,84	344,22
Meghalaya	–	–	–	2,00	483,66	470,24
Mizoram	–	–	–	–	277,33	275,00
Nagaland	–	–	–	–	641,87	596,32
Orissa	–	–	3,35	7,10	4919,25	4652,59
Punjab	3,93	–	69,73	9,55	4947,87	4857,08
Rajasthan	7,09	–	68,59	45,93	8964,02	8241,80
Sikkim	–	–	15,00	8,00	187,87	181,55
Tamil Nadu	–	–	49,31	83,84	7952,86	8059,38
Tripura	–	–	4	4	477,64	460,30
Uttar Pradesh	–	–	2,42	13,84	16242,67	15755,52
Uttaranchal	–	–	–	–	1949,33	1987,98
West Bengal	–	–	668,55	460,55	12326,71	11821,11
Andaman & Nicobar Islands	–	–	–	–	–	–
Chandigarh	–	–	1	1	1	1
Delhi	–	–	70,45	45,33	98,54	49,36
Daman & Diu	–	–	–	–	–	–
Lakshadweep	–	–	–	–	–	–
Pondicherry	–	–	–	–	8,69	8,58
Dadra & Nagar Haveli	–	–	–	–	–	–
All India	**328,71**	**222,03**	**3535,16**	**2483,97**	**129266,28**	**123929,63**
	(0.3)	**(0.2)**	**(2.7)**	**(2.0)**	**(100.0)**	**(100.0)**

Statement 9: Scheduled Commercial Banks' Investments in Interest-bearing State Government Securities Outstanding as on End-march

(Amount in Rs. lakh)

State	2005		2006		Proportion of Banks' Investments to Total Securities Outstanding	
	Outstanding Securities	Banks' Investments	Outstanding Securities	Banks' Investments	2005	2006
1	2	3	4	5	6	7
Andhra Pradesh	19964,07 (9.5)	10045,32 (8.7)	21920,31 (9.3)	10062,04 (8.9)	50.3	45.9
Arunachal Pradesh	279,00 (0.1)	146,46 (0.1)	326,00 (0.1)	147,57 (0.1)	52.5	45.3
Assam	5129,39 (2.4)	2438,54 (2.1)	6009,61 (2.6)	2291,47 (2.0)	47.5	38.1
Bihar	10487,04 (5.0)	5833,53 (5.1)	12418,87 (5.3)	5214,93 (4.6)	55.6	42.0
Chhatisgarh	1837,38 (0.9)	1069,88 (0.9)	1837,38 (0.8)	1028,86 (0.9)	58.2	56.0
Goa	961,21 (0.5)	609,15 (0.5)	1044,43 (0.4)	585,38 (0.5)	63.4	56.0
Gujarat	12658,81 (6.0)	6685,57 (5.8)	13259,23 (5.6)	6616,31 (5.8)	52.8	49.9
Haryana	4754,85 (2.3)	2950,37 (2.6)	5275,61 (2.2)	2929,16 (2.6)	62.0	55.5
Himachal Pradesh	3690,48 (1.8)	2117,68 (1.8)	4159,30 (1.8)	2141,93 (1.9)	57.4	51.5
Jammu & Kashmir	2692,92 (1.3)	1403,46 (1.2)	2991,40 (1.3)	1391,94 (1.2)	52.1	46.5
Jharkhand	2082,43 (1.0)	1375,41 (1.2)	2446,54 (1.0)	1416,39 (1.2)	66.0	57.9
Karnataka	11762,43 (5.6)	6086,39 (5.3)	12176,93 (5.2)	5992,80 (5.3)	51.7	49.2
Kerala	9598,36 (4.6)	5625,35 (4.9)	11405,10 (4.8)	5793,90 (5.1)	58.6	50.8
Madhya Pradesh	9301,20 (4.4)	5506,41 (4.8)	11508,89 (4.9)	5378,16 (4.7)	59.2	46.7

Note : Figures in brackets indicate percentages to total.

Statement 9: Scheduled Commercial Banks' Investments in Interest-bearing State Government Securities Outstanding as on End-march *(Concld.)*

(Amount in Rs. lakh)

State	2005		2006		Proportion of Banks' Investments to Total Securities Outstanding	
	Outstanding Securities	Banks' Investments	Outstanding Securities	Banks' Investments	2005	2006
1	2	3	4	5	6	7
Maharashtra	17546,68 (8.3)	8863,77 (7.7)	19123,22 (8.1)	8783,41 (7.7)	50.5	45.9
Manipur	597,69 (0.3)	336,23 (0.3)	802,60 (0.3)	333,52 (0.3)	56.3	41.6
Meghalaya	824,98 (0.4)	439,16 (0.4)	983,23 (0.4)	425,74 (0.4)	53.2	43.3
Mizoram	501,17 (0.2)	269,89 (0.2)	615,84 (0.3)	267,56 (0.2)	53.9	43.4
Nagaland	1236,51 (0.6)	636,05 (0.6)	1490,33 (0.6)	590,50 (0.5)	51.4	39.6
Orissa	9080,89 (4.3)	4701,18 (4.1)	10087,01 (4.3)	4474,45 (3.9)	51.8	44.4
Punjab	7718,66 (3.7)	4427,89 (3.8)	8917,96 (3.8)	4578,28 (4.0)	57.4	51.3
Rajasthan	14358,68 (6.8)	8016,31 (7.0)	15399,31 (6.5)	7601,01 (6.7)	55.8	49.4
Sikkim	331,69 (0.2)	156,50 (0.1)	435,68 (0.2)	160,98 (0.1)	47.2	36.9
Tamil Nadu	13786,36 (6.6)	7068,70 (6.1)	15405,24 (6.6)	7356,49 (6.5)	51.3	47.8
Tripura	1024,78 (0.5)	475,61 (0.4)	1161,98 (0.5)	458,27 (0.4)	46.4	39.4
Uttar Pradesh	26455,18 (12.6)	15323,56 (13.3)	30107,56 (12.8)	14976,43 (13.2)	57.9	49.7
Uttaranchal	2852,27 (1.4)	1943,61 (1.7)	3420,52 (1.5)	1982,26 (1.7)	68.1	58.0
West Bengal	18730,38 (8.9)	10664,14 (9.3)	20442,51 (8.7)	10641,90 (9.4)	56.9	52.1
Total	**210245,49 (100.0)**	**115216,12 (100.0)**	**235172,56 (100.0)**	**113621,64 (100.0)**	**54.8**	**48.3**

Statement 10: Bank Group-Wise and State-Wise Classification of Scheduled Commercial Banks' Investments in State Government Securities and State-level Bodies (As at End-march)

(Amount in Rs. lakh)

State/ Union Territory	Bank Group								All Scheduled Commercial Banks	
	State Bank of India and its Associates		Nationalised Banks		Other Scheduled Commercial Banks		ForeignBanks			
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
1	2	3	4	5	6	7	8	9	10	11
Andhra Pradesh	2933,80	2806,24	7211,73	7147,68	714,06	772,30	1,00	1,00	10860,59	10727,22
	(27.0)	(26.2)	(66.4)	(66.6)	(6.6)	(7.2)	–	–	(100.0)	(100.0)
Arunachal Pradesh	70,15	70,89	75,42	75,79	1,98	1,98	–	–	147,55	148,66
	(47.5)	(47.7)	(51.1)	(51.0)	(1.3)	(1.3)			(100.0)	(100.0)
Assam	1115,34	1026,94	1526,98	1436,87	18,22	18,21	–	–	2660,54	2482,02
	(41.9)	(41.4)	(57.4)	(57.9)	(0.7)	(0.7)			(100.0)	(100.0)
Bihar	2502,06	2122,89	3575,58	3330,37	54,09	59,87	–	–	6131,73	5513,13
	(40.8)	(38.5)	(58.3)	(60.4)	(0.9)	(1.1)			(100.0)	(100.0)
Chhattisgarh	360,74	321,79	736,14	745,73	5,78	5,00	–	–	1102,66	1072,52
	(32.7)	(30.0)	(66.8)	(69.5)	(0.5)	(0.5)			(100.0)	(100.0)
Goa	159,90	140,67	464,03	450,84	15,75	9,30	–	–	639,68	600,81
	(25.0)	(23.4)	(72.5)	(75.0)	(2.5)	(1.5)			(100.0)	(100.0)
Gujarat	2601,35	2425,10	5478,11	5024,29	443,28	275,48	1,60	–	8524,34	7724,87
	(30.5)	(31.4)	(64.3)	(65.0)	(5.2)	(3.6)	–		(100.0)	(100.0)
Haryana	1019,34	948,85	2199,85	2118,18	62,97	79,76	–	–	3282,16	3146,79
	(31.1)	(30.2)	(67.0)	(67.3)	(1.9)	(2.5)			(100.0)	(100.0)
Himachal Pradesh	743,18	694,42	1690,93	1630,10	54,49	69,22	–	–	2488,60	2393,74
	(29.9)	(29.0)	(67.9)	(68.1)	(2.2)	(2.9)			(100.0)	(100.0)
Jammu & Kashmir	554,68	551,80	809,69	798,18	166,80	157,18	–	–	1531,17	1507,16
	(36.2)	(36.6)	(52.9)	(53.0)	(10.9)	(10.4)			(100.0)	(100.0)
Jharkhand	537,60	438,39	901,05	973,79	4,91	9,90	–	–	1443,56	1422,08
	(37.2)	(30.8)	(62.4)	(68.5)	(0.3)	(0.7)			(100.0)	(100.0)
Karnataka	1659,51	1571,22	4657,62	4420,22	643,17	580,78	10	–	6960,40	6572,22
	(23.8)	(23.9)	(66.9)	(67.3)	(9.2)	(8.8)	–		(100.0)	(100.0)
Kerala	1724,77	1574,31	3990,86	4200,01	470,45	455,40	–	–	6186,08	6229,72
	(27.9)	(25.3)	(64.5)	(67.4)	(7.6)	(7.3)			(100.0)	(100.0)
Madhya Pradesh	1786,42	1704,46	4595,79	4452,55	130,91	147,71	–	–	6513,12	6304,72
	(27.4)	(27.0)	(70.6)	(70.6)	(2.0)	(2.3)			(100.0)	(100.0)
Maharashtra	4217,33	3930,06	6102,90	5804,87	647,28	580,57	7,43	7,43	10974,94	10322,93
	(38.4)	(38.1)	(55.6)	(56.2)	(5.9)	(5.6)	(0.1)	(0.1)	(100.0)	(100.0)
Manipur	199,16	194,92	141,67	149,29	1	1	–	–	340,84	344,22
	(58.4)	(56.6)	(41.6)	(43.4)	–	–			(100.0)	(100.0)
Meghalaya	197,49	188,14	286,17	282,10	–	–	–	–	483,66	470,24
	(40.8)	(40.0)	(59.2)	(60.0)					(100.0)	(100.0)
Mizoram	163,05	159,52	110,96	112,16	3,32	3,32	–	–	277,33	275,00
	(58.8)	(58.0)	(40.0)	(40.8)	(1.2)	(1.2)			(100.0)	(100.0)

– : Nil or Negligible.

Note : Figures in brackets indicate percentae to all Scheduled Commercial banks figures.

Statement 10: Bank Group-Wise and State-Wise Classification of Scheduled Commercial Banks' Investments in State Government Securities and State-level Bodies (As at End-march) *(Concld.)*

(Amount in Rs. lakh)

State/ Union Territory	Bank Group								All Scheduled Commercial Banks	
	State Bank of India and its Associates		Nationalised Banks		Other Scheduled Commercial Banks		ForeignBanks			
	2005	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**	**2006**
1	2	3	4	5	6	7	8	9	10	11
Nagaland	370,99	332,34	265,86	258,96	5,02	5,02	–	–	641,87	596,32
	(57.8)	(55.7)	(41.4)	(43.4)	(0.8)	(0.8)			(100.0)	(100.0)
Orissa	1654,39	1486,19	3115,08	3018,80	149,48	147,30	30	30	4919,25	4652,59
	(33.6)	(31.9)	(63.3)	(64.9)	(3.0)	(3.2)	–	–	(100.0)	(100.0)
Punjab	1508,13	1393,27	3287,18	3340,01	152,56	123,80	–	–	4947,87	4857,08
	(30.5)	(28.7)	(66.4)	(68.8)	(3.1)	(2.5)			(100.0)	(100.0)
Rajasthan	3116,82	2643,62	5511,10	5250,67	336,10	347,51	–	–	8964,02	8241,80
	(34.8)	(32.1)	(61.5)	(63.7)	(3.7)	(4.2)			(100.0)	(100.0)
Sikkim	82,89	83,25	102,81	96,13	2,17	2,17	–	–	187,87	181,55
	(44.1)	(45.9)	(54.7)	(52.9)	(1.2)	(1.2)			(100.0)	(100.0)
Tamil Nadu	1959,69	1766,38	5183,77	5517,41	809,00	775,59	40	–	7952,86	8059,38
	(24.6)	(21.9)	(65.2)	(68.5)	(10.2)	(9.6)	–		(100.0)	(100.0)
Tripura	240,49	237,78	232,14	217,51	5,01	5,01	–	–	477,64	460,30
	(50.3)	(51.7)	(48.6)	(47.3)	(1.0)	(1.1)			(100.0)	(100.0)
Uttar Pradesh	6200,78	5531,08	9792,62	10000,95	248,27	222,49	1,00	1,00	16242,67	15755,52
	(38.2)	(35.1)	(60.3)	(63.5)	(1.5)	(1.4)	–	–	(100.0)	(100.0)
Uttaranchal	1095,17	1094,46	845,99	885,35	8,17	8,17	–	–	1949,33	1987,98
	(56.2)	(55.1)	(43.4)	(44.5)	(0.4)	(0.4)			(100.0)	(100.0)
West Bengal	4761,16	4485,40	7286,54	7025,87	278,01	308,84	1,00	1,00	12326,71	11821,11
	(38.6)	(37.9)	(59.1)	(59.4)	(2.3)	(2.6)	–	–	(100.0)	(100.0)
Andaman & Nicobar Islands	–	–	–	–	–	–	–	–	–	–
Chandigarh	–	–	1	1	–	–	–	–	1	1
			(100.0)	(100.0)					(100.0)	(100.0)
Delhi	4,60	80	87,19	42,56	6,75	6,00	–	–	98,54	49,36
	(4.7)	(1.6)	(88.5)	(86.2)	(6.9)	(12.2)			(100.0)	(100.0)
Daman & Diu	–	–	–	–	–	–	–	–	–	–
Lakshadweep	–	–	–	–	–	–	–	–	–	–
Pondicherry	4	4	8,65	8,54	–	–	–	–	8,69	8,58
	(0.5)	(0.5)	(99.5)	(99.5)					(100.0)	(100.0)
Dadra & Nagar Haveli	–	–	–	–	–	–	–	–	–	–
All India	**43541,02**	**39925,22**	**80274,42**	**78815,79**	**5438,01**	**5177,89**	**12,83**	**10,73**	**129266,28**	**123929,63**
	(33.7)	**(32.2)**	**(62.1)**	**(63.6)**	**(4.2)**	**(4.2)**	**—**	**—**	**(100.0)**	**(100.0)**

Annex

Annex Table : Select Macroeconomic and Financial Indicators

Item	2004-05	2005-06
I. Growth rate (per cent) of Real GDP at Factor Cost @ (Base Year: 1999-2000)	7.5	9.0
Of which (i) Agriculture & allied activities	0.0	6.0
(ii) Industry	8.4	8.0
(iii) Services	10.0	10.3
II. Growth of Resources/Utilisation of funds of Scheduled Commercial Banks (SCBs) (in per cent)@@		
(i) Aggregate Deposits	13.0	24.0
(ii) Bank Credit	30.9	37.0
(iii) Non-food Credit	31.6	38.4
(iv) Investments in Government Securities	9.8	-2.5
III. Certificates of Deposits issued by SCBs		
(i) Outstanding as on Last reporting Friday(Rs. Crore)	12,078	43,568
(ii) Effective Discount Rate as on fortnight ended on last reporting Friday (per cent)	4.21-6.34	6.50-8.94
IV. (i) Return on investments (SCBs) (per cent)	7.6	7.6
(ii) Return on advances (SCBs) (per cent)	7.1	7.2
V. Market Borrowings of Central Government (dated Securities)		
(i) Gross Borrowings (Rs. Crore)	88,350	131,000
(ii) Net Borrowings (Rs. Crore)	46,034	95,370
(iii) Weighted Average Maturity (in years)	14.13	16.90
(iv) Weighted Average yield (per cent)	6.11	7.34
VI Outstanding stock of Central Government (dated Securities)		
(i) Weighted Average Maturity (in years)	9.63	9.92
(ii) Weighted Average yield (per cent)	8.79	8.75
VII. Turnover in Government Securities Market (Face Value) Monthly average (in Rs. Crore) @@@		
(i) Govt. of India Dated Securities	1,47,537	1,12,251
(ii) State Govement Securities	4,411	3,345
VIII. Market Borrowings of State Governments		
(i) Gross Borrowings (Rs. Crore)	39,101	21,729
(ii) Net Borrowings (Rs. Crore)	33,978	15,455
(iii) Weighted Average Maturity (in years)	10.01	10.00
(iv) Weighted Average yield (per cent)	6.45	7.63

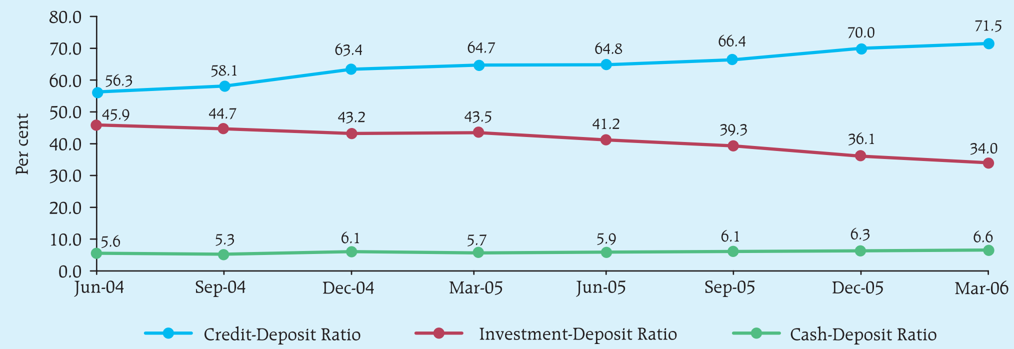
@ : Relates to Provisional Estimates for 2004-05 and Quick Estimates for 2005-06.

@@ : Data for 2004-05 are adjusted for conversions in Banking system since October 11, 2004.

@@@ : Based on SGL outright transactions in government securities in secondary market at Mumbai. It excludes repo transactions.

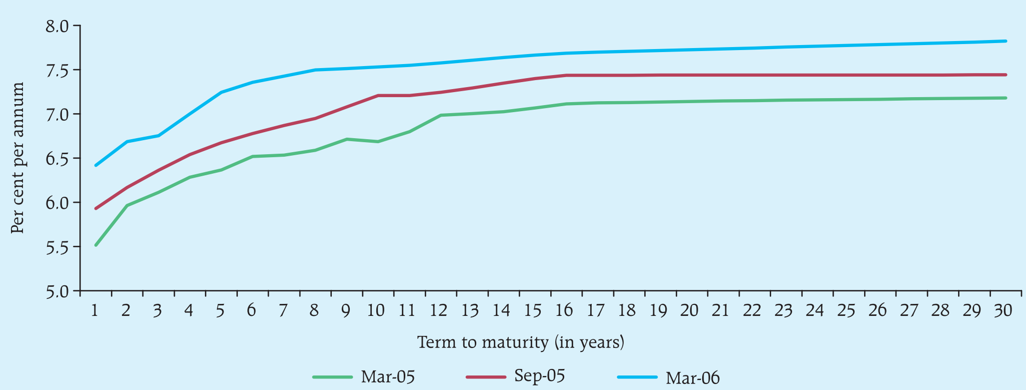
Source : Report on Trend and Progress of Banking in India, Annual Report of the Reserve Bank of India and Reserve Bank of India Bulletin.

Annex Chart 1: Trends of Credit-Deposit, Investment-Deposit and Cash-Deposit Ratios



Source: Handbook of Statistics on the Indian Economy, 2005-06

Annex Chart 2: Yield to Maturity for Secondary Market Transactions in Government Dated Securities



International Banking Statistics of India – December 2006*

The article presents international liabilities and assets of banks in India, classified under Locational Banking Statistics (LBS) and consolidated international/foreign claims under Consolidated Banking Statistics (CBS), compiled as per the International Banking Statistics system of the Bank for International Settlements (BIS), for the quarter ended December 2006. These data are compared with those as at the end of the previous quarter and a year ago. The analysis of international liabilities/assets, based on LBS, has been presented by instrument, country and sector of customer/borrower, currency and country of incorporation of reporting bank; and the consolidated international claims, based on CBS, according to country and sector of borrower and residual maturity. Further, a broad comparison of international/foreign claims of BIS reporting banks vis-à-vis Indian Banks as at the end of December 2005 and 2006 has also been covered. Besides, this article details international/foreign claims derived from on-balance sheet items, viz., loans and deposits, holdings of securities as well as off-balance sheet items, viz., derivatives, guarantees and credit commitments on ultimate risk basis.

I. Introduction

Eighty-four commercial and co-operative banks, which are authorised to deal in foreign exchange and accept non-resident deposits

* Prepared in the Banking Statistics Division of the Department of Statistical Analysis and Computer Services. The previous article on the subject as at end-September 2006 was published in April 2007 issue of the Bulletin.

(Indian Rupee and foreign currencies), have furnished information under the International Banking Statistics (IBS) system, as per the reporting system of the BIS. These banks submit the consolidated data of their reporting branches/offices. The foreign branches of Indian Banks also submit data on international claims, which are included in the consolidated position of the Indian Banks' international/foreign claims. The BIS reporting system of IBS has been revised from the reporting quarter March 2005, which, *inter alia,* covers the claims of domestic reporting banks arising from derivatives, guarantees and credit commitments. Accordingly, in this article international/foreign claims on ultimate risk basis of domestic reporting banks for the quarter ended December 2006 have been compared with those of the previous quarter and a year ago. A comparative analysis of the CBS of the BIS reporting countries and CBS of India for the fourth quarter of 2006 with corresponding quarter of 2005 is also presented in the article. A brief outline of the BIS reporting system of IBS comprising LBS and CBS, purpose of IBS, BIS reporting area for IBS, the distinction/relation between IBS of India *vis-à-vis* external debt of India has been provided in the Annex.

II. Data Coverage and Methodology@

The data cover authorised dealer (AD) branches of 84 reporting banks as at end-December 2006. Of these banks, 56 are Indian Banks (27 public sector banks including IDBI Ltd., 26 private sector banks and 3 co-operative banks) and 28 are foreign banks. The branches maintaining non-resident Rupee deposits like Non-Resident External Rupee (NRE) deposits and Non-Resident Ordinary (NRO) Rupee deposits are also covered. Further, banks' branches report, *inter-alia*, the detailed data on international liabilities and assets in actual currency [24 major foreign currencies and domestic currency (INR)] of transaction in IBS return. The international liabilities of banks covered in IBS (as defined by the BIS) and external debt reported by the banking sector in India are not strictly comparable, since certain items of liabilities, like, American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), equity of banks held by non-residents, included in IBS, are not part of the external debt.

@ The methodology of compilation of LBS/CBS and description of various terms used in IBS are provided in the Annex.

III. Discussion on Locational Banking Statistics and Consolidated Banking Statistics

III.1 Locational Banking Statistics (LBS)

International Liabilities/Assets

The international liabilities as well as the international assets of banks as at end-December 2006 increased over the previous quarter and the international liabilities of banks were 87.6 per cent higher than their international assets (Chart 1). The mismatch between the two, *i.e.,* international liabilities and assets, for banks in India, however, is attributed to deployment of the funds mobilised from abroad, in the domestic market in the domestic currency. The international liabilities of banks as at end-December 2006 increased by Rs. 7,245 crore (2.2 per cent) and Rs. 59,468 crore (21.0 per cent) over the position in the previous quarter and a year ago, respectively (Table 1). While the increase over previous quarter was mainly due to considerable increase in

Chart 1: International Liabilities and Assets of Banks in India

equities of banks held by non-residents, ADRs/GDRs, the increase over the position a year ago was, in addition to rise in equities of banks held by non-residents, ADRs/GDRs, contributed by FCNR(B) deposits, Non-resident External Rupee (NRE) Accounts, other foreign currency deposits and EEFC deposits. The liabilities denominated in foreign currencies as at end-December 2006 accounted for 48.6 per cent of the total international liabilities as compared with 51.9 per cent a year ago. The decline in liabilities was mainly due to sizeable increase in Rupee denominated equities of banks held by non-residents coupled with decline in the foreign currency borrowings.

The international assets as at end-December 2006, increased by Rs. 19,480

Table 1: International Liabilities and Assets of Banks in India (Branches of Indian and Foreign Banks in India)

Items	Amount Outstanding # as at end						Growth [absolute/ in %] over	
	December 2005		September 2006		December 2006			
	Rs. crore+	US $ million	Rs. crore+	US $ million	Rs. crore+	US $ million	Prev. Qtr.	Prev. Yr.
International Liabilities								
Liabilities to residents and non-residents denominated in foreign currencies	146,836 (51.9)	32,594 (51.9)	169,497 (50.6)	36,907 (50.6)	166,223 (48.6)	37,556 (48.6)	-3,274 -1.9	19,387 13.2
Liabilities to non-residents denominated in Indian Rupees	135,939 (48.1)	30,175 (48.1)	165,501 (49.4)	36,037 (49.4)	176,020 (51.4)	39,770 (51.4)	10,519 6.4	40,081 29.5
Total International Liabilities +	**282,775 (100.0)**	**62,769 (100.0)**	**334,998 (100.0)**	**72,945 (100.0)**	**342,243 (100.0)**	**77,326 (100.0)**	**7,245 2.2**	**59,468 21.0**
International Assets								
Foreign Currency (FC) Assets (includes FC loans to residents and non-residents, Outstanding Export Bills, FC lending to banks in India, FC deposits with banks in India,Overseas FC Assets, Remittable profits of foreign branches of Indian banks, *etc.*)	141,157 (96.3)	31,333 (96.3)	155,571 (95.4)	33,875 (95.4)	174,938 (95.9)	39,525 (95.9)	19,367 12.4	33,781 23.9
Assets in Indian Rupees with Non-residents (includes Rupee loans to non-residents out of non-resident deposits)	5,380 (3.7)	1,194 (3.7)	7,420 (4.6)	1,616 (4.6)	7,533 (4.1)	1,702 (4.1)	113 1.5	2,153 40.0
Total International Assets	**146,537 (100.0)**	**32,528 (100.0)**	**162,991 (100.0)**	**35,491 (100.0)**	**182,471 (100.0)**	**41,227 (100.0)**	**19,480 12.0**	**35,934 24.5**

+ : 1 crore = 10 million. The FEDAI revaluation rate for Rupee-US Dollar exchange as at end-December 2005, September 2006, and December 2006 were Rs. 45.05, Rs 45.925 and Rs. 44.26 per US Dollar, respectively .

: Data pertain to only reporting branches. As such, these data provide broad dimensions of international assets and liabilities.

Notes :
1. All figures are inclusive of accrued interest.
2. Figures in brackets represent percentages to total international assets.
3. Sum of the components may not tally with total due to rounding off.
4. Data have been revised for previous quarters.

crore (12.0 per cent) to Rs.1,82,471 crore over the position of the previous quarter. The increase in foreign currency assets was due to considerable rise in NOSTRO balances and/or placements held/made abroad and loans to non-residents. The international assets denominated in foreign currencies accounted for 95.9 per cent of total international assets as at end-December 2006 as compared with 95.4 per cent in the previous quarter and 96.3 per cent a year ago.

International Liabilities Vs External Debt of Indian Banking System

Details of international liabilities, in US dollar terms, classified into items those are included and excluded under external debt statistics, are presented in Table 2. The external debt part of international liabilities of banks in India, which covers FCNR(B) Deposits, NR(E)R Deposits, foreign currency borrowings, issue of Bonds, FII deposits, *etc.*, increased by US $ 470 million over the position in the previous quarter and stood at US $ 55,213 million as at end-December 2006. In relation to this, over the same period India's external debt increased by US $ 6,188 million from US $ 136,468 million as at end-September 2006 to US $ 142,656 million as at end-December 2006[1]. Non-debt liabilities (ADRs, GDRs, equities of banks held by non-residents and capital of foreign banks' branches in India) increased by US $ 3,492 million in December 2006 over September 2006 and stood at US $ 17,409 million. Foreign currency liabilities towards residents increased to US $ 2,957 million as at end-December 2006 as compared with US $ 2,665 million in September 2006 and US $ 2,645 million a year ago.

Composition by Instruments

Major component-wise international liabilities of banks in India as at end-December 2006 are depicted in Chart 2 and their details given in Statement I. 'Deposits and Loans' accounted for the largest share at 75.9 per cent of total international liabilities of banks as at end-December 2006, showing a decline of 3.5 percentage points over the share in the previous quarter. The decline in the share of 'Deposits and Loans' is attributable to sizable decrease in the share of foreign currency borrowing and also considerable increase in the share of 'other international liabilities' [Statement I]. The share of 'own issues of debt securities' hovered around 1.6 per cent in various quarters covering period from December 2005 to December 2006. The share of 'other international liabilities' in total international liabilities increased by 3.4 and 7.2 percentage points compared with its share in the previous quarter and a year ago, on account of significant increase in banks' equity holding by non-residents and issue of ADRs/ GDRs. It may be noted that the considerable increase in banks' equity holding by non-residents during the quarter was mainly due to significant increase in the value of equity shares of some banks.

About 68.3 per cent of the total international liabilities as at end-December 2006 was accounted for by only three components of international liabilities, viz., NRE Rupee deposits (32.4 per cent), FCNR(B) deposits (19.5 per cent) and Foreign Currency Borrowing (16.4 per cent) (Statement I). While 73.0 per cent of FCNR(B) deposits and 59.9 per cent of NRE Rupee deposits

[1] India's External Debt, released by the Reserve Bank of India (http://rbi.org.in)

Table 2: International Liabilities of Banks in India

(US $ million)

Categories / Items	Amount Outstanding as at end			Growth over	
	December 2005	September 2006	December 2006	Prev. Qtr.	Prev. Yr.
I. Items included under External Debt Statistics +	**55,947**	**54,743**	**55,213**	**470**	**-734**
1. Foreign Currency Non-Resident Bank [FCNR(B)] Schemes	14,181	14,356	15,042	686	861
2. Non-Resident External (NRE) Rupee A/Cs	23,525	23,483	25,070	1,587	1,545
3. Foreign Currency Borrowings (includes Inter-bank borrowings and external commercial borrowings of banks) other than through ADRs, GDRs, Bonds, *etc.*	15,629	14,487	12,687	-1,800	-2,942
4. Bonds (including India Millennium Deposits)	1,022	997	1,158	161	136
5. Floating Rate Notes (FRNs)	–	–	–	–	–
6. Foreign Institutional Investors' (FII) A/Cs	1,488	1,318	1,156	-162	-332
7. Other Own issues of Intl. Debt Securities	102	100	100	–	–
II. Items not included under External Debt Statistics	**1,382**	**1,347**	**1,443**	**96**	**61**
1. Embassy A/Cs	41	44	52	8	11
2. ESCROW A/Cs	6	3	2	-1	-4
3. Non-Resident Ordinary(NRO) Rupee Deposits	1,335	1,299	1,390	91	55
III. Non-Debt Liabilities (not included in External Debt due to definitional aspects)	**10,863**	**13,917**	**17,409**	**3,492**	**6,546**
1. American Depository Receipts(ADRs) and Global Depository Receipts (GDRs)	2,906	3,836	5,152	1,316	2,246
2. Equities of banks held by NRIs	5,151	7,264	8,989	1,725	3,838
3. Capital of foreign banks/branches in India and certain other items in transition	2,806	2,817	3,268	451	462
IV. FC Liabilities to Residents (not included in External Debt due to definitional aspects) +	**2,645**	**2,665**	**2,957**	**292**	**312**
1. Exchange Earners' Foreign Currency (EEFC) A/Cs	1,540	1,570	1,958	388	418
2. Resident Foreign Currency (RFC) Deposits	378	330	320	-10	-58
3. Inter-Bank Foreign Currency Deposits and other Foreign Currency Deposits of Residents	727	765	679	-86	-48
V. Other Items of International Liabilities (not included in External Debt due to definitional aspects)	**365**	**272**	**303**	**31**	**-62**
1. Balances in VOSTRO A/Cs of non-resident banks and exchange houses (including term deposits)	365	272	303	31	-62
VI. Total International Liabilities (I+II+III+IV+V)	**71,201**	**72,945**	**77,326**	**4,381**	**6,125**

+ : Data as reported under IBS do not cover all branches and are not comparable with data reported by all bank branches under a different set of data.

Notes: 1. All figures are inclusive of accrued interest.

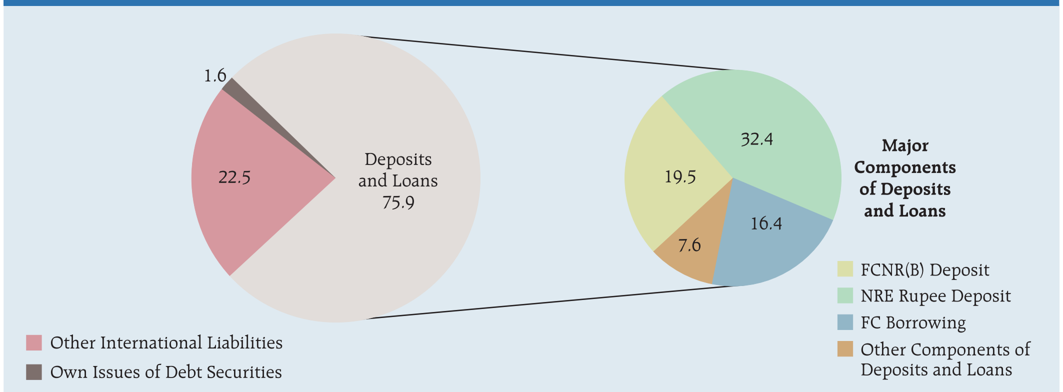
2. The FEDAI revaluation rate for Rupee-US Dollar exchange as at end-December 2005, September 2006, and December 2006 were Rs. 45.05, Rs 45.925 and Rs. 44.26 per US Dollar, respectively.

3. Data have been revised for previous quarters.

emanated from residents of the three countries, *viz.*, the US, the UK and UAE, about 67.9 per cent of total foreign currency borrowings originated from the entities in the four countries, *viz.*, the US (33.5 per cent), Singapore (13.4 per cent), the UK (11.8 per cent) and Germany (9.2 per cent) (Statement II).

The 'loans and deposits', accounting for the highest share of 93.5 per cent (Chart 3) in total international assets of banks as at end-December 2006 increased by 1.3 percentage points and 0.7 percentage points over the share in the previous quarter and a year ago, respectively [Statement I]. The share of 'other international assets', which

Chart 2: Major Components of International Liabilities of Banks In India as at end-December 2006 (Figures in per cent)



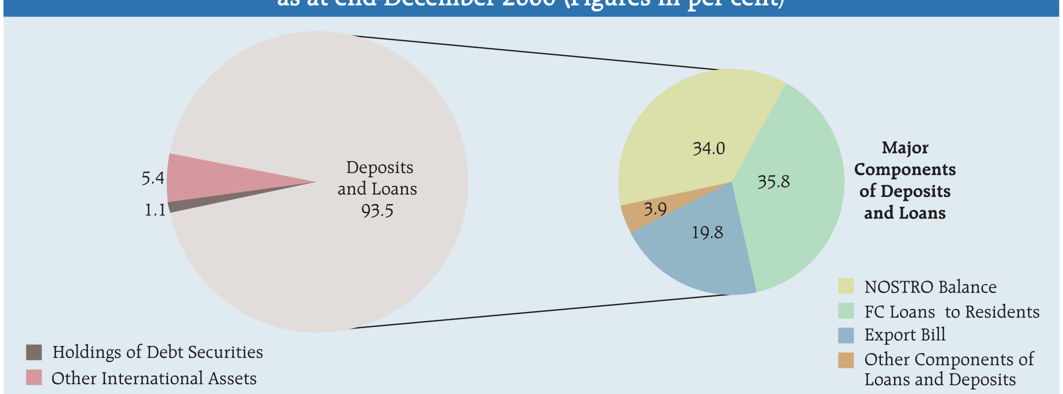
includes investments made by banks in foreign equities and capital supplied to and profits receivable from foreign branches/ subsidiaries of Indian Banks, declined by 1.1 percentage point in December 2006 as compared with previous quarter.

Three major components constituting about 89.6 per cent, of international assets were foreign currency loans to residents (35.8 per cent), NOSTRO balances including placements abroad (34.0 per cent) and outstanding export bills (19.8 per cent) (Statement I). About 77.4 per cent of the total NOSTRO balances were concentrated only in four countries [*viz.,* the US (46.6 per cent), the UK (14.6 per cent), Hong Kong (9.7 per cent), and Singapore (6.5 per cent)] and about 59.6 per cent of the total outstanding export bills were spread over six countries [*viz.*, the US (32.1 per cent), Hong Kong (7.0 per cent), UAE (6.7 per cent), the UK (5.8 per cent), Singapore (4.1 per cent) and Germany (3.9 per cent)] (Statement III).

Composition by Currency

In terms of currency composition of international liabilities for all sectors as at end-December 2006 the liabilities in Indian

Chart 3: Major Components of International Assets of Banks In India as at end-December 2006 (Figures in per cent)



Rupee accounted for the major share (51.4 per cent), followed by liabilities in the US dollar (36.7 per cent) and Pound Sterling (5.6 per cent). The Euro denominated liabilities accounted for a small share of 1.6 per cent (Chart 4, Table 3 and Statement IV). The significant increase in the share of liabilities in Indian Rupee was due to considerable increase in holding of equities of banks by non-residents over the share a year ago.

With regard to currency composition of international assets for all sectors as at end-December 2006, the US dollar denominated assets continued to account for the maximum share (81.9 per cent), followed by Euro (4.9 per cent), Indian Rupee (4.1 per cent) and Pound Sterling (3.6 per cent) (Chart 5, Table 3 and Statement IV).

Composition by Sector

The sectoral composition of international liabilities of banks in terms of 'banks' and 'non-banks' showed that the share of liabilities of 'non-bank' sector increased by 3.0 percentage points over September 2006 and stood at 77.8 per cent as at end-December 2006 (Table 4). Correspondingly, there was a fall in the share of 'non-bank' sector in international assets.

Chart 4: International Liabilities of Banks in India - Currency Composition

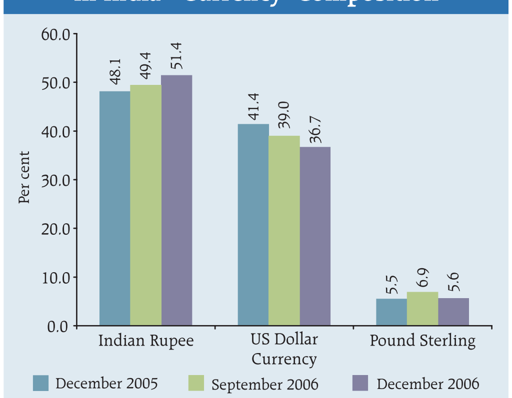


Table 3: International Liabilities and Assets of Banks - Currency Composition

(Rs. crore)

Currency Name	Amount Outstanding as at end		
	December 2005	September 2006	December 2006
International Liabilities			
Total	**282,775**	**334,998**	**342,243**
of which:			
Indian Rupee	135,938	165,500	176,021
	(48.1)	(49.4)	(51.4)
US Dollar	117,071	130,611	125,609
	(41.4)	(39.0)	(36.7)
Pound Sterling	15,436	23,057	19,064
	(5.5)	(6.9)	(5.6)
International Assets			
Total	**146,537**	**162,991**	**182,471**
of which:			
US Dollar	122,858	131,309	149,502
	(83.8)	(80.6)	(81.9)
EURO	5,073	8,008	8,894
	(3.5)	(4.9)	(4.9)
Indian Rupee	5,381	7,420	7,533
	(3.7)	(4.6)	(4.1)
Pound Sterling	5,620	5,782	6,547
	(3.8)	(3.5)	(3.6)

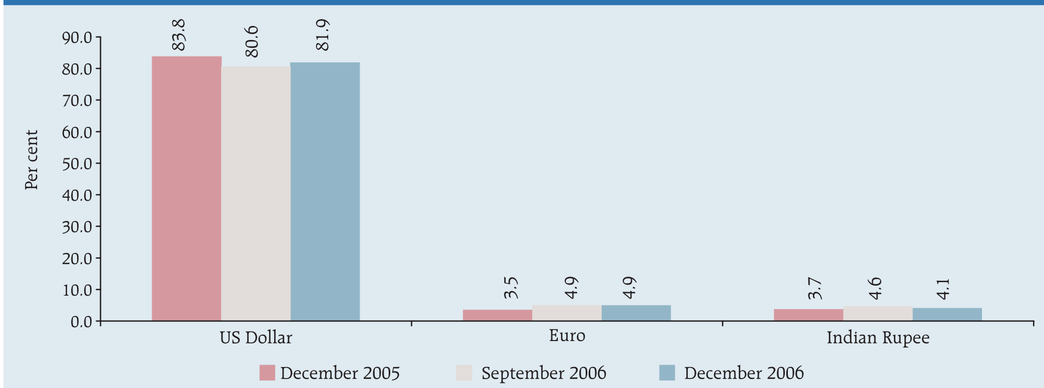
Notes : 1. Figures in brackets represent percentages to total international assets.
2. Data have been revised for previous quarters.

As regards international assets, the share of 'bank' sector increased by 3.5 percentage points as at end-December 2006 over the share in the previous quarter due to considerable increase in NOSTRO balances and placement of funds abroad and, correspondingly, the share of 'non-bank' sector declined. The currency and sector-wise composition of international liabilities and assets in greater detail are presented in Statement IV.

Composition by Country of Residence of Transacting Units

About 68.6 per cent of total international liabilities of banks were

Chart 5: International Assets of Banks in India - Currency Composition



towards the transacting units (bank and non-bank sector) of six countries, *viz.*, the US (31.9 per cent), the UK (13.9 per cent), UAE (8.5 per cent), Mauritius (5.4 per cent), India (4.5 per cent) and Singapore (4.4 per cent) as at end-December 2006 [Chart 6, Table 5]. The share of international liabilities towards the US, UAE, Singapore and Mauritius increased in contrast to decline in share of the UK and India's share at the same level compared with their positions in the previous quarter.

Table 4: International Liabilities and Assets of Banks -Sector Composition

(Rs. crore)

Sector	Amount Outstanding as at end		
	December 2005	September 2006	December 2006
International Liabilities			
Total	**282,775**	**334,998**	**342,243**
of which:			
Bank	74,421 (26.3)	84,275 (25.2)	76,098 (22.2)
Non-Bank	208,354 (73.7)	250,723 (74.8)	266,145 (77.8)
International Assets			
Total	**146,537**	**162,991**	**182,471**
of which:			
Bank	61,039 (41.7)	67,330 (41.3)	81,757 (44.8)
Non-Bank	85,498 (58.3)	95,661 (58.7)	100,714 (55.2)

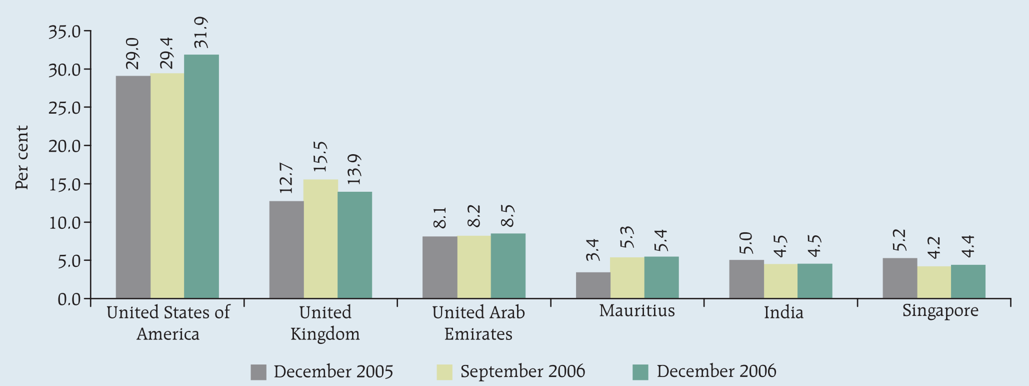
Notes : 1. Figures in brackets represent percentages to total international assets.
2. Data have been revised for previous quarters.

In respect of international assets of banks as at end-December 2006, 77.7 per cent of total international assets concentrated in the five countries, *viz.*, India (36.0 per cent), the US (24.4 per cent), the UK (8.3 per cent), Hong Kong (5.1 per cent) and Singapore (3.9 per cent) (Chart 7, Table 5). The details of international liabilities and assets of banks in India, according to country of residence of transacting units, are presented in Statement V.

Composition by Country of Incorporation of Reporting Bank

The classification of international liabilities of banks according to their country of incorporation revealed that the Indian Banks accounted for the maximum share at 81.1 per cent as at end-December 2006. Banks incorporated in other countries, namely, the USA, Hong Kong, the UK and Netherlands had very low shares ranging between 1.8 per cent and 5.1 per cent [Table 6].

Chart 6: International Liabilities of Banks in India According to Country of Residence of Transacting Units as at end



In the case of international assets, India accounted for the highest share (77.2 per cent), followed by the USA (6.5 per cent), Hong Kong (4.7 per cent), the UK (3.5 per cent), Netherlands (2.1 per cent) and Germany (2.1 per cent). These countries,

Table 5: International Liabilities and Assets of Banks in India according to Country of Residence of Transacting Units

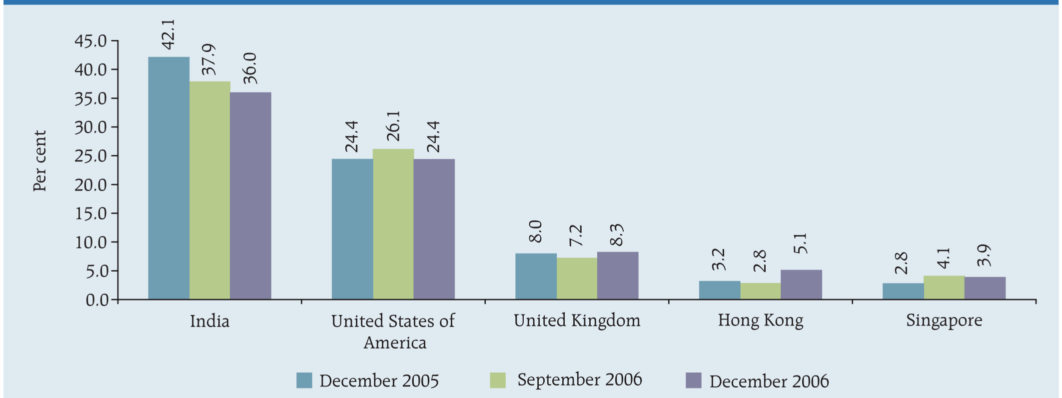
(Rs. crore)

Country of Residence	Amount Outstanding as at end			Country of Residence	Amount Outstanding as at end		
	December 2005	September 2006	December 2006		December 2005	September 2006	December 2006
International Liabilities				**International Assets**			
Total International Liabilities *of which:*	**282,775**	**334,998**	**342,243**	**Total International Assets** *of which:*	**146,537**	**162,991**	**182,471**
United States of America #	82,110 (29.0)	98,561 (29.4)	109,033 (31.9)	India	61,761 (42.1)	61,751 (37.9)	65,666 (36.0)
United Kingdom @	35,871 (12.7)	52,066 (15.5)	47,728 (13.9)	United States of America #	35,770 (24.4)	42,585 (26.1)	44,475 (24.4)
United Arab Emirates	22,881 (8.1)	27,364 (8.2)	28,931 (8.5)	United Kingdom @	11,688 (8.0)	11,747 (7.2)	15,060 (8.3)
Mauritius	9,645 (3.4)	17,869 (5.3)	18,641 (5.4)	Hong Kong	4,701 (3.2)	4,622 (2.8)	9,352 (5.1)
India	14,202 (5.0)	14,925 (4.5)	15,568 (4.5)	Singapore	4,081 (2.8)	6,675 (4.1)	7,106 (3.9)
Singapore	14,843 (5.2)	13,984 (4.2)	15,053 (4.4)				

@ : Excluding Guernsey, Isle of Man and Jersey. # : Includes Miday Island and Wake Islands.

Notes : 1. Figures in brackets represent percentages to total international assets.
2. Data have been revised for previous quarters.

Chart 7: International Assets of Banks in India according to Country of Residence of Transacting Units as at end



together, covered 96.1 per cent of total international assets as at end-December 2006 [Table 6]. Further details of international liabilities and assets of banks according to their country of incorporation are presented in Statement VI.

III.2 Consolidated Banking Statistics (CBS)

International/Foreign Claims

The CBS provides country-wise (immediate country risk exposure), residual maturity-wise and sector-wise classification

Table 6: International Liabilities and Assets of Banks in India According to Country of Incorporation of Reporting Bank

(Rs. crore)

Country of Incorporation	Amount Outstanding as at end			Country of Incorporation	Amount Outstanding as at end		
	December 2005	September 2006	December 2006		December 2005	September 2006	December 2006
International Liabilities				International Assets			
Total International Liabilities *of which:*	**282,775**	**334,998**	**342,243**	**Total International Assets** *of which:*	**146,537**	**162,991**	**182,471**
India	229,326 (81.1)	270,325 (80.7)	277,649 (81.1)	India	119,281 (81.4)	132,535 (81.3)	140,787 (77.2)
United States of America	14,080 (5.0)	16,770 (5.0)	17,330 (5.1)	United States of America	8,107 (5.5)	9,694 (5.9)	11,900 (6.5)
Hong Kong	13,040 (4.6)	14,971 (4.5)	15,740 (4.6)	Hong Kong	3,983 (2.7)	3,551 (2.2)	8,541 (4.7)
United Kingdom	8,820 (3.1)	11,492 (3.4)	11,762 (3.4)	United Kingdom	3,973 (2.7)	4,786 (2.9)	6,447 (3.5)
Netherlands	5,398 (1.9)	6,793 (2.0)	6,303 (1.8)	Netherlands	4,847 (3.3)	3,937 (2.4)	3,879 (2.1)
				Germany	3,407 (2.3)	4,406 (2.7)	3,782 (2.1)

Notes: 1. Figures in brackets represent percentages to total international assets.
2. Data have been revised for previous quarters.

of international claims of banks on countries other than India. It also provides consolidated country risk exposure on an ultimate risk basis, sector-wise classification of foreign claims (through on-balance-sheet items) and international claims arising from derivatives, guarantees and credit commitments. Data presented in the article are based on the data reported by branches of banks in India and foreign branches of Indian Banks.

Exposure/Claims on Immediate Risk Basis

Consolidated international claims of banks, based on immediate risk basis, on countries other than India as at end-December 2006, registered an increase of Rs. 18,736 crore (16.3 per cent) to Rs.1,33,424 crore over previous quarter. The increase in the claims over the year was at Rs. 45,339 crore (51.5 per cent). (Table 7).

Composition by Country of Residence of Transacting Unit - Immediate Risk Basis

Consolidated international claims of banks, classified according to country of immediate risk revealed that reporting banks' claims on the US accounted for the largest share (25.1 per cent), followed by the UK (14.0 per cent), Hong Kong (6.9 per cent) and Singapore (5.7 per cent) as at end-December 2006 (Chart 8 and Table 7). The share of claims on Hong Kong and UAE increased while that of the USA, the UK, Singapore and Germany declined over the position in the previous quarter.

Composition by Residual Maturity-Immediate Risk Basis

Consolidated international claims of banks on immediate country risk basis, classified by their residual maturity, is presented in Table 8. The reporting banks continued to prefer short-term lending/ investment, since the short-term claims (claims with residual maturity up to one year) accounted for 74.8 per cent of total international claims and the long-term claims accounted for 25.0 per cent as at end-December 2006 (Table 8). The details of consolidated international claims of banks according to residual maturity and

Chart 8: Consolidated International Claims of Banks on Countries other than India on Immediate country Risk Basis (as at end)

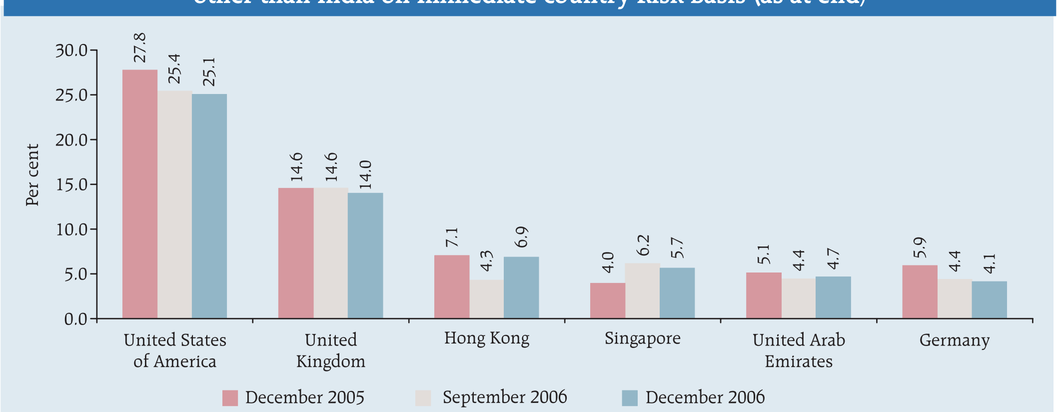


Table 7: Consolidated International Claims of Banks on Countries other than India on Immediate Country Risk Basis

Country	Amount Outstanding as at end						Growth [absolute (Rs.) / in %] over	
	December 2005		September 2006		December 2006			
	Rs. crore+	US $ million	Rs. crore+	US $ million	Rs. crore+	US $ million	Prev. Qtr.	Prev. Yr.
Total Consolidated International Claims (excluding claims on India)	**88,085**	**19,553**	**114,688**	**24,973**	**133,424**	**30,146**	**18,736 (16.3)**	**45,339 (51.5)**
of which:								
United States of America #	24,471	5,432	29,152	6,348	33,435	7,554	4,283	8,964
	(27.8)	(27.8)	(25.4)	(25.4)	(25.1)	(25.1)	14.7	36.6
United Kingdom@	12,827	2,847	16,745	3,646	18,703	4,226	1,958	5,876
	(14.6)	(14.6)	(14.6)	(14.6)	(14.0)	(14.0)	11.7	45.8
Hong Kong	6,221	1,381	4,944	1,077	9,173	2,073	4,229	2,952
	(7.1)	(7.1)	(4.3)	(4.3)	(6.9)	(6.9)	85.5	47.5
Singapore	3,495	776	7,066	1539	7,539	1703	473	4,044
	(4.0)	(4.0)	(6.2)	(6.2)	(5.7)	(5.7)	6.7	115.7
United Arab Emirates	4,505	1,000	5,100	1,111	6,236	1,409	1,136	1,731
	(5.1)	(5.1)	(4.4)	(4.4)	(4.7)	(4.7)	22.3	38.4
Germany	5,233	1,162	5,035	1,096	5,514	1,246	479	281
	(5.9)	(5.9)	(4.4)	(4.4)	(4.1)	(4.1)	9.5	5.4

\+ : 1 crore = 10 million. The FEDAI revaluation rate for Rupee-US Dollar exchange as at end-December 2005, September 2006, and December 2006 were Rs. 45.05, Rs 45.925 and Rs. 44.26 per US Dollar, respectively.

@ : Excluding Guernsey, Isle of Man and Jersey, #: Includes Miday Island and Wake Islands.

Notes : 1. Figures in brackets represent percentages to the total international claims.

2. Data have been revised for previous quarters.

country of immediate risk are provided in Statement VII.

Composition by Sector - Immediate Risk Basis

Sectoral classification of consolidated international claims of banks on other countries, on immediate country risk basis is presented in Table 9. The share of 'bank' sector increased, due to increase in NOSTRO balances and placements abroad, by 2.0 percentage points as at end-December 2006 over the share in the previous quarter and, correspondingly the share of 'non-bank private' sector declined. The details of international claims of banks according to sector and country of immediate risk are presented in Statement VII.

Exposure/Claims on Ultimate Risk Basis

Consolidated foreign claims (international claims of Indian Banks including the claims of their foreign offices plus local claims in local currency of foreign offices of Indian Banks) of domestic banks on ultimate risk basis increased from Rs. 1,18,295 crore as at end-September 2006 to Rs. 1,30,638 crore as at end-December 2006 (Table 10). The consolidated contingent claims/exposure of Indian Banks, on countries other than India, arising from derivatives, guarantees and credit commitments as at end-December 2006 stood at Rs. 10,717 crore, Rs. 13,326 crore and Rs. 1,411 crore, respectively.

Table 8: Maturity-wise break-up of Consolidated International Claims of Banks on Countries other than India on Immediate Country Risk Basis

(Rs. crore)

Residual Maturity	Amount Outstanding as at end		
	December 2005	September 2006	December 2006
Short Term *	70,362 (79.9)	86,175 (75.1)	99,780 (74.8)
Long Term **	16,605 (18.9)	27,796 (24.2)	33,369 (25.0)
Unallocated ***	1,118 (1.3)	716 (0.6)	275 (0.2)
Total Consolidated International Claims (excluding claims on India)	**88,085 (100.0)**	**114,688 (100.0)**	**133,424 (100.0)**

* : Claims with a residual maturity of up to and including one year

** : Claims with a residual maturity of over one year (excluding unallocated maturity)

*** : Residual Maturity "Unallocated" comprises maturity not applicable for certain items (*i.e.*, equities, fixed assets, *etc.*) and maturity information not available.

Notes : 1. Figures in brackets represent percentages to total international claims.
2. Data have been revised for previous quarters.

Composition by Country of Residence of Transacting Units: Ultimate Risk Basis

Consolidated foreign claims and claims arising from derivatives, guarantees and credit commitments of Indian Banks, classified according to country of ultimate risk are presented in Table 10. About 53.8 per cent of total consolidated foreign claims of Indian Banks were concentrated in five countries, *viz.*, the USA (25.3 per cent), the UK (12.9 per cent), Germany (4.9 per cent), Singapore (5.8 per cent) and UAE (4.9 per cent) as at end-December 2006. As regards consolidated international claims of Indian Banks arising from derivatives, France had the maximum share (35.8 per cent), followed by the UK (16.8 per cent), US (11.9 per cent),

Table 9: Sector-wise Consolidated International Claims of Banks on Countries other than India on Immediate Country Risk Basis

(Rs. crore)

Sector	Amount Outstanding as at end		
	December 2005	September 2006	December 2006
Bank	40,896 (46.4)	49,932 (43.5)	60,649 (45.5)
Non-Bank Public Sector	1,446 (1.6)	840 (0.7)	872 (0.7)
Non-Bank Private Sector	45,744 (51.9)	63,916 (55.7)	71,903 (53.9)
Total Consolidated International Claims (excluding claims on India)	**88,085 (100.0)**	**114,688 (100.0)**	**133,424 (100.0)**

Notes : 1. Figures in brackets represent percentages to total international claims.
2. Data have been revised for previous quarters.

Germany (8.2 per cent) and Hong Kong (3.9 per cent). In respect of consolidated international claims of Indian Banks arising from guarantees, the USA had the maximum share (33.5 per cent), followed by China (8.5 per cent), UAE (7.8 per cent), Singapore (5.5 per cent) and Germany (5.2 per cent). About 78.6 per cent claims arising from credit commitments were concentrated in five countries, *viz.*, the USA (56.3 per cent), France (7.4 per cent), Singapore (6.3 per cent), Luxemburg (5.7 per cent) and Germany (2.9 per cent).

III.3 Comparison of CBS of the Countries Reporting Data to BIS vis-à-vis CBS of India

A comparative position of CBS of India and the CBS of BIS reporting countries as at end-December 2005 and 2006 has been presented in this section covering three aspects, *viz.*, (i) consolidated international/ foreign claims of banks in the BIS reporting

Table 10: Consolidated Foreign Claims and Contingent Claims/Exposures arising from Derivatives, Guarantees and Credit Commitments of Domestic Banks on Ultimate Risk Basis

(Rs. crore)

Country of Ultimate Risk	Consolidated Claim (as at end)			Country of Ultimate Risk	Consolidated Claim (as at end)		
	December 2005	September 2006	December 2006		December 2005	September 2006	December 2006
Total Foreign Claims				**Contingent Claims/Exposures Arising from Guarantees**			
Total	**98,363**	**118,295**	**130,638**	**Total**	**13,026**	**11,686**	**13,326**
of which:				*of which:*			
United States of America #	23,075 (23.5)	26,162 (22.1)	33,104 (25.3)	United States of America #	3,332 (25.6)	3,558 (30.4)	4,461 (33.5)
United Kingdom @	14,130 (14.4)	15,932 (13.5)	16,803 (12.9)	China	687 (5.3)	815 (7.0)	1,130 (8.5)
Singapore	4,190 (4.3)	5,996 (5.1)	7,573 (5.8)	United Arab Emirates	1,079 (8.3)	749 (6.4)	1,045 (7.8)
Germany	7,177 (7.3)	6,155 (5.2)	6,433 (4.9)	Singapore	1021 (7.8)	560 (4.8)	727 (5.5)
United Arab Emirates	5,074 (5.2)	5,314 (4.5)	6,403 (4.9)	Germany	2,003 (15.4)	1,103 (9.4)	690 (5.2)
Contingent Claims/Exposures Arising from Derivatives				**Contingent Claims/Exposures Arising from Credit Commitments**			
Total	**8,963**	**8,735**	**10,717**	**Total**	**437**	**865**	**1,411**
of which:				*of which:*			
France	1,366 (15.2)	2,378 (27.2)	3,832 (35.8)	United States of America #	168 (38.4)	525 (60.7)	795 (56.3)
United Kingdom @	3,943 (44.0)	1,516 (17.4)	1,805 (16.8)	France	3 (0.7)	136 (15.7)	105 (7.4)
United States of America #	752 (8.4)	605 (6.9)	1,275 (11.9)	Singapore	48 (11.0)	48 (5.5)	89 (6.3)
Germany	1,169 (22.2)	565 (6.5)	874 (8.2)	Luxembourg	35 (8.0)	5 (0.6)	80 (5.7)
Hong Kong	19 (0.2)	398 (4.6)	419 (3.9)	Germany	12 (2.7)	4 (0.5)	41 (2.9)

@ : Excluding Guernsey, Isle of Man and Jersey. # : Includes Miday Island and Wake Islands.

Note : Figures in brackets represent percentages to total.

countries on all other countries, (ii) consolidated international/foreign claims of banks in the BIS reporting countries on India and (iii) international/foreign claims of Indian Banks on countries other than India. It may be mentioned that the data published by the BIS relate to the consolidated total international/foreign claims of all BIS reporting countries on other countries. Further, the claims of India denote claims of Indian Banks' branches/offices, operating in India and abroad, on countries other than India.

Total International/Foreign Claims-Immediate Risk Basis

Total foreign claims of banks in the BIS reporting countries on all other countries recorded a growth of 25.8 per cent in December 2006 over December 2005 (Table 11). Total foreign claims of Indian Banks on other countries also increased by US $ 10.3 billion (46.2 per cent) during the same period. As regards the components of 'total foreign claims', *viz.*, 'local claims in local currencies' and 'international claims', the share of 'local claims in local currencies' of banks in the BIS reporting countries to total foreign claims declined marginally and correspondingly, the share of total international claims increased at end-December 2006 as compared with their respective share a year ago. In respect of claims of Indian Banks, the share of international claims increased and, thus, the share of local claims in local currencies declined.

International claims of banks in the BIS reporting countries on India (*i.e.,* India's liability) stood at US $ 83.0 billion as at end-December 2006, which was more by US $ 27.7 billion over the position a year ago, whereas the international claims of Indian Banks on other countries (*i.e.,* India's asset) stood at US $ 27.9 billion as at end-December 2006, which was more by US $ 9.3 billion over the position a year ago. As regards 'total foreign claims', the claims on India (US $ 131.9 billion) were more than almost four times the claims of Indian Banks on other countries (US $ 32.6 billion). The considerable divergence could partly be attributed to the 'local claims in local currencies' covering lending/investment of foreign banks' offices in India (US $ 48.8 billion), which was significantly higher than the 'local claims in local currencies' of Indian Banks' foreign offices (US $ 4.7 billion).

International Claims-by Residual Maturity and Sector

Maturity-wise classification of international claims of banks in the BIS reporting countries on all other countries revealed that the share of 'long-term' as well as 'short-term' claims declined marginally as at end-December 2006 compared with their respective shares a year ago due to increase in claims in unallocated category. The Indian Banks preferred 'short-term' lending/ investment as at end-December 2006.

Maturity pattern of international claims of banks in the BIS reporting countries on India and that of international claims of Indian Banks on other countries revealed

Table 11: Claims of BIS Reporting Banks on India & other Countries and Indian Banks' claim on other Countries - Immediate Country Risk Basis

(US $ billion)

Claims	Claims of BIS Reporting Countries' Banks on all other Countries		Claims of BIS Reporting Countries' Banks on India		Claims of Indian Banks on Countries other than India #	
	December 2005	December 2006	December 2005	December 2006	December 2005	December 2006
(a) Total International Claims	14,492.2 (67.4)	18,379.1 (68.0)	55.3 (59.8)	83.0 (63.0)	18.6 (83.4)	27.9 (85.6)
(b) Local Claims in Local Currencies	7,006.5 (32.6)	8,658.9 (32.0)	37.2 (40.2)	48.8 (37.0)	3.7 (16.6)	4.7 (14.4)
(c) Total Foreign Claims (a+b)	**21,498.6 (100.0)**	**27,038.0 (100.0)**	**92.5 (100.0)**	**131.9 (100.0)**	**22.3 (100.0)**	**32.6 (100.0)**

: Claims of Indian Banks' branches/offices operating in India and abroad, on countries other than India; these data are taken from the data supplied to the BIS.

Note : Figures in brackets represent percentages to total foreign claims.

Source : BIS International Consolidated Banking Statistics (www.bis.org) updated till April 25, 2007.

Table 12: International Claims of BIS Reporting Banks vis-à-vis Indian Banks - by Maturity and Sector

(US $ billion)

Maturity/Sector		Claims of BIS Reporting Countries on all other Countries		Claims of BIS Reporting Countries on India		Claims of Indian Banks on Countries other than India #	
		December 2005	December 2006	December 2005	December 2006	December 2005	December 2006
Total International Claim *of which:*		**14,492.2**	**18,379.1**	**55.3**	**83.0**	**18.6**	**27.9**
Maturity	**Short Term ***	7,741.7 (53.4)	9,694.4 (52.7)	31.2 (56.4)	43.4 (52.3)	13.0 (69.9)	19.9 (71.3)
	Long Term **	4,500.7 (31.1)	5,633.2 (30.6)	15.1 (27.4)	24.8 (29.9)	2.9 (15.6)	7.8 (28.0)
Sector $	**Bank**	6,712.1 (46.3)	8,379.6 (45.6)	19.9 (36.0)	24.6 (29.7)	8.1 (43.5)	11.9 (42.7)
	Non-Bank Public	2,050.1 (14.1)	2,216.2 (12.1)	4.3 (7.8)	4.7 (5.6)	0.5 (2.7)	0.2 (0.7)
	Non-Bank Private	5,534.5 (38.2)	7,543.7 (41.0)	29.5 (53.3)	51.6 (62.2)	7.7 (41.4)	15.9 (57.0)

: Claims of Indian Banks' branches/offices operating in India and abroad, on countries other than India; these data are taken from the data supplied to the BIS.

* : Claims with a residual maturity of up to and including one year.

** : Claims with a maturity of over one year (excluding unallocated maturity).

$: Excluding unallocated sector.

Note : Figures in brackets represent percentages to total international claims.

Source : BIS International Consolidated Banking Statistics (www.bis.org) updated till April 25, 2007.

that the short-term claims on India (US $ 43.4 billion) were almost double the short-term claims of Indian Banks on other countries (US $ 19.9 billion) at end-December 2006. Like wise, the long-term claims on India (US $ 24.8 billion) were more than three times the long-term claims of Indian Banks on other countries (US $ 7.8 billion). The short-term claims of banks in the BIS reporting countries on India increased by US $ 12.2 billion in December 2006 over the position a year ago compared to an increase of US $ 6.9 billion in short-term claims of Indian Banks on countries other than India during the period.

Sector-wise composition of international claims of banks in the BIS reporting countries on all other countries as at end-December 2006 showed that the share of 'non-bank private' sector increased by 2.8 percentage points to 41.0 per cent over the share a year ago, while the share of 'bank' and 'non-bank public' sectors decreased. In respect of Indian Banks' international claims on countries other than India, the shares of 'bank' and 'non-bank public' sector decreased, and the share of 'non-bank private' sector increased considerably.

Comparative position of sector-wise classification showed that the share of claims of banks in the BIS reporting countries on India in the 'non-bank private' sector increased while the share declined for 'bank' and 'non bank public' sectors in December 2006 over December 2005.

International Claims-by Country of Incorporation of Reporting Banks

International claims of banks in the BIS reporting countries on all other countries classified according to the country of incorporation of the bank as at end-December 2005 and 2006 are presented in Table 13. The banks incorporated in Germany accounted for the maximum share (20.3 per cent), followed by banks incorporated in France(11.5 per cent), Japan(11.0 per cent), the UK(10.2 per cent), and Netherlands(7.4 per cent). However, the share of banks incorporated in Germany slightly declined in December 2006 over their share a year ago. The Indian Banks' share in total international claims, though increased, was negligible at 0.2 per cent as at end-December 2006.

Table 13: International Claims of BIS Reporting Banks on all other Countries - by Country of Incorporation

(US $ billion)

Country of Incorporation	International Claims on all other Countries	
	December 2005	December 2006
Total International Claims *of which :*	**11,229.3**	**14,501.1**
Germany	2,299.0 (20.5)	2,948.7 (20.3)
France	1,184.2 (10.5)	1,667.7 (11.5)
Japan	1,429.4 (12.7)	1,596.8 (11.0)
United Kingdom	1,086.3 (9.7)	1,474.7 (10.2)
Netherlands	843.2 (7.5)	1,070.6 (7.4)
United States	553.6 (4.9)	833.3 (5.7)
Belgium	643.1 (5.7)	776.6 (5.4)
India #	**18.6 (0.2)**	**27.9 (0.2)**

#: Claims of Indian Banks' branches/offices operating in India and abroad, on countries other than India; these data are taken from the data supplied to the BIS.

Note : Figures in brackets represent percentages to total international claims.

Source : BIS International Consolidated Banking Statistics (www.bis.org) updated till April 25, 2007.

Such claims of banks on India according to their country of incorporation revealed that the banks incorporated in six countries, *viz.*, the USA, the UK, Germany, Japan, Netherlands and France accounted for 76.3 per cent share in aggregate as at end-December 2006. While the shares of claims of banks incorporated in the USA and the UK increased, the shares of banks incorporated in Germany, Japan, Netherlands and France declined in December 2006 over December 2005 (Table 14).

Table 14: International Claims of BIS Reporting Banks on India - by Country of Incorporation

(US $ billion)

Country of Incorporation	International Claims on India	
	December 2005	December 2006
Total International Claim *of which:*	**43.0**	**68.0**
United States	8.8 (20.4)	16.6 (24.4)
United Kingdom	5.6 (13.1)	9.0 (13.3)
Germany	7.1 (16.5)	8.7 (12.7)
Japan	5.2 (12.1)	7.0 (10.3)
Netherlands	4.0 (9.4)	6.3 (9.3)
France	2.9 (6.8)	4.3 (6.4)

Notes : 1. The data on international claims on India of banks incorporated in Canada and Ireland are masked by the BIS.

2. Figures in brackets represent percentages to total international claims.

Source : BIS International Consolidated Banking Statistics (www.bis.org) updated till April 25, 2007.

Table 15: Consolidated Foreign Claims of BIS Reporting Banks on India & other Countries and Indian Banks' claim on other Countries: Ultimate Risk Basis

(US $ billion)

Claims		Claims of BIS Reporting Countries' Banks on all other Countries # #		Claims of BIS Reporting Countries' Banks on India		Claims of Indian Banks on Countries other than India #	
		December 2005	December 2006	December 2005	December 2006	December 2005	December 2006
(a) Total Foreign Claims *of which:*		**17,507.3**	**22,326.3**	**81.2**	**117.1**	**21.8**	**29.6**
Sector	Banks	4,878.4 (27.9)	6,349.7 (28.4)	17.7 (21.8)	23.2 (19.8)	12.9 (59.2)	16.2 (54.7)
	Non-Bank Public	3,239.7 (18.5)	3,732.1 (16.7)	7.2 (8.8)	8.7 (7.4)	0.5 (2.3)	0.4 (1.4)
	Non-Bank Private	8,736.7 (49.9)	12,062.6 (54.0)	44.3 (54.6)	84.9 (72.6)	8.4 (38.5)	12.9 (43.6)
(b) Other Exposures							
Derivatives		2,171.8	2,253.4	2.6	5.1	2.0	2.4
Guarantees		1,480.6	4,033.5	7.2	12.7	2.9	3.0
Credit Commitments		3,832.8	4,028.9	7.5	10.3	0.1	0.3

\# : Claims of Indian banks' branches/offices operating in India and abroad, on countries other than India; these data are taken from the data supplied to the BIS.

\# # : Out of thirty countries submitting CBS on immediate risk basis, twenty four countries submitted CBS on ultimate risk basis to the BIS.

Note : Figures in brackets represent percentages to total foreign claims.

Source : BIS International Consolidated Banking Statistics (www.bis.org) updated till April 25, 2007.

Foreign Claims: Ultimate Risk Basis

Total foreign claims, on ultimate risk basis, of banks in the BIS reporting countries on all other countries stood at US $ 22,326.3 billion as at end-December 2006, of which 54.0 per cent claims were on 'non-bank private' sector (Table 15). The foreign claims of banks in the BIS reporting countries on India stood at US $ 117.1 billion as at end-December 2006, which was almost four times the foreign claims of Indian Banks on other countries (US $ 29.6 billion).

IV. Summary

The international liabilities as well as the international assets of banks as at end-December 2006 increased over the previous quarter and international liabilities of banks were almost double than their international assets (Chart 1). While the increase in international liabilities of banks (Rs. 7,245 crore (2.2 per cent)) was due to considerable increase in equities of banks held by non-residents and ADRs/GDRs, the increase in international assets of banks (Rs. 19,480 crore (12.0 per cent)) was mainly due to increase in NOSTRO balances held abroad and loans extended to non-residents.

Of the total international liabilities, as at end-December 2006, about 68.3 per cent was accounted by NRE Rupee deposits, Foreign Currency Borrowing and FCNR(B) deposits whereas about 89.6 per cent of the total international assets were comprised of foreign currency loans to residents, NOSTRO balances including placements abroad and outstanding export bills. While 73.0 per cent of the FCNR(B) and 59.9 per cent of NRE Rupee deposits were mobilised from residents of three countries, *viz.*, the US, the UK and UAE, about 67.9 per cent of total foreign currency borrowings originated from the entities of four countries, *viz.,* the US, the UK, Singapore and Germany. About 70.9 per cent of the total NOSTRO balances were concentrated only in three countries (*viz.,* the US, the UK and Hong Kong). The outstanding export bills spread over six countries (*viz.,* the US, UAE, the UK, Hong Kong, Singapore and Germany) accounted for 59.6 per cent of total outstanding export bills as at end-December 2006.

The international liabilities of banks, as at end-December 2006, were mainly denominated in two currencies (*viz.*, Indian Rupee (51.4 per cent) and US dollar (36.7 per cent), and 68.6 per cent of their liabilities were spread over six countries, *viz.*, the US, the UK, UAE, Mauritius, India and Singapore. More than 75 per cent liabilities were towards 'non-bank' sector. As regards international assets of banks as at end-December 2006, about 81.9 per cent were denominated in the US dollar. Also, more than three-fourths of the international assets were accounted for by five countries, *viz.*, India, the US, the UK, Hong Kong and Singapore. A major part (55.2 per cent) of the international assets were with 'non bank' sector.

Consolidated international claims, based on immediate risk basis, of banks on countries other than India as at end-December 2006 registered an increase of Rs. 18,736 crore over the position in the previous quarter. About 74.8 per cent of these claims were of short-term maturity (residual maturity of less than one year) and 60.5 per cent claims were on the US, the UK, Hong Kong, Singapore, UAE and Germany. Further, while 53.9 per cent claims were on 'non-bank private' sector entities, 45.5 per cent claims were on 'bank' sector.

Consolidated foreign claims of Indian Banks on ultimate risk basis stood at Rs.1,30,638 crore as at end-December 2006. The consolidated contingent claims/ exposures of Indian Banks arising from derivatives, guarantees and credit commitments stood at Rs. 10,717 crore, Rs.13,326 crore and Rs.1,411 crore, respectively.

International claims of banks in the BIS reporting countries on India (*i.e.,* India's liability) stood at US $ 83.0 billion as at end-December 2006, which was higher by US $ 27.7 billion over the position a year ago, whereas the international claims of Indian Banks on other countries (*i.e.,* India's asset) stood at US $ 27.9 billion as at end-December 2006, registering a rise of US $ 9.3 billion over the position a year ago.

Statement I: International Liabilities/Assets of Banks Classified according to Type (Based on LBS Statements)

(Rs. crore)

Liability/Asset Category	International Liabilities				
	Amount Outstanding as at end of				
	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006
1. Deposits and Loans	**234,927**	**246,246**	**266,759**	**266,043**	**259,622**
	(83.1)	(80.3)	(83.2)	(79.4)	(75.9)
(a) Foreign Currency Non-resident Bank [FCNR(B)] scheme	53,789	58,110	63,886	65,931	66,576
	(19.0)	(19.0)	(19.9)	(19.7)	(19.5)
(b) Resident Foreign Currency (RFC) A/Cs	1,316	1,580	1,702	1,517	1,417
	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)
(c) Exchange Earners Foreign Currency (EEFC) A/Cs	6,671	6,013	6,936	7,210	8,664
	(2.4)	(2.0)	(2.2)	(2.2)	(2.5)
(d) Other foreign currency deposits (including Inter-bank Foreign Currency deposits)	1,826	2,646	3,276	3,514	3,007
	(0.6)	(0.9)	(1.0)	(1.0)	(0.9)
(e) Foreign Currency Borrowing (Inter-bank borrowing in India and from abroad, external commercial borrowings of banks)	60,021	63,722	70,407	66,533	56,153
	(21.2)	(20.8)	(21.9)	(19.9)	(16.4)
(f) VOSTRO balances and balances in exchange houses and in term deposits	2,151	1,839	1,644	1,250	1,342
	(0.8)	(0.6)	(0.5)	(0.4)	(0.4)
(g) Non-resident External Rupee(NRE)Accounts	98,461	100,310	105,982	107,846	110,959
	(34.8)	(32.7)	(33.0)	(32.2)	(32.4)
(h) Non-Resident Ordinary (NRO) Rupee Accounts	5,765	5,449	6,013	5,967	6,151
	(2.0)	(1.8)	(1.9)	(1.8)	(1.8)
(i) Embassy accounts	149	126	183	203	230
	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)
(j) Foreign Institutional Investors' (FII) Accounts	4,722	6,421	6,702	6,055	5,117
	(1.7)	(2.1)	(2.1)	(1.8)	(1.5)
(k) ESCROW A/Cs	55	32	29	16	7
	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
2. Own Issues of International Securities	**4,458**	**4,856**	**5,063**	**5,040**	**5,567**
	(1.6)	(1.6)	(1.6)	(1.5)	(1.6)
(a) Bonds (including IMDs)	4,458	4,410	4,603	4,581	5,124
	(1.6)	(1.4)	(1.4)	(1.4)	(1.5)
(b) Other Own Issues of International Debt Securities	–	446	460	459	443
	(–)	(0.0)	(0.1)	(0.1)	(0.1)
3. Other International Liabilities	**43,389**	**55,506**	**48,939**	**63,915**	**77,055**
	(15.3)	(18.1)	(15.3)	(19.1)	(22.5)
(a) ADRs/GDRs	16,027	14,835	13,092	17,617	22,804
	(5.7)	(4.8)	(4.1)	(5.3)	(6.7)
(b) Equities of banks held by non-residents	16,985	28,438	23,206	33,362	39,784
	(6.0)	(9.3)	(7.2)	(10.0)	(11.6)
(c) Capital/remittable profits of foreign banks in India and other unclassified international liabilities	10,378	12,233	12,640	12,936	14,466
	(3.7)	(4.0)	(3.9)	(3.9)	(4.2)
Total International Liabilities +	**282,775**	**306,609**	**320,762**	**334,998**	**342,243**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Statement I: International Liabilities/Assets of Banks Classified according to Type (Based on LBS Statements) *(Concld.)*

(Rs. crore)

Liability/Asset Category	International Assets				
	Amount Outstanding as at end of				
	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006
1. Loans and Deposits	**136,017**	**146,014**	**142,539**	**150,311**	**170,557**
	(92.8)	**(92.3)**	**(92.4)**	**(92.2)**	**(93.5)**
(a) Loans to Non-residents (includes Rupee loans and Foreign Currency (FC) loans out of non-resident deposits)	4,734	6,270	5,754	6,079	6,722
	(3.2)	(4.0)	(3.7)	(3.7)	(3.7)
(b) FC Loans to Residents (incl. loans out of FCNR(B) deposits, PCFCs, FC lending to & FC Deposits with banks in India, *etc.*	61,644	63,231	62,440	61,330	65,287
	(42.1)	(40.0)	(40.5)	(37.6)	(35.8)
(c) Outstanding Export Bills drawn on non-residents by residents	28,124	31,556	34,994	35,644	36,160
	(19.2)	(19.9)	(22.7)	(21.9)	(19.8)
(d) Foreign Currency /TTs, etc., in hand	335	443	381	405	424
	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)
(e) NOSTRO balances including balances in Term Deposits with non-resident banks (includes FCNR funds held abroad)	41,181	44,515	38,970	46,853	61,964
	(28.1)	(28.1)	(25.3)	(28.7)	(34.0)
2. Holdings of Debt Securities	**1,498**	**2,079**	**1,927**	**2,206**	**1,993**
	(1.0)	**(1.3)**	**(1.2)**	**(1.4)**	**(1.1)**
(a) Investment in Foreign Government Securities (including Treasury Bills)	49	72	76	77	79
	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
(b) Investment in Other Debt Securities	1,449	2,007	1,850	2,128	1,914
	(1.0)	(1.3)	(1.2)	(1.3)	(1.0)
3. Other International Assets	**9,022**	**10,109**	**9,738**	**10,474**	**9,921**
	(6.2)	**(6.4)**	**(6.3)**	**(6.4)**	**(5.4)**
(a) Investments in Equities Abroad	1,607	1,975	1,286	1,522	1,479
	(1.1)	(1.2)	(0.8)	(0.9)	(0.8)
(b) Capital supplied to and receivable profits from foreign branches of Indian banks and other Unclassified intl. assets	7,415	8,134	8,453	8,952	8,442
	(5.1)	(5.1)	(5.5)	(5.5)	(4.6)
Total International Assets +	**146,537**	**158,201**	**154,204**	**162,991**	**182,471**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

+ : In view of the incomplete data coverage from all the branches, the data reported under the LBS are not strictly comparable with those capturing data from all the branches.

'–' : Nil/Negligible.

Notes :
1. Figures in brackets represent percentages to total international liabilities/assets.
2. Totals may not tally due to rounding off.
3. Data have been revised for previous quarters.
4. Q1, Q2, Q3 and Q4 denote quarters ended March, June, September and December, respectively.

Statement II: Country - wise Breakup of Major Component of International Liabilities of Banks (Based on LBS Statements)

(Rs. crore)

Country	Major Components	Q4: 2005		Q1: 2006		Q2: 2006		Q3: 2006		Q4: 2006	
Bahrain	FCNR(B)	418	(0.8)	462	(0.8)	617	(1.0)	752	(1.1)	625	(0.9)
	Borrowings	2,674	(4.5)	2,165	(3.4)	2,465	(3.5)	1,969	(3.0)	2,440	(4.3)
	NRE Deposits	1,480	(1.5)	1,586	(1.6)	2,272	(2.1)	1,950	(1.8)	1,659	(1.5)
	Total	4,842	(1.7)	4,432	(1.4)	5,588	(1.7)	4,945	(1.5)	4,996	(1.5)
Canada	FCNR(B)	1,105	(2.1)	957	(1.6)	1,344	(2.1)	1,374	(2.1)	984	(1.5)
	Borrowings	104	(0.2)	119	(0.2)	115	(0.2)	107	(0.2)	98	(0.2)
	NRE Deposits	1,445	(1.5)	1,421	(1.4)	1,263	(1.2)	1,597	(1.5)	1,504	(1.4)
	Total	3,272	(1.2)	3,181	(1.0)	3,550	(1.1)	4,044	(1.2)	3,594	(1.1)
France	FCNR(B)	196	(0.4)	173	(0.3)	176	(0.3)	164	(0.2)	141	(0.2)
	Borrowings	749	(1.2)	659	(1.0)	563	(0.8)	596	(0.9)	514	(0.9)
	NRE Deposits	365	(0.4)	182	(0.2)	272	(0.3)	150	(0.1)	310	(0.3)
	Total	2,744	(1.0)	2,576	(0.8)	2,475	(0.8)	2,732	(0.8)	2,949	(0.9)
Germany	FCNR(B)	844	(1.6)	878	(1.5)	839	(1.3)	922	(1.4)	649	(1.0)
(Includes ECB)	Borrowings	3,649	(6.1)	3,653	(5.7)	4,294	(6.1)	4,449	(6.7)	5,150	(9.2)
	NRE Deposits	863	(0.9)	849	(0.8)	789	(0.7)	905	(0.8)	741	(0.7)
	Total	7,251	(2.6)	6,933	(2.3)	7,408	(2.3)	7,725	(2.3)	8,375	(2.4)
Hong Kong	FCNR(B)	1,054	(2.0)	751	(1.3)	947	(1.5)	944	(1.4)	954	(1.4)
	Borrowings	1,719	(2.9)	1,532	(2.4)	2,366	(3.4)	2,075	(3.1)	1,491	(2.7)
	NRE Deposits	1,707	(1.7)	1,481	(1.5)	1,173	(1.1)	1,197	(1.1)	1,133	(1.0)
	Total	8,808	(3.1)	8,131	(2.7)	8,930	(2.8)	9,567	(2.9)	9,824	(2.9)
India	FCNR(B)	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)
	Borrowings	5,412	(9.0)	3,957	(6.2)	4,671	(6.6)	4,996	(7.5)	3,931	(7.0)
	NRE Deposits	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)
	Total	14,202	(5.0)	12,518	(4.1)	14,974	(4.7)	14,925	(4.5)	15,568	(4.5)
Japan	FCN.R(B)	415	(0.8)	293	(0.5)	196	(0.3)	240	(0.4)	196	(0.3)
	Borrowings	1,774	(3.0)	1,959	(3.1)	1,044	(1.5)	1,183	(1.8)	1,293	(2.3)
	NRE Deposits	551	(0.6)	791	(0.8)	533	(0.5)	532	(0.5)	455	(0.4)
	Total	3,872	(1.4)	4,671	(1.5)	2,649	(0.8)	3,836	(1.1)	3,802	(1.1)
Kenya	FCNR(B)	904	(1.7)	752	(1.3)	1,016	(1.6)	1,131	(1.7)	915	(1.4)
	Borrowings	70	(0.1)	52	(0.1)	19	(0.0)	49	(0.1)	45	(0.1)
	NRE Deposits	858	(0.9)	1,090	(1.1)	886	(0.8)	1,369	(1.3)	1,186	(1.1)
	Total	1,861	(0.7)	1,928	(0.6)	1,951	(0.6)	2,593	(0.8)	2,189	(0.6)
Kuwait	FCNR(B)	1,463	(2.7)	1,696	(2.9)	1,900	(3.0)	1,942	(2.9)	2,000	(3.0)
	Borrowings	90	(0.1)	–	(–)	17	(0.0)	44	(0.1)	22	(0.0)
	NRE Deposits	4,713	(4.8)	5,039	(5.0)	3,937	(3.7)	3,829	(3.6)	3,671	(3.3)
	Total	6,651	(2.4)	7,011	(2.3)	6,113	(1.9)	6,108	(1.8)	5,994	(1.8)
Mauritius	FCNR(B)	18	(0.0)	6	(0.0)	8	(0.0)	12	(0.0)	14	(0.0)
	Borrowings	121	(0.2)	135	(0.2)	111	(0.2)	236	(0.4)	465	(0.8)
	NRE Deposits	51	(0.1)	67	(0.1)	61	(0.1)	52	(0.0)	80	(0.1)
	Total	9,645	(3.4)	12,676	(4.1)	11,826	(3.7)	17,869	(5.3)	18,641	(5.4)
Netherlands	FCNR(B)	86	(0.2)	78	(0.1)	93	(0.1)	114	(0.2)	104	(0.2)
	Borrowings	2,632	(4.4)	3,121	(4.9)	4,095	(5.8)	3,083	(4.6)	2,315	(4.1)
	NRE Deposits	192	(0.2)	167	(0.2)	178	(0.2)	206	(0.2)	217	(0.2)
	Total	4,985	(1.8)	5,836	(1.9)	6,956	(2.2)	6,224	(1.9)	5,671	(1.7)

Statement II: Country-wise breakup of Major Components of International Liabilities of Banks (Based on LBS Statements) *(Concld.)*

(Rs. crore)

Country	Major Components	Q4: 2005		Q1: 2006		Q2: 2006		Q3: 2006		Q4: 2006	
Oman	FCNR(B)	729	(1.4)	712	(1.2)	1,246	(2.0)	1,030	(1.6)	944	(1.4)
	Borrowings	55	(0.1)	1,086	(1.7)	704	(1.0)	34	(0.1)	40	(0.1)
	NRE Deposits	2,972	(3.0)	2,866	(2.9)	3,332	(3.1)	2,871	(2.7)	2,756	(2.5)
	Total	4,050	(1.4)	4,851	(1.6)	5,463	(1.7)	4,151	(1.2)	3,933	(1.1)
Qatar	FCNR(B)	348	(0.6)	441	(0.8)	493	(0.8)	344	(0.5)	532	(0.8)
	Borrowings	–	(–)	–	(–)	129	(–)	–	(–)	–	(–)
	NRE Deposits	1,750	(1.8)	1,587	(1.6)	1,950	(1.8)	1,689	(1.6)	1,852	(1.7)
	Total	2,249	(0.8)	2,191	(0.7)	2,771	(0.9)	2,175	(0.6)	2,514	(0.7)
Saudi Arabia	FCNR(B)	1,704	(3.2)	1,298	(2.2)	1,895	(3.0)	1,447	(2.2)	1,512	(2.3)
	Borrowings	–	(–)	182	(0.3)	421	(0.6)	189	(0.3)	180	(0.3)
	NRE Deposits	6,307	(6.4)	7,546	(7.5)	7,023	(6.6)	7,198	(6.7)	7,922	(7.1)
	Total	8,620	(3.0)	9,487	(3.1)	9,772	(3.0)	9,156	(2.7)	10,036	(2.9)
Singapore	FCNR(B)	937	(1.7)	426	(0.7)	710	(1.1)	345	(0.5)	337	(0.5)
	Borrowings	8,263	(13.8)	8,611	(13.5)	8,514	(12.1)	6,600	(9.9)	7,529	(13.4)
	NRE Deposits	1,480	(1.5)	1,819	(1.8)	1,456	(1.4)	1,518	(1.4)	1,664	(1.5)
	Total	14,843	(5.2)	15,658	(5.1)	15,706	(4.9)	13,984	(4.2)	15,053	(4.4)
United Arab Emirates	FCNR(B)	4,361	(8.1)	6,486	(11.2)	8,479	(13.3)	8,303	(12.6)	9,412	(14.1)
	Borrowings	714	(1.2)	748	(1.2)	175	(0.2)	202	(0.3)	157	(0.3)
	NRE Deposits	16,264	(16.5)	16,225	(16.2)	19,259	(18.2)	17,382	(16.1)	17,574	(15.8)
	Total	22,881	(8.1)	25,018	(8.2)	29,495	(9.2)	27,364	(8.2)	28,931	(8.5)
United Kingdom @	FCNR(B)	11,258	(20.9)	12,999	(22.4)	14,128	(22.1)	18,069	(27.4)	16,795	(25.2)
	Borrowings	8,604	(14.3)	8,936	(14.0)	9,344	(13.3)	9,939	(14.9)	6,629	(11.8)
	NRE Deposits	8,159	(8.3)	9,901	(9.9)	11,018	(10.4)	14,304	(13.3)	12,003	(10.8)
	Total	35,871	(12.7)	40,961	(13.4)	41,507	(12.9)	52,066	(15.5)	47,728	(13.9)
United States #	FCNR(B)	18,192	(33.8)	20,015	(34.4)	19,579	(30.6)	19,240	(29.2)	22,456	(33.7)
	Borrowings	18,715	(31.2)	21,509	(33.8)	26,115	(37.1)	24,864	(37.4)	18,803	(33.5)
	NRE Deposits	26,293	(26.7)	25,120	(25.0)	28,629	(27.0)	29,180	(27.1)	36,970	(33.3)
	Total	82,110	(29.0)	84,301	(27.5)	98,971	(30.9)	98,561	(29.4)	109,033	(31.9)
No Specific Country	FCNR(B)	2,145	(4.0)	1,765	(3.0)	1,961	(3.1)	2,461	(3.7)	1,960	(2.9)
(Country Unknown)	Borrowings	921	(1.5)	22	(–)	–	(–)	382	(0.6)	1,675	(3.0)
	NRE Deposits	12,498	(12.7)	12,131	(12.1)	13,732	(13.0)	12,736	(11.8)	9,784	(8.8)
	Total	17,566	(6.2)	25,485	(8.3)	18,477	(5.8)	19,173	(5.7)	18,924	(5.5)
Total	**FCNR(B)**	**53,789**	**(100.0)**	**58,110**	**(100.0)**	**63,886**	**(100.0)**	**65,931**	**(100.0)**	**66,576**	**(100.0)**
	Borrowings	**60,021**	**(100.0)**	**63,722**	**(100.0)**	**70,407**	**(100.0)**	**66,533**	**(100.0)**	**56,153**	**(100.0)**
	NRE Deposits	**98,461**	**(100.0)**	**100,310**	**(100.0)**	**105,982**	**(100.0)**	**107,846**	**(100.0)**	**110,959**	**(100.0)**
	Total	**282,775**	**(100.0)**	**306,609**	**(100.0)**	**320,762**	**(100.0)**	**334,998**	**(100.0)**	**342,243**	**(100.0)**

@ : Excluding Guernsey, Isle of Man and Jersey. # : Includes Miday Island and Wake Islands.

'–' : Nil/Negligible.

Notes : 1. Figures in brackets represent percentages to total.

2. Totals may not tally due to rounding off .

3. Data have been revised for previous quarters.

4. Q1, Q2, Q3 and Q4 denote quarters ended March, June, September and December, respectively.

Statement III: Country-wise Breakup of Major Component of International Assets of Banks (Based on LBS Statements)

(Rs. crore)

Country	Major Components	Q4: 2005		Q1: 2006		Q2: 2006		Q3: 2006		Q4: 2006	
Australia	Export Bill	392	(1.4)	571	(1.8)	808	(2.3)	155	(0.4)	152	(0.4)
	NOSTRO	57	(0.1)	108	(0.2)	248	(0.6)	295	(0.6)	416	(0.7)
	Total	512	(0.3)	835	(0.5)	1,121	(0.7)	551	(0.3)	649	(0.4)
Bahrain	Export Bill	36	(0.1)	10	(0.0)	24	(0.1)	19	(0.1)	56	(0.2)
	NOSTRO	1,673	(4.1)	1,098	(2.5)	1,756	(4.5)	2,822	(6.0)	3,561	(5.7)
	Total	2,308	(1.6)	1,741	(1.1)	2,289	(1.5)	3,347	(2.1)	4,033	(2.2)
Belgium	Export Bill	797	(2.8)	722	(2.3)	852	(2.4)	1,138	(3.2)	1,050	(2.9)
	NOSTRO	29	(0.1)	63	(0.1)	490	(1.3)	465	(1.0)	340	(0.5)
	Total	997	(0.7)	963	(0.6)	1,571	(1.0)	1,833	(1.1)	1,612	(0.9)
Canada	Export Bill	252	(0.9)	285	(0.9)	395	(1.1)	393	(1.1)	583	(1.6)
	NOSTRO	200	(0.5)	441	(1.0)	383	(1.0)	460	(1.0)	464	(0.7)
	Total	872	(0.6)	1,288	(0.8)	1,385	(0.9)	1,431	(0.9)	1,558	(0.9)
China	Export Bill	873	(3.1)	917	(2.9)	1,070	(3.1)	636	(1.8)	720	(2.0)
	NOSTRO	1	(–)	98	(0.2)	2	(–)	2	(–)	1	(–)
	Total	881	(0.6)	1,023	(0.6)	1,132	(0.7)	702	(0.4)	782	(0.4)
France	Export Bill	467	(1.7)	838	(2.7)	900	(2.6)	586	(1.6)	822	(2.3)
	NOSTRO	582	(1.4)	86	(0.2)	197	(0.5)	235	(0.5)	1,605	(2.6)
	Total	1,291	(0.9)	1,224	(0.8)	1,425	(0.9)	1,156	(0.7)	2,622	(1.4)
Germany	Export Bill	912	(3.2)	886	(2.8)	866	(2.5)	1,048	(2.9)	1,403	(3.9)
(Includes ECB)	NOSTRO	3,073	(7.5)	2,031	(4.6)	1,671	(4.3)	2,028	(4.3)	1,731	(2.8)
	Total	4,440	(3.0)	3,439	(2.2)	3,108	(2.0)	3,602	(2.2)	3,642	(2.0)
Hong Kong	Export Bill	2,704	(9.6)	2,483	(7.9)	2,265	(6.5)	2,353	(6.6)	2,544	(7.0)
	NOSTRO	1,334	(3.2)	1,488	(3.3)	1,263	(3.2)	1,414	(3.0)	5,985	(9.7)
	Total	4,701	(3.2)	4,732	(3.0)	4,330	(2.8)	4,622	(2.8)	9,352	(5.1)
India	Export Bill	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)
	NOSTRO	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)
	Total	61,761	(42.1)	63,566	(40.2)	62,779	(40.7)	61,751	(37.9)	65,666	(36.0)
Italy	Export Bill	596	(2.1)	1,124	(3.6)	1,080	(3.1)	1,588	(4.5)	1,145	(3.2)
	NOSTRO	117	(0.3)	155	(0.3)	194	(0.5)	413	(0.9)	470	(0.8)
	Total	737	(0.5)	1,304	(0.8)	1,286	(0.8)	2,014	(1.2)	1,637	(0.9)
Japan	Export Bill	399	(1.4)	190	(0.6)	665	(1.9)	247	(0.7)	496	(1.4)
	NOSTRO	1,091	(2.6)	1,327	(3.0)	849	(2.2)	696	(1.5)	861	(1.4)
	Total	1,892	(1.3)	1,967	(1.2)	2,023	(1.3)	1,471	(0.9)	1,964	(1.1)
Netherlands	Export Bill	141	(0.5)	181	(0.6)	278	(0.8)	189	(0.5)	311	(0.9)
	NOSTRO	396	(1.0)	388	(0.9)	735	(1.9)	983	(2.1)	819	(1.3)
	Total	542	(0.4)	616	(0.4)	1,033	(0.7)	1,222	(0.7)	1,234	(0.7)

Statement III: Country-wise breakup of Major Components of International Assets of Banks (Based on LBS Statements) *(Concld.)*

(Rs. crore)

Country	Major Components	Q4: 2005		Q1: 2006		Q2: 2006		Q3: 2006		Q4: 2006	
No Specific Country (Country Unknown)	Export Bill	405	(1.4)	1,567	(5.0)	1,500	(4.3)	1,496	(4.2)	872	(2.4)
	NOSTRO	427	(1.0)	231	(0.5)	675	(1.7)	593	(1.3)	515	(0.8)
	Total	1,433	(1.0)	3,321	(2.1)	3,442	(2.2)	3,208	(2.0)	2,948	(1.6)
Singapore	Export Bill	1,412	(5.0)	996	(3.2)	1,384	(4.0)	1,231	(3.5)	1,488	(4.1)
	NOSTRO	1,347	(3.3)	1,708	(3.8)	2,125	(5.5)	3,759	(8.0)	4,022	(6.5)
	Total	4,081	(2.8)	4,167	(2.6)	5,080	(3.3)	6,675	(4.1)	7,106	(3.9)
Switzerland (Includes BIS)	Export Bill	109	(0.4)	208	(0.7)	856	(2.4)	830	(2.3)	405	(1.1)
	NOSTRO	141	(0.3)	454	(1.0)	401	(1.0)	467	(1.0)	427	(0.7)
	Total	282	(0.2)	703	(0.4)	1,293	(0.8)	1,341	(0.8)	860	(0.5)
United Arab Emirates	Export Bill	2,467	(8.8)	2,001	(6.3)	1,575	(4.5)	2,136	(6.0)	2,408	(6.7)
	NOSTRO	145	(0.4)	64	(0.1)	127	(0.3)	216	(0.5)	626	(1.0)
	Total	3,915	(2.7)	3,316	(2.1)	3,094	(2.0)	3,732	(2.3)	4,404	(2.4)
United Kingdom @	Export Bill	1,413	(5.0)	1,839	(5.8)	1,941	(5.5)	2,000	(5.6)	2,086	(5.8)
	NOSTRO	6,598	(16.0)	9,230	(20.7)	4,723	(12.1)	5,938	(12.7)	9,071	(14.6)
	Total	11,688	(8.0)	15,250	(9.6)	10,039	(6.5)	11,747	(7.2)	15,060	(8.3)
United States #	Export Bill	9,547	(33.9)	10,789	(34.2)	11,388	(32.5)	13,706	(38.5)	11,623	(32.1)
	NOSTRO	23,188	(56.3)	22,889	(51.4)	22,256	(57.1)	24,922	(53.2)	28,856	(46.6)
	Total	35,770	(24.4)	37,140	(23.5)	37,423	(24.3)	42,585	(26.1)	44,475	(24.4)
Total	**Export Bill**	**28,124**	**(100.0)**	**31,556**	**(100.0)**	**34,994**	**(100.0)**	**35,644**	**(100.0)**	**36,160**	**(100.0)**
	NOSTRO	**41,181**	**(100.0)**	**44,515**	**(100.0)**	**38,970**	**(100.0)**	**46,853**	**(100.0)**	**61,964**	**(100.0)**
	Total	**146,537**	**(100.0)**	**158,201**	**(100.0)**	**154,204**	**(100.0)**	**162,991**	**(100.0)**	**182,471**	**(100.0)**

@ : Excluding Guernsey, Isle of Man and Jersey. # : Includes Miday Island and Wake Islands.

'–' : Nil/Negligible.

Notes : 1. Figures in brackets represent percentages to total.

2. Totals may not tally due to rounding off .

3. Data have been revised for previous quarters.

4. Q1, Q2, Q3 and Q4 denote quarters ended March, June, September and December, respectively.

Statement IV: Currency and Sector-wise Breakup of International Liabilities/Assets of Banks (Based on LBS Statements)

(Rs. crore)

Currency	International Liabilities									
	All Sector					Non-Bank Sector				
	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006
Swiss Franc	88 (0.0)	176 (0.1)	171 (0.1)	140 (0.0)	88 (0.0)	21 (0.0)	79 (0.0)	126 (0.1)	121 (0.0)	19 (0.0)
EURO	4,861 (1.7)	5,780 (1.9)	5,746 (1.8)	6,090 (1.8)	5,595 (1.6)	3,108 (1.5)	4,093 (1.8)	3,813 (1.6)	4,113 (1.6)	3,809 (1.4)
Pound Sterling	15,436 (5.5)	16,734 (5.5)	18,584 (5.8)	23,057 (6.9)	19,064 (5.6)	14,413 (6.9)	16,086 (7.1)	18,039 (7.7)	22,070 (8.8)	18,367 (6.9)
Indian Rupee	135,938 (48.1)	152,018 (49.6)	153,754 (47.9)	165,500 (49.4)	176,021 (51.4)	124,495 (59.8)	139,328 (61.6)	140,964 (60.5)	152,524 (60.8)	161,075 (60.5)
Japanese Yen	8,208 (2.9)	8,836 (2.9)	8,364 (2.6)	8,405 (2.5)	9,800 (2.9)	1,202 (0.6)	865 (0.4)	1,031 (0.4)	828 (0.3)	1,002 (0.4)
Other Foreign Currencies	1,172 (0.4)	825 (0.3)	1,242 (0.4)	1,193 (0.4)	6,066 (1.8)	99 (0.0)	90 (0.0)	381 (0.2)	449 (0.2)	5,278 (2.0)
US Dollar	117,071 (41.4)	122,240 (39.9)	132,900 (41.4)	130,611 (39.0)	125,609 (36.7)	65,016 (31.2)	65,466 (29.0)	68,682 (29.5)	70,616 (28.2)	76,595 (28.8)
Total	**282,775 (100.0)**	**306,609 (100.0)**	**320,762 (100.0)**	**334,998 (100.0)**	**342,243 (100.0)**	**208,354 (100.0)**	**226,008 (100.0)**	**233,035 (100.0)**	**250,723 (100.0)**	**266,145 (100.0)**
	International Assets									
Swiss Franc	166 (0.1)	324 (0.2)	461 (0.3)	699 (0.4)	736 (0.4)	25 (0.0)	47 (0.1)	60 (0.1)	219 (0.2)	387 (0.4)
EURO	5,073 (3.5)	6,009 (3.8)	7,643 (5.0)	8,008 (4.9)	8,894 (4.9)	2,889 (3.4)	3,621 (3.9)	4,645 (4.8)	4,228 (4.4)	4,594 (4.6)
Pound Sterling	5,620 (3.8)	5,903 (3.7)	5,519 (3.6)	5,782 (3.5)	6,547 (3.6)	940 (1.1)	1,504 (1.6)	1,284 (1.3)	1,682 (1.8)	1,842 (1.8)
Indian Rupee	5,381 (3.7)	7,135 (4.5)	6,747 (4.4)	7,420 (4.6)	7,533 (4.1)	5,313 (6.2)	7,081 (7.6)	6,693 (7.0)	7,365 (7.7)	7,502 (7.4)
Japanese Yen	2,867 (2.0)	3,467 (2.2)	3,034 (2.0)	2,819 (1.7)	3,293 (1.8)	1,270 (1.5)	1,956 (2.1)	1,665 (1.7)	1,415 (1.5)	2,114 (2.1)
Other Foreign Currencies	4,573 (3.1)	5,347 (3.4)	5,877 (3.8)	6,953 (4.3)	5,966 (3.3)	557 (0.7)	1,022 (1.1)	813 (0.8)	789 (0.8)	493 (0.5)
US Dollar	122,858 (83.8)	130,016 (82.2)	124,923 (81.0)	131,309 (80.6)	149,502 (81.9)	74,504 (87.1)	77,484 (83.6)	80,806 (84.2)	79,962 (83.6)	83,783 (83.2)
Total	**146,537 (100.0)**	**158,201 (100.0)**	**154,204 (100.0)**	**162,991 (100.0)**	**182,471 (100.0)**	**85,498 (100.0)**	**92,715 (100.0)**	**95,967 (100.0)**	**95,661 (100.0)**	**100,714 (100.0)**

'–' : Nil/Negligible.

Notes : 1. Figures in brackets represent percentages to total in the respective group (column).
2. Totals may not tally due to rounding off.
3. Data have been revised for previous quarters.
4. Q1, Q2, Q3 and Q4 denote quarters ended March, June, September and December, respectively.

Statement V: International Liabilities/Assets of Banks Classified according to Country of Residence of Transacting Units (Based on LBS Statements) - Amount Outstanding as at end

(Rs. crore)

Country	International Liabilities									
	All Currencies					Foreign Currencies				
	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006
Total	**282,775**	**306,609**	**320,762**	**334,998**	**342,243**	**146,836**	**154,591**	**167,007**	**169,497**	**166,223**
of which:	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**
Bahrain	4,842	4,432	5,588	4,945	4,996	3,116	2,639	3,094	2,733	3,075
	(1.7)	(1.4)	(1.7)	(1.5)	(1.5)	(2.1)	(1.7)	(1.9)	(1.6)	(1.8)
Germany	7,251	6,933	7,408	7,725	8,375	5,029	4,930	5,478	5,738	6,123
(Includes ECB)	(2.6)	(2.3)	(2.3)	(2.3)	(2.4)	(3.4)	(3.2)	(3.3)	(3.4)	(3.7)
Hong Kong	8,808	8,131	8,930	9,567	9,824	5,552	5,028	6,010	6,098	5,501
	(3.1)	(2.7)	(2.8)	(2.9)	(2.9)	(3.8)	(3.3)	(3.6)	(3.6)	(3.3)
India	14,202	12,518	14,974	14,925	15,568	14,202	12,518	14,974	14,925	15,568
	(5.0)	(4.1)	(4.7)	(4.5)	(4.5)	(9.7)	(8.1)	(9.0)	(8.8)	(9.4)
Japan	3,872	4,671	2,649	3,836	3,802	2,232	2,286	1,273	1,794	1,808
	(1.4)	(1.5)	(0.8)	(1.1)	(1.1)	(1.5)	(1.5)	(0.8)	(1.1)	(1.1)
Kuwait	6,651	7,011	6,113	6,108	5,994	1,605	1,713	1,935	2,003	2,057
	(2.4)	(2.3)	(1.9)	(1.8)	(1.8)	(1.1)	(1.1)	(1.2)	(1.2)	(1.2)
Mauritius	9,645	12,676	11,826	17,869	18,641	172	193	125	273	492
	(3.4)	(4.1)	(3.7)	(5.3)	(5.4)	(0.1)	(0.1)	(0.1)	(0.2)	(0.3)
Netherlands	4,985	5,836	6,956	6,224	5,671	2,742	3,209	4,208	3,258	2,436
	(1.8)	(1.9)	(2.2)	(1.9)	(1.7)	(1.9)	(2.1)	(2.5)	(1.9)	(1.5)
No Specific Country	17,566	25,485	18,477	19,173	18,924	3,726	5,758	2,101	2,971	4,678
(Country Unknown)	(6.2)	(8.3)	(5.8)	(5.7)	(5.5)	(2.5)	(3.7)	(1.3)	(1.8)	(2.8)
Oman	4,050	4,851	5,463	4,151	3,933	822	1,812	1,963	1,076	996
	(1.4)	(1.6)	(1.7)	(1.2)	(1.1)	(0.6)	(1.2)	(1.2)	(0.6)	(0.6)
Saudi Arabia	8,620	9,487	9,772	9,156	10,036	1,733	1,501	2,331	1,650	1,706
	(3.0)	(3.1)	(3.0)	(2.7)	(2.9)	(1.2)	(1.0)	(1.4)	(1.0)	(1.0)
Singapore	14,843	15,658	15,706	13,984	15,053	11,099	11,441	11,945	9,420	10,146
	(5.2)	(5.1)	(4.9)	(4.2)	(4.4)	(7.6)	(7.4)	(7.2)	(5.6)	(6.1)
United Arab	22,881	25,018	29,495	27,364	28,931	5,208	7,406	8,786	8,626	9,678
Emirates	(8.1)	(8.2)	(9.2)	(8.2)	(8.5)	(3.5)	(4.8)	(5.3)	(5.1)	(5.8)
United Kingdom @	35,871	40,961	41,507	52,066	47,728	23,531	25,420	25,920	32,318	28,132
	(12.7)	(13.4)	(12.9)	(15.5)	(13.9)	(16.0)	(16.4)	(15.5)	(19.1)	(16.9)
United States #										
	82,110	84,301	98,971	98,561	109,033	49,326	50,375	58,397	58,592	59,034
	(29.0)	(27.5)	(30.9)	(29.4)	(31.9)	(33.6)	(32.6)	(35.0)	(34.6)	(35.5)

Statement V: International Liabilities/Assets of Banks Classified according to Country of Residence of Transacting Units (Based on LBS Statements) - Amount Outstanding as at end *(Concld.)*

(Rs. crore)

Country	International Assets									
	All Currencies					Foreign Currencies				
	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006
Total	**146,537**	**158,201**	**154,204**	**162,991**	**182,471**	**141,157**	**151,066**	**147,457**	**155,571**	**174,938**
of which:	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**
Bahrain	2,308	1,741	2,289	3,347	4,033	2,251	1,677	2,210	3,282	3,962
	(1.6)	(1.1)	(1.5)	(2.1)	(2.2)	(1.6)	(1.1)	(1.5)	(2.1)	(2.3)
Belgium	997	963	1,571	1,833	1,612	981	951	1,550	1,811	1,599
	(0.7)	(0.6)	(1.0)	(1.1)	(0.9)	(0.7)	(0.6)	(1.1)	(1.2)	(0.9)
Canada	872	1,288	1,385	1,431	1,558	827	1,240	1,337	1,386	1,421
	(0.6)	(0.8)	(0.9)	(0.9)	(0.9)	(0.6)	(0.8)	(0.9)	(0.9)	(0.8)
France	1,291	1,224	1,425	1,156	2,622	1,280	1,211	1,416	1,141	2,601
	(0.9)	(0.8)	(0.9)	(0.7)	(1.4)	(0.9)	(0.8)	(1.0)	(0.7)	(1.5)
Germany	4,440	3,439	3,108	3,602	3,642	4,386	3,361	3,031	3,556	3,573
(Includes ECB)	(3.0)	(2.2)	(2.0)	(2.2)	(2.0)	(3.1)	(2.2)	(2.1)	(2.3)	(2.0)
Hong Kong	4,701	4,732	4,330	4,622	9,352	4,660	4,679	4,300	4,560	9,269
	(3.2)	(3.0)	(2.8)	(2.8)	(5.1)	(3.3)	(3.1)	(2.9)	(2.9)	(5.3)
India	61,761	63,566	62,779	61,751	65,666	61,761	63,566	62,779	61,751	65,666
	(42.1)	(40.2)	(40.7)	(37.9)	(36.0)	(43.8)	(42.1)	(42.6)	(39.7)	(37.5)
Italy	737	1,304	1,286	2,014	1,637	723	1,284	1,274	1,995	1,624
	(0.5)	(0.8)	(0.8)	(1.2)	(0.9)	(0.5)	(0.8)	(0.9)	(1.3)	(0.9)
Japan	1,892	1,967	2,023	1,471	1,964	1,875	1,948	1,989	1,447	1,927
	(1.3)	(1.2)	(1.3)	(0.9)	(1.1)	(1.3)	(1.3)	(1.3)	(0.9)	(1.1)
Netherlands	542	616	1,033	1,222	1,234	536	608	1,025	1,211	1,217
	(0.4)	(0.4)	(0.7)	(0.7)	(0.7)	(0.4)	(0.4)	(0.7)	(0.8)	(0.7)
No Specific Country	1,433	3,321	3,442	3,208	2,948	974	2,060	2,371	2,391	2,021
(Country Unknown)	(1.0)	(2.1)	(2.2)	(2.0)	(1.6)	(0.7)	(1.4)	(1.6)	(1.5)	(1.2)
Singapore	4,081	4,167	5,080	6,675	7,106	3,932	3,942	4,843	6,319	6,753
	(2.8)	(2.6)	(3.3)	(4.1)	(3.9)	(2.8)	(2.6)	(3.3)	(4.1)	(3.9)
United Arab	3,915	3,316	3,094	3,732	4,404	3,481	2,752	2,491	2,996	3,718
Emirates	(2.7)	(2.1)	(2.0)	(2.3)	(2.4)	(2.5)	(1.8)	(1.7)	(1.9)	(2.1)
United Kingdom @	11,688	15,250	10,039	11,747	15,060	11,271	14,894	9,677	11,342	14,634
	(8.0)	(9.6)	(6.5)	(7.2)	(8.3)	(8.0)	(9.9)	(6.6)	(7.3)	(8.4)
United States #	35,770	37,140	37,423	42,585	44,475	33,228	33,955	34,243	38,874	41,395
	(24.4)	(23.5)	(24.3)	(26.1)	(24.4)	(23.5)	(22.5)	(23.2)	(25.0)	(23.7)

@ : Excluding Guernsey, Isle of Man and Jersey. #: Includes Miday Island and Wake Islands.
'–' : Nil/Negligible.

Notes : 1. Figures in brackets represent percentages to total in the respective group (column).
2. Totals may not tally due to rounding off .
3. "No Specific Country" means the country information has not been provided by the reporting bank branches.
4. Data have been revised for previous quarters.
5. Q1, Q2, Q3 and Q4 denote quarters ended March, June, September and December, respectively.

Statement VI: International Liabilities/Assets of Banks Classified according to Country of Incorporation of Banks (Based on LBS Statements) - Amount Outstanding as at end

(Rs. crore)

Country	International Liabilities									
	Total: All Sectors					Position *vis-à-vis* Banks				
	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006
Bahrain	307	315	320	327	319	72	59	62	59	59
	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Bangladesh	35	43	51	49	66	34	43	50	48	65
	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Belgium	647	603	626	588	523	602	561	584	546	482
	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.7)	(0.7)	(0.6)	(0.6)
Canada	1,893	1,272	1,811	2,124	1,804	1,785	1,177	1,701	1,997	1,691
	(0.7)	(0.4)	(0.6)	(0.6)	(0.5)	(2.4)	(1.5)	(1.9)	(2.4)	(2.2)
France	3,119	2,966	2,991	3,342	2,940	2,065	1,876	1,901	2,499	2,327
	(1.1)	(1.0)	(0.9)	(1.0)	(0.9)	(2.8)	(2.3)	(2.2)	(3.0)	(3.1)
Germany	2,901	3,497	3,847	4,108	3,852	1,444	1,679	1,894	1,556	1,761
	(1.0)	(1.1)	(1.2)	(1.2)	(1.1)	(1.9)	(2.1)	(2.2)	(1.8)	(2.3)
Hong Kong	13,040	14,365	15,293	14,971	15,740	3,132	3,308	2,727	3,750	4,447
	(4.6)	(4.7)	(4.8)	(4.5)	(4.6)	(4.2)	(4.1)	(3.1)	(4.4)	(5.8)
India	229,326	245,682	255,672	270,325	277,649	48,946	50,897	56,443	53,385	47,969
	(81.1)	(80.1)	(79.7)	(80.7)	(81.1)	(65.8)	(63.1)	(64.3)	(63.3)	(63.0)
Indonesia	98	102	95	104	90	96	100	93	102	83
	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Japan	380	559	887	900	822	344	523	660	777	645
	(0.1)	(0.2)	(0.3)	(0.3)	(0.2)	(0.5)	(0.6)	(0.8)	(0.9)	(0.8)
Mauritius	154	145	142	142	142	127	125	123	120	117
	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)
Netherlands	5,398	6,466	7,388	6,793	6,303	4,537	5,451	6,322	5,628	4,752
	(1.9)	(2.1)	(2.3)	(2.0)	(1.8)	(6.1)	(6.8)	(7.2)	(6.7)	(6.2)
Oman	256	251	248	219	201	47	40	48	23	27
	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)	(0.0)
Singapore	1,188	1,374	1,627	1,702	1,539	1,184	1,370	1,621	1,686	1,523
	(0.4)	(0.4)	(0.5)	(0.5)	(0.4)	(1.6)	(1.7)	(1.8)	(2.0)	(2.0)
South Korea	87	147	80	71	204	87	94	71	68	199
	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Sri Lanka	94	96	99	102	91	50	53	59	59	54
	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Taiwan, China	377	325	280	252	254	377	325	280	252	254
	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.4)	(0.3)	(0.3)	(0.3)
Thailand	42	41	43	75	79	36	36	36	36	36
	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
United Arab Emirates	533	484	581	542	535	182	98	134	118	104
	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)
United Kingdom	8,820	11,980	11,880	11,492	11,762	3,661	6,096	5,893	5,383	4,376
	(3.1)	(3.9)	(3.7)	(3.4)	(3.4)	(4.9)	(7.6)	(6.7)	(6.4)	(5.8)
United States	14,080	15,895	16,803	16,770	17,330	5,615	6,688	7,027	6,183	5,125
	(5.0)	(5.2)	(5.2)	(5.0)	(5.1)	(7.5)	(8.3)	(8.0)	(7.3)	(6.7)
Total	**282,775**	**306,609**	**320,762**	**334,998**	**342,243**	**74,421**	**80,600**	**87,726**	**84,275**	**76,098**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**	**(100.0)**

Statement VI: International Liabilities/Assets of Banks Classified according to Country of Incorporation of Banks (Based on LBS Statements) - Amount Outstanding as at end *(Concld.)*

(Rs. crore)

Country	International Assets									
	Total: All Sectors					Position *vis-à-vis* Banks				
	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006	Q4: 2005	Q1: 2006	Q2: 2006	Q3: 2006	Q4: 2006
Bahrain	85 (0.1)	96 (0.1)	58 (0.0)	54 (0.0)	113 (0.1)	23 (0.0)	40 (0.1)	12 (0.0)	18 (0.0)	76 (0.1)
Bangladesh	7 (0.0)	13 (0.0)	20 (0.0)	14 (0.0)	16 (0.0)	6 (0.0)	9 (0.0)	16 (0.0)	9 (0.0)	11 (0.0)
Belgium	409 (0.3)	362 (0.2)	381 (0.2)	379 (0.2)	322 (0.2)	107 (0.2)	65 (0.1)	39 (0.1)	52 (0.1)	41 (0.1)
Canada	1,268 (0.9)	1,119 (0.7)	1,073 (0.7)	961 (0.6)	1,165 (0.6)	18 (0.0)	14 (0.0)	32 (0.1)	48 (0.1)	24 (0.0)
France	782 (0.5)	870 (0.5)	1,044 (0.7)	879 (0.5)	2,146 (1.2)	476 (0.8)	605 (0.9)	756 (1.3)	666 (1.0)	1,993 (2.4)
Germany	3,407 (2.3)	3,894 (2.5)	4,266 (2.8)	4,406 (2.7)	3,782 (2.1)	2,952 (4.8)	3,262 (5.0)	3,681 (6.3)	3,578 (5.3)	3,166 (3.9)
Hong Kong	3,983 (2.7)	4,948 (3.1)	3,098 (2.0)	3,551 (2.2)	8,541 (4.7)	1,626 (2.7)	2,230 (3.4)	542 (0.9)	200 (0.3)	5,398 (6.6)
India	119,281 (81.4)	122,438 (77.4)	124,497 (80.7)	132,535 (81.3)	140,787 (77.2)	51,301 (84.0)	51,235 (78.2)	49,662 (85.3)	56,878 (84.5)	60,673 (74.2)
Indonesia	1 (0.0)	1 (0.0)	1 (0.0)	1 (0.0)	6 (0.0)	1 (0.0)	1 (0.0)	1 (0.0)	1 (0.0)	6 (0.0)
Japan	41 (0.0)	231 (0.1)	236 (0.2)	207 (0.1)	387 (0.2)	41 (0.1)	103 (0.2)	197 (0.3)	158 (0.2)	341 (0.4)
Mauritius	23 (0.0)	41 (0.0)	28 (0.0)	10 (0.0)	36 (0.0)	2 (0.0)	22 (0.0)	11 (0.0)	6 (0.0)	20 (0.0)
Netherlands	4,847 (3.3)	5,667 (3.6)	5,707 (3.7)	3,937 (2.4)	3,879 (2.1)	93 (0.2)	260 (0.4)	340 (0.6)	115 (0.2)	191 (0.2)
Oman	2 (0.0)	6 (0.0)	5 (0.0)	9 (0.0)	2 (0.0)	1 (0.0)	5 (0.0)	4 (0.0)	8 (0.0)	1 (0.0)
Singapore	195 (0.1)	779 (0.5)	1,249 (0.8)	1,453 (0.9)	2,764 (1.5)	45 (0.1)	608 (0.9)	812 (1.4)	1,013 (1.5)	1,879 (2.3)
South Korea	14 (0.0)	91 (0.1)	28 (0.0)	20 (0.0)	24 (0.0)	0 (0.0)	69 (0.1)	19 (0.0)	13 (0.0)	17 (0.0)
Sri Lanka	9 (0.0)	6 (0.0)	5 (0.0)	6 (0.0)	5 (0.0)	3 (0.0)	2 (0.0)	2 (0.0)	2 (0.0)	2 (0.0)
Taiwan, China	9 (0.0)	8 (0.0)	6 (0.0)	5 (0.0)	3 (0.0)	3 (0.0)	5 (0.0)	3 (0.0)	2 (0.0)	1 (0.0)
Thailand	6 (0.0)	3 (0.0)	8 (0.0)	7 (0.0)	7 (0.0)	6 (0.0)	2 (0.0)	7 (0.0)	6 (0.0)	7 (0.0)
United Arab Emirates	85 (0.1)	68 (0.0)	86 (0.1)	77 (0.0)	140 (0.1)	14 (0.0)	13 (0.0)	15 (0.0)	24 (0.0)	83 (0.1)
United Kingdom	3,973 (2.7)	7,968 (5.0)	4,871 (3.2)	4,786 (2.9)	6,447 (3.5)	1,070 (1.8)	3,423 (5.2)	721 (1.2)	717 (1.1)	1,259 (1.5)
United States	8,107 (5.5)	9,592 (6.1)	7,539 (4.9)	9,694 (5.9)	11,900 (6.5)	3,251 (5.3)	3,513 (5.4)	1,366 (2.3)	3,814 (5.7)	6,571 (8.0)
Total	**146,537 (100.0)**	**158,201 (100.0)**	**154,204 (100.0)**	**162,991 (100.0)**	**182,471 (100.0)**	**61,039 (100.0)**	**65,485 (100.0)**	**58,237 (100.0)**	**67,330 (100.0)**	**81,757 (100.0)**

'–' : Nil/Negligible.

Notes : 1. Figures in brackets represent percentages to total in the respective group (column).
2. Totals may not tally due to rounding off.
3. Data have been revised for previous quarters.
4. Q1, Q2, Q3 and Q4 denote quarters ended March, June, September and December, respectively.

Statement VII: Residual Maturity and Sector-wise Classification of Consolidated International Claims of Banks (Based on CBS Statements) - Amount Outstanding as at end of Period on Immediate Country Risk Basis

(Rs. crore)

Country of Transacting Units	Period	Total International Claims	Residual Maturity			Sector		
			Short Term	Long Term	Un-allocated	Bank	Non-Bank Public	Non-Bank Private
Total Intl. Claims	**Dec - 2005**	**88,085**	**70,362**	**16,605**	**1,118**	**40,896**	**1,446**	**45,744**
	Mar - 2006	**92,711**	**73,176**	**18,627**	**907**	**43,050**	**1,248**	**48,413**
	Jun - 2006	**99,317**	**74,013**	**24,227**	**1,078**	**40,580**	**732**	**58,005**
	Sep - 2006	**114,688**	**86,175**	**27,796**	**716**	**49,932**	**840**	**63,916**
	Dec - 2006	**133,424**	**99,780**	**33,369**	**275**	**60,649**	**872**	**71,903**
Australia	Dec - 2005	671	445	226	–	141	–	530
	Mar - 2006	805	694	111	–	137	–	668
	Jun - 2006	1,532	1,088	444	–	638	–	893
	Sep - 2006	1,132	425	707	–	849	1	282
	Dec - 2006	1,261	456	804	–	825	1	434
Austria	Dec - 2005	907	776	131	–	836	–	71
	Mar - 2006	874	795	79	–	764	–	109
	Jun - 2006	645	610	35	–	548	–	97
	Sep - 2006	521	431	90	–	413	–	108
	Dec - 2006	715	565	150	–	581	–	134
Bahamas	Dec - 2005	1,079	1,079	–	–	1,055	–	24
	Mar - 2006	777	777	–	–	770	–	7
	Jun - 2006	552	506	46	–	506	–	46
	Sep - 2006	900	426	474	–	138	–	762
	Dec - 2006	1,128	1,074	53	–	253	–	874
Bahrain	Dec - 2005	1,806	579	1,228	–	1,703	–	103
	Mar - 2006	2,194	980	1,213	–	2,024	–	170
	Jun - 2006	2,606	1,359	1,247	–	2,121	–	485
	Sep - 2006	2,173	970	1,203	–	1,830	5	338
	Dec - 2006	2,399	1,049	1,350	–	1,953	–	446
Belgium	Dec - 2005	1,479	1,401	78	–	127	–	1,353
	Mar - 2006	1,479	1,395	83	–	414	–	1,065
	Jun - 2006	2,942	2,820	121	–	1,474	–	1,468
	Sep - 2006	2,826	2,517	309	–	583	–	2,243
	Dec - 2006	3,257	3,031	226	–	631	–	2,625
Canada	Dec - 2005	624	543	81	–	214	1	409
	Mar - 2006	1,181	973	208	–	556	2	622
	Jun - 2006	1,219	1,030	189	–	688	3	528
	Sep - 2006	1,615	1,380	235	–	1,063	2	550
	Dec - 2006	1,645	1,339	305	–	946	3	696
China	Dec - 2005	853	845	8	–	1	–	852
	Mar - 2006	977	971	5	1	98	–	879
	Jun - 2006	1,025	1,013	12	1	2	–	1,023
	Sep - 2006	561	526	34	1	2	–	559
	Dec - 2006	690	682	7	–	2	–	688
Cyprus	Dec - 2005	107	79	29	–	27	–	81
	Mar - 2006	94	92	3	–	0	–	94
	Jun - 2006	220	102	118	–	115	–	104
	Sep - 2006	887	801	86	–	84	–	802
	Dec - 2006	742	586	156	–	85	–	657

Statement VII: Residual Maturity and Sector-wise Classification of Consolidated International Claims of Banks (Based on CBS Statements) - Amount Outstanding as at end of Period on Immediate Country Risk Basis *(Contd.)*

(Rs. crore)

Country of Transacting Units	Period	Total International Claims	Residual Maturity			Sector		
			Short Term	Long Term	Un-allocated	Bank	Non-Bank Public	Non-Bank Private
Denmark	Dec - 2005	296	275	21	–	228	–	68
	Mar - 2006	841	819	22	–	689	–	152
	Jun - 2006	1,044	984	60	–	954	–	90
	Sep - 2006	687	450	237	–	544	–	143
	Dec - 2006	1,022	843	179	–	886	–	136
France	Dec - 2005	1,789	1,641	148	–	689	–	1,099
	Mar - 2006	1,460	1,106	354	–	548	–	912
	Jun - 2006	1,874	1,478	396	–	743	–	1,130
	Sep - 2006	1,745	1,258	487	–	752	–	993
	Dec - 2006	2,880	2,246	634	–	1,834	–	1,046
Germany (Includes ECB)	Dec - 2005	5,233	4,942	248	42	4,154	48	1,030
	Mar - 2006	4,678	4,226	451	–	3,600	60	1,018
	Jun - 2006	5,108	4,738	369	–	3,823	66	1,218
	Sep - 2006	5,035	4,169	866	–	3,788	55	1,192
	Dec - 2006	5,514	4,664	849	–	3,799	68	1,647
Hong Kong	Dec - 2005	6,221	5,501	721	–	2,324	–	3,897
	Mar - 2006	6,652	6,183	469	–	3,315	–	3,337
	Jun - 2006	4,999	4,250	749	–	2,101	–	2,898
	Sep - 2006	4,944	3,919	1,025	–	2,095	1	2,848
	Dec - 2006	9,173	8,159	1,013	–	6,212	1	2,959
Indonesia	Dec - 2005	791	731	60	–	1	–	790
	Mar - 2006	955	796	136	23	–	45	910
	Jun - 2006	964	834	130	–	8	–	956
	Sep - 2006	1,071	837	234	–	469	–	602
	Dec - 2006	1,080	799	281	–	438	–	643
Ireland	Dec - 2005	404	352	51	–	259	–	144
	Mar - 2006	437	429	8	–	385	–	52
	Jun - 2006	483	477	5	–	378	–	104
	Sep - 2006	761	634	127	–	473	–	288
	Dec - 2006	1,199	1,022	178	–	780	–	420
Italy	Dec - 2005	823	720	103	–	245	–	578
	Mar - 2006	1,266	1,260	6	–	156	–	1,109
	Jun - 2006	2,264	1,670	594	–	1,140	–	1,124
	Sep - 2006	2,801	2,270	530	–	1,221	–	1,579
	Dec - 2006	2,499	1,859	640	–	1,358	–	1,141
Japan	Dec - 2005	1,327	1,259	66	2	765	0	562
	Mar - 2006	1,007	904	103	–	713	0	294
	Jun - 2006	1,833	1,648	183	1	941	1	891
	Sep - 2006	2,451	2,090	361	–	1,391	0	1,060
	Dec - 2006	2,190	1,861	329	–	1,285	1	904
Kazakhstan	Dec - 2005	730	390	340	–	532	–	198
	Mar - 2006	504	358	146	–	340	–	164
	Jun - 2006	361	196	165	–	237	–	124
	Sep - 2006	381	352	29	–	199	–	182
	Dec - 2006	738	421	317	–	201	–	537

Statement VII: Residual Maturity and Sector-wise Classification of Consolidated International Claims of Banks (Based on CBS Statements) - Amount Outstanding as at end of Period on Immediate Country Risk Basis *(Contd.)*

(Rs. crore)

Country of Transacting Units	Period	Total International Claims	Residual Maturity			Sector		
			Short Term	Long Term	Un-allocated	Bank	Non-Bank Public	Non-Bank Private
Kuwait	Dec - 2005	658	337	321	–	58	–	600
	Mar - 2006	285	69	216	–	52	–	232
	Jun - 2006	315	84	231	–	85	–	231
	Sep - 2006	530	316	213	–	73	–	457
	Dec - 2006	644	244	400	–	52	–	592
Luxembourg	Dec - 2005	589	6	583	–	257	–	332
	Mar - 2006	465	5	459	–	104	–	361
	Jun - 2006	467	11	456	–	59	–	408
	Sep - 2006	514	211	303	–	48	–	466
	Dec - 2006	753	328	425	–	113	–	640
Mauritius	Dec - 2005	116	102	14	–	21	–	95
	Mar - 2006	289	96	193	–	26	–	263
	Jun - 2006	428	224	202	2	112	–	317
	Sep - 2006	339	258	81	–	177	–	162
	Dec - 2006	662	448	214	–	153	–	509
Netherlands	Dec - 2005	1,243	648	397	198	951	–	291
	Mar - 2006	1,092	758	154	180	717	–	375
	Jun - 2006	3,758	2,698	1,059	–	1,366	–	2,391
	Sep - 2006	4,528	3,808	720	–	2,271	–	2,257
	Dec - 2006	4,333	3,218	1,114	–	1,841	–	2,491
Russia	Dec - 2005	1,331	817	514	–	542	–	789
	Mar - 2006	2,134	778	1,291	66	1,078	–	1,056
	Jun - 2006	3,005	1,572	1,433	–	1,677	–	1,328
	Sep - 2006	3,765	2,749	1,016	–	2,220	–	1,545
	Dec - 2006	4,258	2,689	1,569	–	2,091	–	2,167
Saudi Arabia	Dec - 2005	550	369	181	–	8	–	541
	Mar - 2006	677	335	341	–	211	–	466
	Jun - 2006	1,059	548	511	–	276	–	783
	Sep - 2006	768	251	517	–	260	–	508
	Dec - 2006	671	420	251	–	82	2	587
Singapore	Dec - 2005	3,495	3,082	396	17	661	8	2,826
	Mar - 2006	4,182	3,527	652	3	1,412	9	2,761
	Jun - 2006	5,673	4,981	669	23	1,876	–	3,797
	Sep - 2006	7,066	5,759	1,282	25	2,618	–	4,448
	Dec - 2006	7,539	4,725	2,814	–	2,304	2	5,233
South Korea	Dec - 2005	367	170	162	35	194	–	173
	Mar - 2006	149	103	45	–	40	–	109
	Jun - 2006	364	174	190	–	240	–	124
	Sep - 2006	909	589	321	–	749	–	160
	Dec - 2006	863	546	318	–	599	–	265
Spain	Dec - 2005	384	362	22	–	71	–	313
	Mar - 2006	806	782	24	–	304	–	502
	Jun - 2006	902	876	25	–	192	–	710
	Sep - 2006	766	733	33	–	202	–	564
	Dec - 2006	1,071	1,024	47	–	450	–	621

Statement VII: Residual Maturity and Sector-wise Classification of Consolidated International Claims of Banks (Based on CBS Statements) - Amount outstanding as at end of Period on Immediate Country Risk Basis *(Concld.)*

(Rs. crore)

Country of Transacting Units	Period	Total International Claims	Residual Maturity			Sector		
			Short Term	Long Term	Un-allocated	Bank	Non-Bank Public	Non-Bank Private
Sri Lanka	Dec - 2005	1,204	1,042	162	–	231	38	934
	Mar - 2006	862	698	165	–	167	38	657
	Jun - 2006	1,534	1,378	156	–	291	–	1,243
	Sep - 2006	2,073	1,469	453	151	324	231	1,518
	Dec - 2006	1,979	1,420	424	134	531	147	1,301
Switzerland	Dec - 2005	585	577	8	–	353	1	231
	Mar - 2006	903	824	79	–	654	–	249
	Jun - 2006	1,209	860	349	–	568	2	639
	Sep - 2006	1,742	1,448	293	–	790	–	951
	Dec - 2006	1,680	1,285	395	–	913	1	766
Turkey	Dec - 2005	559	558	1	–	44	–	514
	Mar - 2006	568	566	2	–	67	–	501
	Jun - 2006	764	447	318	–	174	–	591
	Sep - 2006	1,211	1,164	48	–	656	–	555
	Dec - 2006	1,327	1,129	198	–	554	–	773
United Arab Emirates	Dec - 2005	4,505	3,344	1,161	–	1,004	–	3,500
	Mar - 2006	4,059	2,824	1,236	–	1,043	–	3,016
	Jun - 2006	3,824	2,257	1,567	–	774	1	3,050
	Sep - 2006	5,100	3,011	2,090	–	640	1	4,460
	Dec - 2006	6,236	3,927	2,309	–	981	1	5,254
United Kingdom @	Dec - 2005	12,827	9,535	3,142	150	9,818	18	2,991
	Mar - 2006	14,212	10,798	3,286	128	10,688	21	3,504
	Jun - 2006	12,106	7,201	4,278	627	7,221	30	4,856
	Sep - 2006	16,745	11,392	4,948	405	10,410	29	6,306
	Dec - 2006	18,703	11,600	7,058	45	11,125	41	7,538
United States #	Dec - 2005	24,471	20,590	3,664	217	11,544	444	12,483
	Mar - 2006	23,176	18,664	4,409	103	8,963	513	13,700
	Jun - 2006	24,283	18,388	5,736	159	7,757	446	16,080
	Sep - 2006	29,152	22,701	6,451	–	10,916	359	17,877
	Dec - 2006	33,435	27,735	5,700	–	15,494	415	17,526
No Specific Country	Dec - 2005	1,096	1,047	49	–	375	–	720
	Mar - 2006	2,567	1,727	840	–	21	–	2,545
	Jun - 2006	2,362	1,557	806	–	21	4	2,337
	Sep - 2006	1,926	1,541	385	–	22	–	1,904
	Dec - 2006	2,522	1,690	833	–	1	–	2,522

@ : Excluding Guernsey, Isle of Man and Jersey. # : Includes Miday Island and Wake Islands.

'–' : Nil/Negligible.

Notes : 1. Totals may not tally due to rounding off.

2. Residual Maturity "Unallocated" comprises maturity not applicable (e.g., for equities) and maturity information not available.
3. "No Specific Country" means the country information has not been provided by the reporting bank branches.
4. Data have been revised for previous quarters.

Annex

1. BIS Reporting System of International Banking Statistics

The BIS reporting system of IBS has two sets of statistics, *viz.*, (i) "Locational Banking Statistics (LBS)" and (ii) "Consolidated Banking Statistics (CBS)" both quarterly reviews. The LBS are designed to provide comprehensive and consistent quarterly data on international banking business conducted in the BIS reporting area. The purpose of the CBS is to provide comprehensive and consistent quarterly data on banks' financial claims on other countries, both on an immediate borrower basis for providing a measure of country transfer risk, and on an ultimate risk basis for assessing country risk exposures of national banking system.

The international banking business is defined as banks' on balance-sheet liabilities and assets *vis-à-vis* non-residents in any currency or unit of account *plus* similar liabilities and assets *vis-à-vis* residents in foreign currencies or units of account.

2. BIS Reporting Area for International Banking Statistics

2.1 Reporting Area for Locational Banking Statistics:

The aim of the LBS is to provide accurate, comprehensive and up-to-date information on international banking activity. To achieve this goal, data should ideally be collected from banks in each and every country. However, the hub like nature of international banking means that it is sufficient to gather data from only a limited number of key international banking centres. In this way at least one side of most international banking relationships will be captured. This procedure keeps the system manageable and produces accurate and up-to-date data. Additional countries are, therefore, asked to contribute to the LBS when their cross-border banking business becomes substantial. The countries currently making up the reporting area are listed in Box 1.

2.2 Reporting Area for Consolidated Banking Statistics:

The CBS are a hybrid scheme combining features of a worldwide-consolidated reporting system with elements of a territorial, *i.e.*, balance of payments, based reporting system. For this reason, it is not possible to speak of a "reporting area" that is well defined in terms of the location of the banking offices conducting the business in question. The worldwide consolidation of balance sheet positions means that the activities of a great number of banking offices located outside the reporting countries are also covered. The expression "reporting area" is used for reasons of convenience to indicate the countries that submit data to the BIS (Box 1).

3. Distinction/Relation between IBS of India *vis-à-vis* External Debt of India

In India, with the growing liberalisation of the external sector, close monitoring of the cross border flow of funds assume critical importance. Commercial and cooperative banks in India (including foreign banks having offices in India) provide information on their domestic and international operations to the Reserve Bank to meet the

Box 1: Countries Reporting IBS data to the BIS

I. Reporting countries providing Locational Banking Statistics to the BIS:			
Australia (1997)	Denmark (1977)	Italy (1977)	Portugal (1997)
Austria (1987)	Finland (1983)	Japan (1977)	Singapore (1983)
Bahamas[1] (1983)	France (1977)	Jersey (2001)	South Korea (2005)
Bahrain (1983)	Germany (1977)	Luxembourg (1977)	Spain (1983)
Belgium (1977)	Greece (2003)	Macau SAR (2006)	Sweden (1977)
Bermuda (2002)	Guernsey (2001)	Mexico (2003)	Switzerland (1977)
Brazil (2002)	Hong Kong SAR (1983)	Netherlands (1977)	Taiwan, China (2000)
Canada (1977)	**India (2001)**	Netherlands Antilles (1983)	Turkey (2000)
Cayman Islands (1983)	Ireland (1977)	Norway (1983)	United Kingdom (1977)
Chile (2002)	Isle of Man (2001)	Panama (2002)	United States (1977)
II.Reporting countries providing Consolidated Banking Statistics to the BIS:			
Australia (2003)	France (1983)	Luxembourg (1983)	Sweden (1983)
Austria (1983)	Germany (1983)	Mexico (2003)	Switzerland (1983)
Belgium (1983)	Greece (2003)	Netherlands (1983)	Taiwan, China (2000)
Brazil (2002)	Hong Kong SAR[1] (1997)	Norway (1994)	Turkey (2000)
Canada (1983)	**India (2001)**	Panama (2002)	United Kingdom (1983)
Chile (2002)	Ireland (1983)	Portugal (1999)	United States (1983)
Denmark (1983)	Italy (1983)	Singapore (2000)	–
Finland (1985)	Japan (1983)	Spain (1985)	

1: Semiannual Reporting.
Note : Year in bracket indicates first year of data submission to the BIS.
Source: BIS: International Banking Statistics December 2006.

specific regulatory and policy requirements. Currently, efforts have been made to meet the data standards of BIS by devising a new reporting system for International Banking Statistics (IBS) of India. The IBS is not the same as the external debt statistics, which are separately collected and disseminated (Box 2).

4. Methodoly of Compilation of LBS and CBS

The LBS provide for the collection of data on the positions of all banking offices located within the reporting area. Such offices report exclusively on their own (unconsolidated) business, which thus includes international transactions with any of their own affiliates (branches, subsidiaries, joint ventures) located either inside or outside the reporting area. The basic organizing principle underlying the reporting system is the residence of the banking office. This conforms to balance of payments and external debt methodology. In addition, data on ownership or nationality basis are also calculated by regrouping according to country of origin. Thus, the LBS cover both international liabilities and assets of offices of domestic and foreign banks operating within the reporting country. The LBS data are

Box 2: External Debt Statistics vis-à-vis International Banking Statistics of India

In India, while the international banking statistics have been developed recently, there has been a closely related reporting system of external debt statistics. Besides, there are other periodic returns through which banks are reporting external assets and liabilities to the Reserve Bank of India. The existing systems are not as much comprehensive as the IBS system for reporting international liabilities and assets of banks in India. The external debt statistics and international banking statistics are different in many respects. First, external debt statistics relates to external debt of the country as a whole comprising banking and other sectors whereas international banking statistics relates to international liabilities as well as international assets in respect of only banks. Second, liabilities of banks in foreign currencies towards residents (like, Exchange Earners' Foreign Currency (EEFC) A/Cs, Resident Foreign Currency (RFC) A/Cs, Intra-bank foreign currency deposits/borrowing, etc.) are included in International Banking Statistics, whereas the same are not included under external debt statistics. Third, equities of banks held by NRIs, Rupee and ACU Dollar balances in VOSTRO A/Cs+, non-debt credit flows on account of ADRs/GDRs and capital supplied by head offices of foreign banks in India form part of International Banking Statistics. Fourth, outstanding amounts on account of non-resident non-repatriable Rupee deposits (either principal and/or interest are not repatriable) are not included in external debt whereas the same are included in International Banking Statistics as per the definition stated under "BIS Reporting System of International Banking Statistics".

+ *These are accounts of non-resident branches of banks with banks in India in ACU Dollar or Indian Rupee.*

classified by currency (domestic and foreign currencies), sector (banks and non-banks) and country of residence of counter party, and by nationality of reporting banks.

The CBS focus on the assets side of banks' balance sheet. The data mainly cover financial claims reported by domestic banks' offices, including the exposures of their foreign affiliates, and are collected on worldwide basis with inter-office transactions being netted out. Unlike the locational banking statistics, the consolidated banking statistics call for maturity details of assets, and they also entail a somewhat finer sectoral breakdown (banks, non-bank public sector and non-bank private sector). The additional information can be used to supplement locational banking data while compiling and evaluating external debt statistics from creditor side, although, unlike the locational statistics, the reporting system underlying the consolidated statistics does not conform to balance of payments and external debt methodology. Thus, in the CBS, banks with head office in the reporting country (*e.g.,* India) provide data on total assets for their all offices in the reporting country and abroad excluding inter-office transactions, *i.e.,* data are reported on consolidated basis. Affiliates/branches of foreign banks operating in the reporting country (*e.g.,* India) also report their claims on countries other than the reporting country (*e.g.,* India) including transactions with their offices outside the reporting country.

In the CBS, the reporting banks are classified under three categories, *viz.,* "Domestic Banks" having head offices in India, "Inside Area Foreign Banks" having head offices in another BIS Reporting country and "Outside Area Foreign Banks" having head offices outside BIS–Reporting countries. The following aspects are taken into consideration for reporting/segregating the international claims for the three categories of banks:

(i) Head offices of banks in the reporting countries (*i.e.*, domestic banks) are required to provide consolidated reports on financial claims of their offices worldwide both on an ultimate risk and an immediate borrower basis; worldwide consolidated reporting entails that, for example, an Indian bank, with a foreign branch in the US, should report – (a) the claims of its domestic branches on all non-residents, (b) the claims of its foreign branch in the US on all non-residents (but other than entities in India), and (c) the claims, of its foreign branch in the US, on residents/entities in the US in currencies other than US dollar. Claims between the Indian head office and its foreign branch in the US should be netted out. Besides, the foreign branches are also required to report their local assets and local liabilities in local currency.

(ii) Banking offices in reporting countries whose head office is located in another reporting country (*i.e.*, inside area foreign banks, such as, Mumbai office of a US bank where US is a BIS reporting country) are required to provide non-consolidated data on claims on entities in their respective home country only (*e.g.*, the branch or subsidiary of a US bank in India should report its claims on the US only to avoid the double counting of its claims on other countries which are reported through its head office to the BIS) and on an immediate borrower basis only. These data should, therefore, include any positions the banks have *vis-à-vis* their own affiliates or head offices in their home country.

(iii) Banking offices in reporting countries whose head office is outside the reporting countries (*i.e.*, outside area foreign banks, such as, Mumbai office of a Thai bank where Thailand is not a BIS reporting country) are required to provide non-consolidated data on financial claims on non-residents, including their home country, on an immediate borrower basis only.

The three major sub-components of international assets and liabilities are: (i) loans and deposits, (ii) holding of debt securities and own issues of debt securities, and (iii) other assets and liabilities. The "other assets and liabilities" mainly comprise, on the asset side, equity shares (including mutual and investment fund units and holdings of shares in a bank's own name but on behalf of third parties), participations, and working capital supplied by head offices to their branches abroad and, on the liability side, working capital received by local branches from their head offices abroad.

The BIS revised its guidelines for CBS by modifying its reporting format and increasing the coverage of products by including financial instruments such as derivatives, guarantees, *etc.* The revised system has been implemented from the reporting quarter March 2005, which covers, besides existing items, the claims of domestic reporting banks on ultimate risk basis arising from derivatives, guarantees and credit commitments.

5. Terms Used in International Banking Statistics

Cross border positions	:	It refers to the transactions (assets/liabilities) with non-residents in any currency.
International position	:	Banks' on balance sheet assets and liabilities *vis-à-vis* non-residents in any currency plus similar assets and liabilities *vis-à-vis* residents in foreign currencies.
Foreign claims	:	It can be disaggregated into cross-border claims and local claims of foreign branches of domestic banks. Alternately, it can also be disaggregated into international claims and local claims denominated in local currencies.
International Claims	:	They are defined as cross border claims plus local claims in foreign currencies.
Cross-border Claims	:	They are the claims on the borrowers resident outside the country in which the office of bank booking the claim is located.
Local Claims	:	It is the claim booked by foreign offices of domestic banks on the resident of the country in which foreign office is located.

6. Explanation of the Methodology:

(a) Compilation of LBS/CBS and Different Terms Used in IBS with the Help Of an Example

Reporting of IBS Data

Reporting Bank	Assets/ Liabilities	Currency+		Assets with/Liabilities towards			
				IN	LK	US	XX
				1	2	3	4
Domestic(Indian) Banks' Branches in India (IN)	Asset	Local	A	–	15	25	10*
		Non-Local	B	15	5	30	10
	Liability	Local	C	–	15	20	10*
		Non-Local	D	12	15	10	5
Domestic (Indian) Banks' Branches in the US	Asset	Local	E	25	10	30	5
		Non-Local	F	20	30	35	10
	Liability	Local	G	–	–	35	–
		Non-Local	H	–	–	–	–
US based Banks' Branches in India (IN) (Inside Area Bank)	Asset	Local	I	–	20	25	15
		Non-Local	J	10	15	30	5
	Liability	Local	K	–	20	35	10
		Non-Local	L	25	20	40	5
Sri Lanka based Banks' Branches in India(IN) (Outside Area Bank)	Asset	Local	M	–	20	15	10
		Non-Local	N	10	30	20	15
	Liability	Local	O	–	12	25	10
		Non-Local	P	20	15	35	10

IN - INDIA, LK - SRI LANKA, US - UNITED STATES, XX - NOT A SPECIC COUNTRY.

\+ : Local/non-local currency is according to the country of operation of the reporting branches.

* : Asset/Liabilities with/towards own office operating in the country 'XX'.

'–' : Not required under IBS reporting.

Compilation of LBS/CBS

Locational Banking Statistics (LBS)				
Country	**International Assets**		**International Liabilities**	
IN	B1+J1+N1	35	D1+L1+P1	57
LK	A2+B2+I2+J2+M2+N2	105	C2+D2+K2+L2+O2+P2	97
US	A3+B3+I3+J3+M3+N3	145	C3+D3+K3+L3+O3+P3	165
XX	A4+B4+I4+J4+M4+N4	65	C4+D4+K4+L4+O4+P4	50

Consolidated Banking Statistics (CBS)						
Reporting Banks according to Country of Incorporation		**Cross Border Claims(in all curriencies)**	**Local Claims in Currency**		**International Claims**	**Foreign Claims**
			Non local	**Local**		
		1	2	3	4[='1'+'2']	5[='3'+'4']
Domestic (Indian) Banks	X	140	35	30	175	205
Inside Area Banks	Y	55	–	–	55	55
Outside Area Banks	Z	110	–	–	110	110

Note: The claims on home country (i.e., India) is excluded in CBS.
X1=140 (=A2+A3+A4+B2+B3+E2+E4+F2+F4) X2=35 (=F3) X3=30 (=E3)
Y1= 55 (=I3+J3) Z1=110 (=M2+M3+M4+N2+N3+N4)
'–' : Not required under CBS reporting.

(b) Compilation of Risk Transfer: The procedure for calculating Outward Risk/Inward Risk/Net Risk transfer is given in the following Table.

Country of Operation of Reporting Banks	**Country of Immediate Risk (Country of Customer/ Borrower)**	**Country of Ultimate Risk (Guarantors' Country)**	**Balance**	
1	*2*	*3*	*4*	
IN	IN	IN	10	*A*
IN	IN	GB	30	*B*
US	GB	IN	50	*C*
US	GB	GB	25	*D*
IN	GB	US	45	*E*
JP	US	GB	15	*F*

Risk Transefer	**Country**		
	IN	**GB**	**US**
Outward Risk (O)*	–	*C4+E4* 95	*F4* 15
Inward Risk (I)#	–	*B4+F4* 45	*E4* 45
Netrisk (I - O)	–	-50	30

IN - INDIA, US - UNITED STATES, GB - UNITED KINDOM, JP - JAPAN.
'–' : Not required under IBS reporting.
* : Exposure against the country which is guaranteed by another country.
\# : Exposure against the guaranteeing country which is availed by another country.

*Quick Estimates of National Income, 2005-06 and Revised Estimates of National Income, 2006-07: A Review**

The Central Statistical Organisation (CSO) has released the 'Quick Estimates of National Income, Consumption Expenditure, Saving and Capital Formation, 2005-06' on January 31, 2007. These estimates provide the data on various macro-economic aggregates for the years 1999-2000 to 2005-06. Subsequently, the CSO has also released the 'Revised Estimates of National Income, 2006-07' on May 31, 2007 providing the estimate of the rate of growth of Gross Domestic Product for the year 2006-07. This article reviews the trends in various macro-economic aggregates as given in the Quick and Revised Estimates.

It may be mentioned that the CSO, on January 31, 2006, changed the base year of National Accounts Statistics from 1993-94 to 1999-2000. This is the fifth time that the CSO has changed the base year to factor in the structural changes that have been taking place in the economy in order to reflect a more realistic picture of the economy. Apart from changing the base year, improvements were also made in terms of coverage following the recommendations of the United Nations System of National Accounts, 1993 (UNSNA, 1993).

1. Gross Domestic Product

As per the Quick Estimates of National Income, the real Gross Domestic Product (GDP) at factor cost, the most important indicator of economic growth, registered a growth of 9.0 per cent in 2005-06 as compared to 7.5 per cent in 2004-05 (Table 1, Chart 1). Subsequently, in the Revised Estimates for the year 2006-07, the rate of growth of GDP is estimated at 9.4 per cent on the top of 9.0 per cent in 2005-06.

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

Table 1: Sectoral Growth Rates of Gross Domestic Product at Factor Cost (at 1999-2000 Prices)

(Per cent)

Sector	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05@	2005-06*	2006-07#
1	2	3	4	5	6	7	8	9
I. Agriculture and Allied Activities	**2.7**	**–0.2**	**6.3**	**–7.2**	**10.0**	**0.0**	**6.0**	**2.7**
II. Industry	**3.5**	**6.4**	**2.4**	**6.8**	**6.0**	**8.4**	**8.0**	**11.0**
a) Mining and quarrying	3.2	2.4	1.8	8.8	3.1	7.5	3.6	5.1
b) Manufacturing	3.2	7.7	2.5	6.8	6.6	8.7	9.1	12.3
c) Electricity, gas and water supply	5.5	2.1	1.7	4.7	4.8	7.5	5.3	7.4
III. Services	**9.3**	**5.7**	**6.8**	**7.4**	**8.9**	**10.0**	**10.3**	**11.0**
a) Construction	8.4	6.2	4.0	7.9	12.0	14.1	14.2	10.7
b) Trade, hotels and restaurants	7.3	5.2	9.6	6.9	10.3	8.4	8.2	13.0 ^
c) Transport, storage and communication	10.2	11.2	8.2	13.6	15.1	15.2	13.9	..
d) Financing, insurance, real estate and business services	9.2	4.1	7.3	8.0	5.6	8.7	10.9	10.6
e) Community, social and personal services	11.5	4.8	4.1	3.9	5.4	7.9	7.7	7.8
IV. Gross Domestic Product (I+II+III)	**6.4**	**4.4**	**5.8**	**3.8**	**8.5**	**7.5**	**9.0**	**9.4**

@ : Provisional Estimates. * : Quick Estimates. # : Revised Estimates.
.. : N.A. ^ : Includes 'Transport, storage and communication'.

1.1 Sectoral Growth and Composition of Real Gross Domestic Product

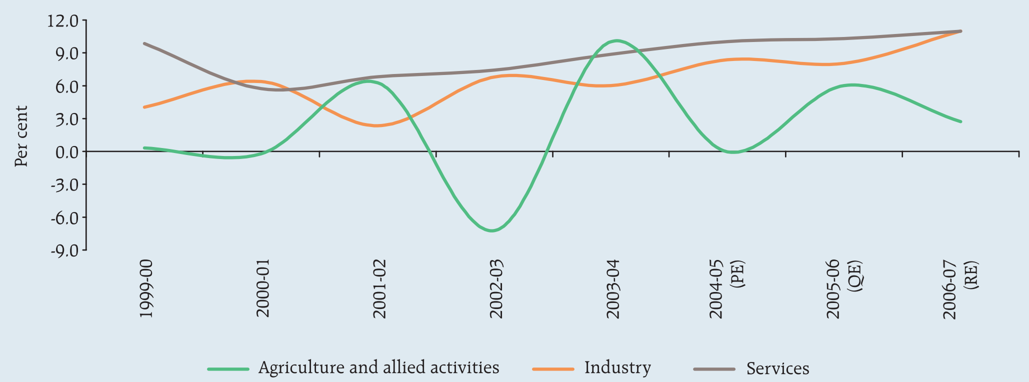
The growth rate of 9.4 per cent in real GDP during 2006-07 has been mainly driven by sub-sectors *viz.*, manufacturing, 'electricity, gas and water supply', 'trade, hotels, restaurants, transport and communication' and 'community, social and personal services'.

At sectoral level, growth in agricultural sector is placed lower at 2.7 per cent in 2006-07 than 6.0 per cent in 2005-06. The growth rate of GDP originating from industry is estimated to rise significantly to 11.0 per cent in 2006-07 from 8.0 per cent in 2005-06 (Chart 1) reflecting improvement in the growth of its sub-sectors *viz.*, 'manufacturing' (12.3 per cent in 2006-07 from 9.1 per cent in 2005-06), 'electricity, gas and water supply' (7.4 per cent in 2006-07 from 5.3 per cent in 2005-06) and 'mining and quarrying' (5.1 per cent in 2006-07 from 3.6 per cent in 2005-06) (Table 1).

The services sector is estimated to register an impressive growth of 11.0 per cent in 2006-07 as compared with 10.3 per cent in 2005-06, due to improved performance of sub-sectors, namely, 'trade, hotels, restaurants, transport, storage and communication'. The sub-sector, 'community, social and personal services' has marginally improved its growth performance, while the sub-sector, 'construction' has recorded a deceleration in its growth.

As per the Revised Estimates, the share of 'agriculture and allied activities' in real GDP at factor cost is estimated to decline from 19.7 per cent in 2005-06 to 18.5 per cent in 2006-07. The share of industry which had declined from 19.6 per cent in the year 2004-05 to 19.4 in 2005-06 has increased to 19.7 per cent in 2006-07. The share of services in real GDP is estimated to rise from 60.2 per cent in 2005-06 to 61.8 per cent in 2006-07. The rise in the share of services is

Chart 1: Sectoral Growth Rates of Real Gross Domestic Product



mainly reflective of increase in the share of 'trade, hotels, restaurants, transport, storage and communication', (from 26.1 per cent in 2005-06 to 27.0 per cent in 2006-07) and 'financing, insurance, real estate and business services' (from 13.8 per cent in 2005-06 to 13.9 per cent in 2006-07). The share of industry in GDP has increased, mainly due to rise in the share of manufacturing sector from 15.1 per cent in 2005-06 to 15.5 per cent in 2006-07. However, the share of mining and quarrying has declined from 2.1 per cent in 2005-06 to 2.0 per cent in 2006-07 (Table 2).

The continuing structural change in the Indian economy can be evidenced from the changing sectoral composition of GDP. The

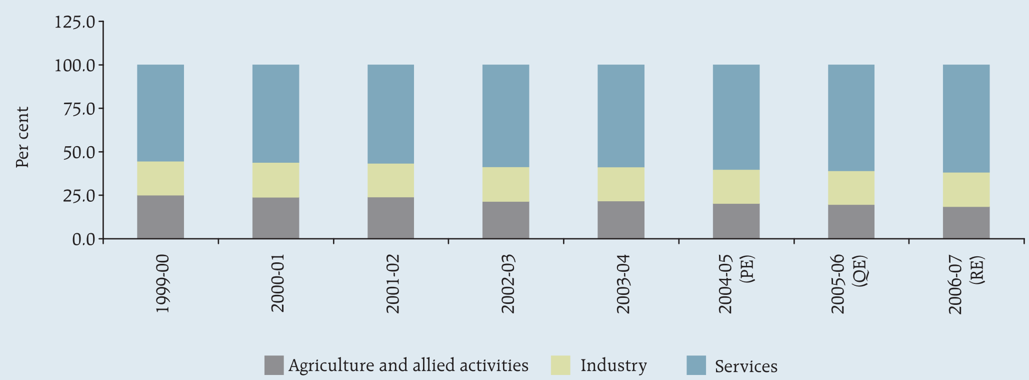
Table 2: Sectoral Composition of Gross Domestic Product at Factor Cost (at 1999-2000 Prices)

(Per cent)

Sector	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05@	2005-06*	2006-07#
1	2	3	4	5	6	7	8	9
I. Agriculture and Allied Activities	**25.0**	**23.9**	**24.0**	**21.5**	**21.7**	**20.2**	**19.7**	**18.5**
II. Industry	**19.6**	**20.0**	**19.3**	**19.9**	**19.4**	**19.6**	**19.4**	**19.7**
a) Mining and quarrying	2.3	2.3	2.2	2.3	2.2	2.2	2.1	2.0
b) Manufacturing	14.8	15.3	14.8	15.2	15.0	15.1	15.1	15.5
c) Electricity, gas and water supply	2.5	2.4	2.3	2.4	2.3	2.3	2.2	2.2
III. Services	**55.4**	**56.1**	**56.7**	**58.7**	**58.8**	**60.2**	**60.9**	**61.8**
a) Construction	5.7	5.8	5.7	5.9	6.1	6.5	6.8	6.9
b) Trade, hotels and restaurants	14.2	14.3	14.9	15.3	15.5	15.7	15.5	27.0 ^
c) Transport, storage and communication	7.5	8.0	8.1	8.9	9.4	10.1	10.6	..
d) Financing, insurance, real estate and business services	13.1	13.0	13.2	13.8	13.4	13.5	13.8	13.9
e) Community, social and personal services	14.9	15.0	14.7	14.8	14.3	14.4	14.2	14.0
IV. Gross Domestic Product (I+II+III)	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

@ : Provisional Estimates. * : Quick Estimates. # : Revised Estimates.
.. : N.A. ^ : Includes 'Transport, storage and communication'.

Chart 2: Sectoral Composition of Real Gross Domestic Product



share of 'agriculture and allied activities' has been showing a continuous decline from 25.0 per cent in 1999-2000 to 18.5 per cent in 2006-07,while that of services sector has witnessed a continuous rise from 55.4 per cent in 1999-2000 to 61.8 per cent in 2006-07. The share of industry, however, remained in the range of 19.3 to 20.0 per cent during the same period (Chart 2).

1.2 Sectoral Contribution to the Growth of Real Gross Domestic Product

The rate of growth of real GDP at 9.4 per cent in 2006-07 was the sum of weighted growth rates of 'agriculture and allied activities' at 0.5 per cent, industry at 2.1 per cent and services sector at 6.7 per cent (Table 3). These weighted growth rates were

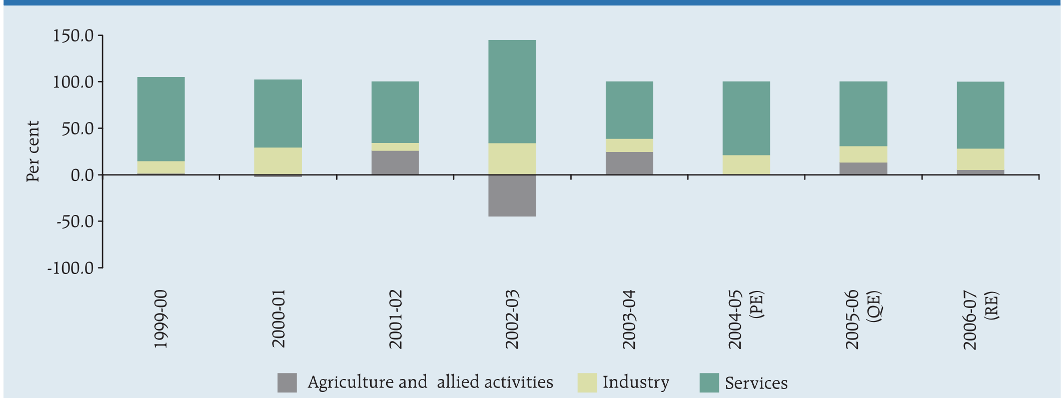
Table 3: Sectoral Contribution to the Growth of Gross Domestic Product at Factor Cost (at 1999-2000 Prices)

(Per cent)

Sector	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05@	2005-06*	2006-07#
1	2	3	4	5	6	7	8	9
I. Agriculture and Allied Activities	**0.7**	**-0.1**	**1.5**	**-1.7**	**2.1**	**0.0**	**1.2**	**0.5**
II. Industry	**0.7**	**1.3**	**0.5**	**1.3**	**1.2**	**1.6**	**1.6**	**2.1**
a) Mining and quarrying	0.1	0.1	0.0	0.2	0.1	0.2	0.1	0.1
b) Manufacturing	0.5	1.1	0.4	1.0	1.0	1.3	1.4	1.9
c) Electrical, gas and water supply	0.1	0.1	0.0	0.1	0.1	0.2	0.1	0.2
III. Services	**5.0**	**3.2**	**3.8**	**4.2**	**5.2**	**5.9**	**6.2**	**6.7**
a) Construction	0.3	0.4	0.2	0.5	0.7	0.9	0.9	0.7
b) Trade, hotels and restaurants	1.0	0.7	1.4	1.1	1.6	1.3	1.3	3.4 ^
c) Transport, storage and communication	0.7	0.9	0.7	1.2	1.4	1.5	1.5	..
d) Financing, insurance, real estate and business services	1.2	0.5	0.9	1.1	0.8	1.2	1.5	1.5
e) Community, social and personal services	1.6	0.7	0.6	0.6	0.8	1.1	1.1	1.1
IV. Gross Domestic Product (I+II+III)	**6.4**	**4.4**	**5.8**	**3.8**	**8.5**	**7.5**	**9.0**	**9.4**

@ : Provisional Estimates. * : Quick Estimates. # : Revised Estimates.
.. : N.A. ^ : Includes 'Transport, storage and communication'.
Note : Sectoral rates may not add up to GDP growth due to rounding off.

Chart 3: Sectoral Contribution to Growth of Real GDP



1.2 per cent, 1.6 per cent and 6.2 per cent, respectively in 2005-06. After normalising the growth of GDP to 100 per cent, the sectoral contributions to growth worked out to 5.6 per cent for 'agriculture and allied activities', 22.8 per cent for industry and 71.5 per cent for services sector in 2006-07, as against the contribution of 13.5 per cent for 'agriculture and allied activities', 17.5 per cent for industry and 69.0 per cent for services sector in 2005-06 (Chart 3).

2. Trends in Domestic Saving

As per the Quick Estimates, the Gross Domestic Saving (GDS) (base year: 1999-2000) in India has increased at current market prices from 31.1 per cent in 2004-05 to 32.4 per cent in 2005-06 mainly due to improvement in saving performance by the private corporate and household sectors. More importantly, the public sector saving has witnessed a turn-around since 2003-04. As a result, the rate of saving of public sector increased from (-) 0.8 per cent in 1999-2000 to 2.0 per cent in 2005-06. The Indian economy has witnessed a continuous increase in the rate of GDS, particularly from 2000-01(Chart 4, Table 4).

The household sector has been the largest contributor to the GDS in India. An analysis of the composition of GDS shows that the share of household sector increased from 85.2 per cent in 1999-2000 to 92.8 per cent in 2001-02. However, since then the share of household saving declined and remained at 68.9 per cent in 2005-06, whereas the share of private corporate sector increased from 23.0 per cent in 2004-05 to 24.9 per cent in 2005-06. A significant development in the recent years has been the turn-around in public sector saving from dis-saving to a saving generating sector.

Chart 4: Composition of Gross Domestic Saving by Type of Institution (per cent)

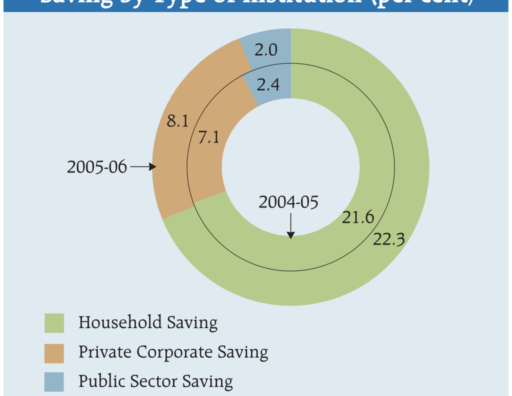


Table 4: Rates of Gross Domestic Saving and Investment

(Per cent of GDP at Current Market Prices)

Item	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05 (PE)	2005-06 (QE)
1	2	3	4	5	6	7	8
1. Household Saving	**21.1**	**21.0**	**21.8**	**22.7**	**23.8**	**21.6**	**22.3**
a) Financial assets	10.6	10.2	10.8	10.3	11.3	10.2	11.7
b) Physical assets	10.5	10.8	10.9	12.4	12.4	11.4	10.7
2. Private Corporate Saving	**4.5**	**4.3**	**3.7**	**4.2**	**4.7**	**7.1**	**8.1**
3. Public Sector Saving	**-0.8**	**-1.7**	**-2.0**	**-0.6**	**1.2**	**2.4**	**2.0**
4. Gross Domestic Saving	**24.8**	**23.7**	**23.5**	**26.4**	**29.7**	**31.1**	**32.4**
5. Gross Domestic Capital Formation	**25.9**	**24.3**	**22.9**	**25.2**	**28.0**	**31.5**	**33.8**
6. Gross Capital Formation	**26.1**	**24.1**	**23.8**	**25.0**	**26.6**	**29.7**	**32.2**
a) Public sector	7.4	6.9	6.9	6.1	6.3	7.1	7.4
b) Private corporate sector	7.4	5.7	5.4	5.9	6.9	9.9	12.9
c) Household sector	10.5	10.8	10.9	12.4	12.4	11.4	10.7
7. Saving-Investment Balance(4-5)	-1.1	-0.6	0.6	1.2	1.6	-0.4	-1.3
a) Public Sector Balance	-8.2	-8.5	-8.9	-6.6	-5.2	-4.7	-5.4
b) Private Corporate Sector	-2.9	-1.4	-1.7	-1.7	-2.2	-2.8	-4.8
c) Household Sector	10.6	10.2	10.8	10.3	11.3	10.2	11.7

PE : Provisional Estimates.

QE : Quick Estimates.

Note : 1. Figures may not add up to the totals due to rounding off.

2. Sectoral saving-investment balances are calculated as the difference between saving and gross capital formation at sectoral level.

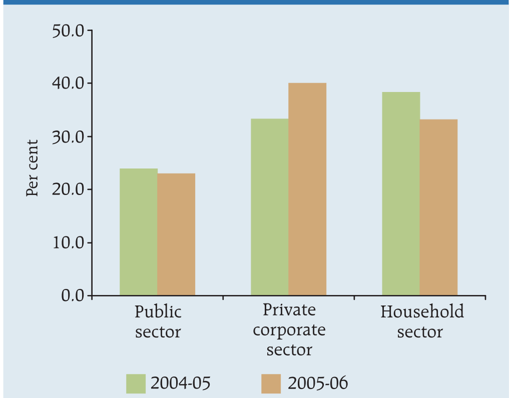
Source : Central Statistical Organisation.

3. Trends in Domestic Capital Formation

The rate of Gross Domestic Capital Formation (GDCF) rose from 31.5 per cent in 2004-05 to 33.8 per cent in 2005-06. The saving-investment gap (*i.e.,* rate of GDS *less* rate of GDCF) increased from (-) 0.4 per cent in 2004-05 to (-) 1.3 per cent in 2005-06. The rate of capital formation in the household sector, a corollary of household sector saving in physical assets, recorded decrease from 11.4 per cent in 2004-05 to 10.7 per cent in 2005-06. The rate of capital formation in private corporate sector increased from 9.9 per cent in 2004-05 to 12.9 per cent in 2005-06, while that in public sector increased from 7.1 per cent to 7.4 per cent during the same period. The saving-investment gap at the institutional level is indicated in Table 4.

The composition of Gross Capital Formation (GCF) by type of institution reveals that the share of public sector in gross capital formation marginally decreased from 23.9 per cent in 2004-05 to 23.0 per cent in 2005-06. The share of private corporate sector in gross capital formation rose significantly from 33.3 per cent in 2004-05 to 40.1 per cent in 2005-06 and that of household sector share decreased from 38.4 per cent to 33.2 per cent during the same period (Chart 5).

Chart 5: Gross Capital Formation by Type of Institution



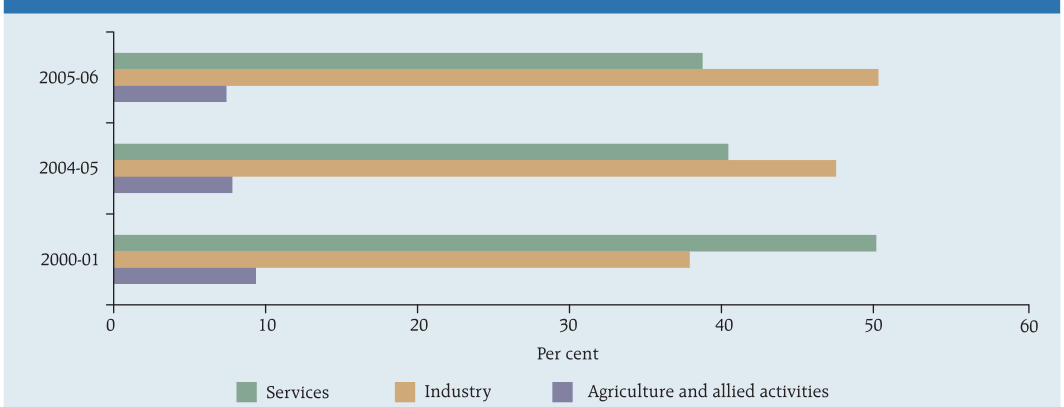
The breakup of GCF by industry indicates that the share of industrial sector in the capital formation was the highest. It increased from 32.0 per cent in 2001-02 to 52.2 per cent in 2005-06. The share of the services sector in capital formation decreased from 56.4 per cent in 2001-02 to 40.2 per cent in 2005-06. The share of 'agriculture and allied activities' in the capital formation was the lowest among all three sectors. It decreased from 11.6 per cent in 2001-02 to 7.7 per cent in 2005-06 (Chart 6, Statement 4).

4. Other Macro-economic Aggregates

In its 'Revised Estimates of National Income, 2006-07' released on May 31, 2007, the CSO has also released for the first time the estimates of expenditure of the GDP at current and constant (1999-2000) prices along with the Revised Estimates of GDP by economic activity. These are consumption expenditure, capital formation and net exports (i.e., exports less imports) and are presented in Statement 5 (5a and 5b) both at constant and current prices, respectively.

As a share of GDP at current market prices, total final consumption expenditure has declined from 69.2 per cent in 2005-06 to 67.7 per cent in 2006-07 reflecting mainly a decline in the share of private final consumption expenditure (PFCE) from 57.9 per cent in 2005-06 to 56.4 per cent in 2006-07. Gross fixed capital formation as a proportion of GDP increased from 28.1 per cent in 2005-06 to 29.5 per cent in 2006-07, while 'change in stock' remained at 2.9 per cent for both the years and that of 'valuables' increased from 1.2 per cent in 2005-06 to

Chart 6: Sectoral Composition of Gross Capital Formation



1.5 per cent in 2006-07. The share of exports in GDP increased from 20.3 per cent in 2005-06 to 23.0 per cent in 2006-07 while that of imports increased from 23.3 per cent in 2005-06 to 25.8 per cent in 2006-07. As a result, net exports as a proportion of GDP at current market prices improved from (-) 3.0 per cent in 2005-06 to (-) 2.8 per cent in 2006-07.

It may be mentioned that some 'Discrepancies' arise due to the difference between the GDP estimated by economic activity marked up by net indirect taxes (indirect taxes less subsidies) to arrive at GDP at market prices and the GDP estimated from the expenditure side. Discrepancies during 2006-07 are estimated at 1.2 per cent of GDP at current market prices as against the corresponding rate of 1.6 per cent in 2005-06.

As of certain other important aggregates, the real Net National Product[1] at factor cost (1999-2000 prices), which is termed as National Income, is estimated to grow at the rate 9.9 per cent in 2006-07. Accordingly, the per capita income (i.e. per capita Net National Product at factor cost) is estimated to show a growth of 7.4 per cent in 2005-06 to 8.4 per cent in 2006-07 (Statement 5a).

[1] Net National Product is obtained after adjusting Gross National Product for depreciation. The depreciation in national accounts statistics (NAS) refers to consumption of fixed capital.

Statement 1: Trends in Sectoral Growth and Composition of Gross Domestic Product at Factor Cost (At 1999-2000 Prices)

Item	1999-2000		2000-01		2001-02		2002-03	
	Amount (Rs. crore)	Growth Rate (Per cent)	Amount (Rs. crore)	Growth Rate (Per cent)	Amount (Rs. crore)	Growth Rate (Per cent)	Amount (Rs. crore)	Growth Rate (Per cent)
1	2	3	4	5	6	7	8	9
I. Agriculture, forestry and fishing	**446515** (25.0)	**2.7**	**445594** (23.9)	**-0.2**	**473530** (24.0)	**6.3**	**439321** (21.5)	**-7.2**
II. Industry	**350233** (19.6)	**3.5**	**372599** (20.0)	**6.4**	**381366** (19.3)	**2.4**	**407276** (19.9)	**6.8**
a) Mining and quarrying	41594 (2.3)	3.2	42589 (2.3)	2.4	43335 (2.2)	1.8	47168 (2.3)	8.8
b) Manufacturing	264113 (14.8)	3.2	284571 (15.3)	7.7	291803 (14.8)	2.5	311685 (15.2)	6.8
c) Electricity, gas and water supply	44526 (2.5)	5.5	45439 (2.4)	2.1	46228 (2.3)	1.7	48423 (2.4)	4.7
III. Services	**989778** (55.4)	**9.3**	**1046578** (56.1)	**5.7**	**1118016** (56.7)	**6.8**	**1201136** (58.7)	**7.4**
a) Construction	102007 (5.7)	8.4	108362 (5.8)	6.2	112692 (5.7)	4.0	121650 (5.9)	7.9
b) Trade, hotels and restaurants	254143 (14.2)	7.3	267325 (14.3)	5.2	293075 (14.9)	9.6	313221 (15.3)	6.9
c) Transport, storage and communication	133371 (7.5)	10.2	148339 (8.0)	11.2	160516 (8.1)	8.2	182273 (8.9)	13.6
d) Financing insurance, real estate and business services	233550 (13.1)	9.2	243087 (13.0)	4.1	260791 (13.2)	7.3	281611 (13.8)	8.0
e) Community, social and personal services	266707 (14.9)	11.5	279465 (15.0)	4.8	290942 (14.7)	4.1	302381 (14.8)	3.9
GDP at factor cost (I+II+III)	**1786526** (100.0)	**6.4**	**1864772** (100.0)	**4.4**	**1972912** (100.0)	**5.8**	**2047733** (100.0)	**3.8**

Statement 1: Trends in Sectoral Growth and Composition of Gross Domestic Product at Factor Cost (At 1999-2000 Prices) *(Concld.)*

Item	2003-04		2004-05@		2005-06*		2006-07#	
	Amount (Rs. crore)	Growth Rate (Per cent)	Amount (Rs. crore)	Growth Rate (Per cent)	Amount (Rs. crore)	Growth Rate (Per cent)	Amount (Rs. crore)	Growth Rate (Per cent)
1	10	11	12	13	14	15	16	17
I. Agriculture, forestry and fishing	**483274** (21.7)	**10.0**	**483080** (20.2)	**0.0**	**512147** (19.7)	**6.0**	**525875** (18.5)	**2.7**
II. Industry	**431724** (19.4)	**6.0**	**467896** (19.6)	**8.4**	**505485** (19.4)	**8.0**	**561086** (19.7)	**11.0**
a) Mining and quarrying	48626 (2.2)	3.1	52250 (2.2)	7.5	54128 (2.1)	3.6	56912 (2.0)	5.1
b) Manufacturing	332363 (15.0)	6.6	361115 (15.1)	8.7	393956 (15.1)	9.1	442503 (15.5)	12.3
c) Electricity, gas and water supply	50735 (2.3)	4.8	54531 (2.3)	7.5	57401 (2.2)	5.3	61671 (2.2)	7.4
III. Services	**1307593** (58.8)	**8.9**	**1438684** (60.2)	**10.0**	**1586900** (60.9)	**10.3**	**1761195** (61.8)	**11.0**
a) Construction	136225 (6.1)	12.0	155431 (6.5)	14.1	177543 (6.8)	14.2	196555 (6.9)	10.7
b) Trade, hotels and restaurants	345424 (15.5)	10.3	374312 (15.7)	8.4	404919 (15.5)	8.2	768578 (27.0)	13.0 ^
c) Transport, storage and communication	209879 (9.4)	15.1	241711 (10.1)	15.2	275318 (10.6)	13.9	.. ..	..
d) Financing, insurance, real estate and business services	297326 (13.4)	5.6	323187 (13.5)	8.7	358535 (13.8)	10.9	396394 (13.9)	10.6
e) Community, social and personal services	318739 (14.3)	5.4	344042 (14.4)	7.9	370584 (14.2)	7.7	399668 (14.0)	7.8
GDP at factor cost (I+II+III)	**2222592** (100.0)	**8.5**	**2389660** (100.0)	**7.5**	**2604532** (100.0)	**9.0**	**2848157** (100.0)	**9.4**

@ : Provisional Estimates. * : Quick Estimates.

: Revised Estimates. .. : Not Available.

^ : Includes 'Transport, storage and communication'.

Note : Figures in the parentheses are share as a per cent of GDP.

Source : Central Statistical Organisation.

Statement 2 : Domestic Saving by Type of Institution (At Current Prices)

Item	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05@	2005-06*
1	2	3	4	5	6	7	8
I. Gross Domestic Saving (II+III+IV)	484256	497218	535583	648982	820504	973028	1156809
	(24.8)	(23.7)	(23.5)	(26.4)	(29.7)	(31.1)	(32.4)
II. Household Sector (1+2)	**412516**	**442136**	**496958**	**559074**	**657327**	**674834**	**797117**
	(21.1)	(21.0)	(21.8)	(22.7)	(23.8)	(21.6)	(22.3)
1. Finacial Saving	206602	215219	247476	253255	313260	318791	416462
	(10.6)	(10.2)	(10.8)	(10.3)	(11.3)	(10.2)	(11.7)
2. Physical Saving	205914	226917	249482	305819	344067	356043	380655
	(10.5)	(10.8)	(10.9)	(12.4)	(12.4)	(11.4)	(10.7)
III. Private Corporate Sector	**87234**	**90143**	**85203**	**103965**	**131355**	**223512**	**288430**
	(4.5)	(4.3)	(3.7)	(4.2)	(4.7)	(7.1)	(8.1)
IV. Public Sector	**-15494**	**-35061**	**-46578**	**-14057**	**31822**	**74682**	**71262**
	(-0.8)	(-1.7)	(-2.0)	(-0.6)	(1.2)	(2.4)	(2.0)

@ : Provisional Estimates. * : Quick Estimates.

Note : The rates of GDS and its components are computed with respect to GDP at current market prices and presented in parentheses.

Source : Central Statistical Organisation.

Statement 3: Capital Formation by Type of Institution

Item	1999-00		2000-01		2001-02		2002-03	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	2	3	4	5	6	7	8	9
At Current Prices								
1. Gross Capital Formation (GCF)	**509518**	**26.1**	**506181**	**24.1**	**543562**	**23.8**	**614679**	**25.0**
(a) Public Sector	144610	7.4	144639	6.9	156544	6.9	149324	6.1
(b) Private Corporate Sector	143475	7.4	119901	5.7	123349	5.4	145579	5.9
(c) Household Sector	205914	10.5	226917	10.8	249482	10.9	305819	12.4
2. Gross Fixed Capital Formation	**456416**	**23.4**	**478317**	**22.8**	**525452**	**23.0**	**584366**	**23.8**
3. Change in Stock	**37583**	**1.9**	**13140**	**0.6**	**3923**	**0.2**	**16356**	**0.7**
4. Errors and Omissions	**-3274**	**-0.2**	**3791**	**0.2**	**-22208**	**-1.0**	**5816**	**0.2**
5. Gross Domestic capital Formation (GDCF)	**506244**	**25.9**	**509972**	**24.3**	**521355**	**22.9**	**620496**	**25.2**
At 1999-2000 Prices								
1. Gross Capital Formation (GCF)	**509518**	**26.1**	**484951**	**23.9**	**495113**	**23.2**	**548554**	**24.8**
(a) Public Sector	144610	7.4	140239	6.9	144322	6.8	134108	6.1
(b) Private Corporate Sector	143475	7.4	114481	5.6	111735	5.2	128669	5.8
(c) Household Sector	205914	10.5	215975	10.6	225567	10.6	272847	12.3
2. Gross Fixed Capital Formation	**456416**	**23.4**	**457888**	**22.5**	**478587**	**22.4**	**520164**	**23.5**
3. Change in Stock	**37583**	**1.9**	**12807**	**0.6**	**3037**	**0.1**	**15460**	**0.7**
4. Errors and Omissions	**-3724**	**-0.2**	**3629**	**0.2**	**-20228**	**-0.9**	**5177**	**0.2**
5. Gross Domestic Capital Formation (GDCF)	**506244**	**25.9**	**488579**	**24.1**	**474885**	**22.2**	**553731**	**25.0**

Statement 3: Capital Formation by Type of Institution *(Concld.)*

Item	2003-04		2004-05@		2005-06*	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	10	11	12	13	14	15
At Current Prices						
1. Gross Capital Formation (GCF)	**734585**	**26.6**	**927629**	**29.7**	**1147253**	**32.2**
(a) Public Sector	174597	6.3	220487	7.1	264426	7.4
(b) Private Corporate Sector	191349	6.9	310045	9.9	459715	12.9
(c) Household Sector	344067	12.4	356043	11.4	380655	10.7
2. Gross Fixed Capital Formation	**687150**	**24.8**	**822786**	**26.3**	**1000760**	**28.1**
3. Change in Stock	**22863**	**0.8**	**63789**	**2.0**	**104036**	**2.9**
4. Errors and Omissions	**40538**	**1.5**	**58737**	**1.9**	**57220**	**1.6**
5. Gross Domestic capital Formation (GDCF)	**775124**	**28.0**	**986366**	**31.5**	**1204474**	**33.8**
At 1999-2000 Prices						
1. Gross Capital Formation (GCF)	**624680**	**26.0**	**737823**	**28.4**	**870619**	**30.6**
(a) Public Sector	145240	6.0	169134	6.5	195484	6.9
(b) Private Corporate Sector	160778	6.7	246348	9.5	347698	12.2
(c) Household Sector	297121	12.4	288468	11.1	293445	10.3
2. Gross Fixed Capital Formation	**588088**	**24.5**	**657317**	**25.3**	**757806**	**26.7**
3. Change in Stock	**15051**	**0.6**	**46633**	**1.8**	**78821**	**2.8**
4. Errors and Omissions	**34695**	**1.4**	**46924**	**1.8**	**43329**	**1.5**
5. Gross Domestic Capital Formation (GDCF)	**659375**	**27.4**	**784747**	**30.2**	**913948**	**32.2**

@ : Provisional Estimates. * : Quick Estimates.

Notes : 1. The rates of GCF and its components are computed with respect to GDP at current/constant market prices.
2. GDCF is GCF adjusted for errors and omissions.

Source : Central Statistical Organisation.

Statement 4: Sectoral Composition of Gross Capital Formation (At 1999-2000 Prices)

Item	2000-01		2001-02		2002-03	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	2	3	4	5	6	7
I. Agriculture, forestry and fishing	**45186** (9.6)	**2.2**	**55806** (11.6)	**2.6**	**55668** (10.4)	**2.5**
a) Agriculture	38735 (8.2)	1.9	47043 (9.8)	2.2	46823 (8.7)	2.1
II. Industry	**183077** (38.9)	**9.0**	**154315** (32.0)	**7.2**	**204638** (38.2)	**9.2**
a) Mining and quarrying	5804 (1.2)	0.3	8366 (1.7)	0.4	8383 (1.6)	0.4
b) Manufacturing	138330 (29.4)	6.8	103683 (21.5)	4.9	157018 (29.3)	7.1
c) Electricity, gas and water supply	38943 (8.3)	1.9	42266 (8.8)	2.0	39237 (7.3)	1.8
III. Services	**242431** (51.5)	**11.9**	**271504** (56.4)	**12.7**	**275319** (51.4)	**12.4**
a) Trade, hotels and restaurants	20073 (4.3)	1.0	22967 (4.8)	1.1	5413 (1.0)	0.2
b) Transport, storage and communication	75806 (16.1)	3.7	58838 (12.2)	2.8	72609 (13.6)	3.3
c) Financing, insurance, real estate and business services	80089 (17.0)	3.9	103516 (21.5)	4.8	101882 (19.0)	4.6
d) Community, social and personal services	57366 (12.2)	2.8	70831 (14.7)	3.3	78710 (14.7)	3.6
e) Construction	9097 (1.9)	0.4	15352 (3.2)	0.7	16705 (3.1)	0.8
IV. Gross Capital Formation (I+II+III)	**470694** (100.0)	**23.2**	**481625** (100.0)	**22.5**	**535624** (100.0)	**24.2**

Statement 4: Sectoral Composition of Gross Capital Formation (At 1999-2000 Prices) *(Concld.)*

Item	2003-04		2004-05@		2005-06*	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	8	9	10	11	12	13
I. Agriculture, forestry and fishing	**53840** (8.9)	**2.2**	**57253** (8.1)	**2.2**	**64131** (7.7)	**2.3**
a) Agriculture	45132 (7.5)	1.9	48576 (6.9)	1.9	54539 (6.5)	1.9
II. Industry	**257785** (42.7)	**10.7**	**349402** (49.6)	**13.4**	**436475** (52.2)	**15.4**
a) Mining and quarrying	13990 (2.3)	0.6	13348 (1.9)	0.5	15230 (1.8)	0.5
b) Manufacturing	196008 (32.5)	8.2	290137 (41.2)	11.1	373616 (44.7)	13.1
c) Electricity, gas and water supply	47787 (7.9)	2.0	45917 (6.5)	1.8	47629 (5.7)	1.7
III. Services	**291515** (48.3)	**12.1**	**297294** (42.2)	**11.4**	**336024** (40.2)	**11.8**
a) Trade, hotels and restaurants	19295 (3.2)	0.8	20302 (2.9)	0.8	22092 (2.6)	0.8
b) Transport, storage and communication	70383 (11.7)	2.9	80122 (11.4)	3.1	78595 (9.4)	2.8
c) Financing, insurance, real estate and business services	101587 (16.8)	4.2	80363 (11.4)	3.1	90442 (10.8)	3.2
d) Community, social and personal services	81754 (13.6)	3.4	100335 (14.3)	3.9	128026 (15.3)	4.5
e) Construction	18496 (3.1)	0.8	16172 (2.3)	0.6	16869 (2.0)	0.6
IV. Gross Capital Formation (I+II+III)	**603140** (100.0)	**25.1**	**703949** (100.0)	**27.1**	**836629** (100.0)	**29.4**

@ : Provisional Estimates. * : Quick Estimates.

Notes : 1. The rates of GCF and its components are computed with respect to GDP at constant market prices.

2. Figures in parentheses are share of Gross Capital Formation.

Source : Central Statistical Organisation.

Statement 5a: Trends in Select Macro-Economic Aggregates (At 1999-2000 prices)

Item	1999-00		2000-01		2001-02		2002-03	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	2	3	4	5	6	7	8	9
I. Product Aggregates								
1. GDP at factor cost	1786525	6.4	1864773	4.4	1972911	5.8	2047732	3.8
2. NDP factor cost	1600933	6.2	1666543	4.1	1760547	5.6	1820235	3.4
3. GDP at market prices	1952035	7.4	2030867	4.0	2136635	5.2	2216260	3.7
4. NDP at market prices	1766442	7.3	1832637	3.7	1924270	5.0	1988762	3.4
5. GNP at factor cost	1771094	6.4	1842228	4.0	1952241	6.0	2028928	3.9
6. NNP at factor cost	1585501	6.2	1643998	3.7	1739876	5.8	1801430	3.5
7. GNP at market prices	1936604	7.4	2008322	3.7	2115964	5.4	2197455	3.9
8. NNP at market prices	1751011	7.3	1810092	3.4	1903599	5.2	1969957	3.5
9. Per capita NNP at factor cost	15839	4.3	16133	1.9	16762	3.9	17075	1.9
II. Demand Aggregates								
1. Total Final Consumption Expenditure	1506387 (77.2)	6.8	1540266 (75.8)	2.2	1622740 (75.9)	5.4	1651465 (74.5)	1.8
2. Private Final Consumption Expenditure	1253643 (64.2)	5.7	1286314 (63.3)	2.6	1363797 (63.8)	6.0	1393435 (62.9)	2.2
3. Government Final Consumption Expenditure	252744 (12.9)	5.3	253952 (12.0)	0.5	258943 (12.1)	2.0	258030 (11.6)	-0.4
4. Exports	227697 (11.7)	18.0	269241 (13.3)	18.2	284498 (13.3)	5.7	346546 (15.6)	21.8
5. *Less:* Imports	265702 (13.6)	7.0	274975 (13.5)	3.5	284324 (13.3)	3.4	313775 (14.2)	10.4
6. Gross Fixed Capital Formation	456416 (23.4)	7.0	457888 (22.5)	0.3	478587 (22.4)	4.5	520164 (23.5)	8.7
7. Change in Stock	37583 (1.9)		12807 (0.6)		3037 (0.1)		15460 (0.7)	
8. Valuables	15519 (0.8)		14256 (0.7)		13489 (0.6)		12930 (0.6)	
9. Discrepancies	-25865 (-1.3)		11384 (0.6)		18608 (0.9)		-16530 (-0.7)	

Statement 5a: Trends in Select Macro-Economic Aggregates (At 1999-2000 prices) *(Concld.)*

Item	2003-04		2004-05@		2005-06*		2006-07#	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	10	11	12	13	14	15	16	17
I. Product Aggregates								
1. GDP at factor cost	2222591	8.5	2389660	7.5	2604532	9.0	2848157	9.4
2. NDP factor cost	1977444	8.6	2125299	7.5	2319014	9.1	2541384	9.6
3. GDP at market prices	2402247	8.4	2602235	8.3	2842478	9.2	3108360	9.4
4. NDP at market prices	2157100	8.5	2337874	8.4	2556960	9.4	..	..
5. GNP at factor cost	2204746	8.7	2367711	7.4	2580761	9.0	2829349	9.6
6. NNP at factor cost	1959599	8.8	2103350	7.3	2295243	9.1	2522576	9.9
7. GNP at market prices	2384402	8.5	2580286	8.2	2818707	9.2	..	..
8. NNP at market prices	2139255	8.6	2315925		2533189	9.4	..	..
9. Per capita NNP at factor cost	18263	7.0	19297	5.7	20734	7.4	22483	8.4
II. Demand Aggregates								
1. Total Final Consumption Expenditure	1753507 (73.0)	6.2	1847887 (71.0)	5.4	1981112 (69.7)	7.2	2112410 (68.0)	6.6
2. Private Final Consumption Expenditure	1489043 (62.0)	6.9	1569130 (60.3)	5.4	1675025 (58.9)	6.7	1778697 (57.2)	6.2
3. Government Final Consumption Expenditure	264464 (11.0)	2.5	278757 (10.7)	5.4	306087 (10.8)	9.8	333713 (10.7)	9.0
4. Exports	366729 (15.3)	5.8	469902 (18.1)	28.1	497683 (17.5)	5.9	540721 (17.4)	8.6
5. *Less:* Imports	366445 (15.3)	16.8	411535 (15.8)	12.3	453922 (16.0)	10.3	505871 (16.3)	11.4
6. Gross Fixed Capital Formation	588088 (24.5)	13.1	657317 (25.3)	11.8	757806 (26.7)	15.3	868618 (27.9)	14.6
7. Change in Stock	15051 (0.6)		46633 (1.8)		78821 (2.8)		86840 (2.8)	
8. Valuables	21541 (0.9)		33873 (1.3)		33992 (1.2)		46921 (1.5)	
9. Discrepancies	23776 (1.0)		-41842 (-1.6)		-53014 (-1.9)		-41279 (-1.3)	

@ : Provisional Estimates. * : Quick Estimates.

\# : Revised Estimates. .. : Not Available.

Valuables : Expenditure made on acquisition of valuables, excluding work of art and antiques.

Note : Figures in parentheses are percentage of GDP at constant market prices.

Source : Central Statistical Organisation.

Statement 5b: Trends in Select Macro-Economic Aggregates (At current prices)

Item	1999-00		2000-01		2001-02		2002-03	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	2	3	4	5	6	7	8	9
I. Product Aggregates								
1. GDP at factor cost	1786525	10.5	1925415	7.8	2100187	9.1	2265304	7.9
2. NDP at factor cost	1600932	15.6	1719120	7.4	1867735	8.6	2010536	7.6
3. GDP at market prices	1952035	11.5	2102375	7.7	2281058	8.5	2458084	7.8
4. NDP at market prices	1766442	11.5	1896080	7.3	2048606	8.0	2203316	7.6
5. GNP at factor cost	1771094	10.6	1902682	7.4	2080119	9.3	2248614	8.1
6. NNP at factor cost	1585501	10.5	1696388	7.0	1847667	8.9	1993846	7.9
7. GNP at market prices	1936604	11.5	2079642	7.4	2260990	8.7	2441394	8.0
8. NNP at market prices	1751011	11.5	1873347	7.0	2028538	8.3	2186626	7.8
9. Per capita NNP at factor cost	15839	8.5	16648	5.1	17800	6.9	18899	6.2
II. Demand Aggregates								
1. Total Final Consumption Expenditure	1506387 (77.2)	12.7	1605510 (76.4)	6.6	1745370 (76.5)	8.7	1835193 (74.7)	5.1
2. Private Final Consumption Expenditure	1253643 (64.2)	11.8	1340109 (63.7)	6.9	1463247 (64.1)	9.2	1543873 (62.8)	5.5
3. Government Final Consumption Expenditure	252744 (12.9)	17.3	265401 (12.6)	5.0	282123 (12.4)	6.3	291320 (11.9)	3.3
4. Exports	227697 (11.7)	16.6	278126 (13.2)	22.1	290757 (12.7)	4.5	355556 (14.5)	22.3
5. *Less:* Imports	265702 (13.6)	18.2	297523 (14.2)	12.0	311050 (13.6)	4.5	379981 (15.5)	22.2
6. Gross Fixed Capital Formation	456416 (23.4)		478317 (22.8)		525452 (23.0)		584366 (23.8)	
7. Change in Stock	37583 (1.9)		13140 (0.6)		3923 (0.2)		16356 (0.7)	
8. Valuables	15519 (0.8)		14724 (0.7)		14187 (0.6)		13957 (0.6)	
9. Discrepancies	-25865 (-1.3)		10081 (0.5)		12419 (0.5)		32637 (1.3)	

Statement 5b: Trends in Select Macro-Economic Aggregates (At current prices) *(Concld.)*

Item	2003-04		2004-05@		2005-06*		2006-07#	
	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)	Amount (Rs. crore)	Rate (Per cent)
1	10	11	12	13	14	15	16	17
I. Product Aggregates								
1. GDP at factor cost	2549418	12.5	2855933	12.0	3250932	13.8	3743472	15.2
2. NDP at factor cost	2264715	12.6	2523442	11.4	2871731	13.8	3317442	15.5
3. GDP at market prices	2765491	12.5	3126596	13.1	3567177	14.1	4125725	15.7
4. NDP at market prices	2480788	12.6	2794105	12.6	3187976	14.1	..	..
5. GNP at factor cost	2531168	12.6	2833558	11.9	3225963	13.8	3722669	15.4
6. NNP at factor cost	2246465	12.7	2501067	11.3	2846762	13.8	3296639	15.8
7. GNP at market prices	2747241	12.5	3104221	13.0	3542208	14.1	..	..
8. NNP at market prices	2462538	12.6	2771730	12.6	3163007	14.1	..	..
9. Per capita NNP at factor cost	20936	10.8	22946	9.6	25716	12.1	29382	14.3
II. Demand Aggregates								
1. Total Final Consumption	2020024 (73.0)	10.1	2208187 (70.6)	9.3	2469149 (69.2)	11.8	2795033 (67.7)	13.2
2. Private Final Consumption Expenditure	1709389 (61.8)	10.7	1865645 (59.7)	9.1	2064638 (57.9)	10.7	2327331 (56.4)	12.7
3. Government Final Consumption Expenditure	310635 (11.2)	6.6	342542 (11.0)	10.3	404511 (11.3)	18.1	467702 (11.3)	15.6
4. Exports	407803 (14.7)	14.7	569051 (18.2)	39.5	725124 (20.3)	27.4	947868 (23.0)	30.7
5. *Less:* Imports	443398 (16.0)	16.7	625945 (20.0)	41.2	830678 (23.3)	32.7	1064606 (25.8)	28.2
6. Gross Fixed Capital Formation	687150 (24.8)		822786 (26.3)		1000760 (28.1)		1216552 (29.5)	
7 Change in Stock	22863 (0.8)		63789 (2.0)		104036 (2.9)		120620 (2.9)	
8. Valuables	24572 (0.9)		41054 (1.3)		42457 (1.2)		61138 (1.5)	
9 Discrepancies	46477 (1.7)		47674 (1.5)		56329 (1.6)		49120 (1.2)	

@ : Provisional Estimates. * : Quick Estimates.
# : Revised Estimates. .. : Not Available.
Valuables : Expenditure made on acquisition of valuables, excluding work of art and antiques.
Note : Figures in parentheses are percentage of GDP at current market prices.
Source : Central Statistical Organisation.

*India's Foreign Trade: 2007-08 (April)**

Provisional data on India's merchandise trade for April 2007 and commodity-wise details for April-February 2006-07 released recently by the Directorate General of Commercial Intelligence and Statistics (DGCI&S) reveal the following.

Highlights

- Merchandise exports in April 2007, at US $ 10.6 billion showed a sharp pickup in growth (23.1 per cent) over April 2006 (13.1 per cent).
- Imports during April 2007 at US $ 17.6 billion posted a strong growth of 40.7 per cent with non-oil imports contributing to 91 per cent of import growth.
- Oil imports showed a moderation in growth in April 2007 (11.4 per cent as compared to 28.6 per cent in April 2006) on the back of softening of oil prices.
- The Indian basket of crude oil price at US $ 65.3 per barrel in April 2007 was lower by 2.1 per cent than a year ago (US $ 66.7 per barrel in April 2006).
- Trade deficit in April 2007 at US $ 7.1 billion was the highest ever recorded in a single month on the back of sharp rise in imports relative to exports.

Exports

The year 2007-08 started with a positive note for India's merchandise trade with exports registering a growth of 23.1 per cent as compared to 13.1 per cent registered in April 2006. This reflects a sharp pick up in exports from the slow down witnessed in

* Prepared in the Division of International Trade, Department of Economic Analysis and Policy. Previous issue of the article was published in RBI Bulletin, June 2007.

Chart 1: Trends in India's Merchandise Exports

the later part of 2006-07 on the back of strong performance of industrial sector (Chart-1, Table-1 and Statement-1). The Government has set an export target of US $ 160 billion for 2007-08, 28.0 per cent higher than the previous year.

During 2006-07 merchandise exports achieved the export target set for the year (US $ 125.0 billion). Commodity-wise data available for 2006-07 (April-February) revealed that engineering goods and petroleum products were the major growth

Table 1: India's Merchandise Trade : April

(US $ million)

Items	2006-07R	2007-08P
Exports	8,594 (13.1)	10,575 (23.1)
Imports	12,535 (16.4)	17,635 (40.7)
Oil Imports	3,972 (28.6)	4,425 (11.4)
Non-Oil Imports	8,562 (11.5)	13,210 (54.3)
Trade Balance	-3,941	-7,060

P : Provisional. R: Revised.

Note : Figures in parentheses show percentage change over the previous year.

Source : DGCI&S.

drivers accounting for 62.3 per cent of export growth. Exports of primary products and manufactured goods, in general, showed a moderation in growth during this period.

The moderation in the exports of primary products was mainly due to the slowdown in the exports of iron ore, which registered a growth of 1.4 per cent as compared to 35.6 per cent growth a year ago. On the other hand, exports of agriculture and allied products maintained the growth momentum during this period with raw cotton and sugar and molasses remaining as the major drivers of agricultural export growth. Traditional exports items like tea, tobacco and spices exhibited higher growth, while, wheat, marine products and cashew registered a decline in exports during this period (Statement 2).

Within manufactured goods, moderation in growth was witnessed across major commodity groups with the exception of engineering goods. Exports of iron and steel and machinery and instruments were the driving factors behind engineering goods export benefiting from the increased exports to the US, Germany, the UAE, Belgium, Italy and Taiwan.

Exports of chemicals and related products showed a deceleration in growth during 2006-07 (April-February). The deceleration was mainly due to the moderation in export growth of drugs and pharmaceuticals and chemicals, even while, exports of plastic and linoleum registered a reversal in growth.

Textiles and textile products continued its decelerating trend in export growth during 2006-07 (April-February). The decelerating trend was witnessed across the products groups and markets. According to the US, Department of Commerce, Office of Textiles and Apparel, India's exports of textiles and apparel to the US during April 2007decelerated to 8.9 per cent in quantity terms (18.7 per cent a year ago), while in value terms it declined by 4.6 per cent as against a growth of 23.0 per cent a year ago.

Exports of gems and jewellery declined by 0.5 per cent during April-February 2006-07 (15.5 per cent growth a year ago) due to the shortfall in the off take by major markets like the US, Hong Kong, Israel and Japan. According to the Gems and Jewellery Export Promotion Council, the exports of gems and jewellery for the full fiscal year 2006-07 showed a modest rise to 2.7 per cent. In April 2007, exports growth improved to 10.9 per cent.

Exports of petroleum products remained strong at 59.1 per cent (67.7 per cent a year ago) during 2006-07 (April-February), facilitated by increase in both price and volume. In volume terms, POL exports registered an increase at 39.6 per cent (18.1 per cent a year ago). However, the growth in exports began to show a slow down in the later part of 2006-07 (Chart 2).

Chart 2: Exports of Petroleum Products

Destination-wise, exports to major markets decelerated during April-February 2006-07 with the exception of UAE, which showed sharp increase due to the increase in POL exports (Chart 3, Statement 3).

Imports

India's merchandise imports posted a growth of 40.7 per cent during April 2007 with non-oil imports contributing to 91 per cent of import growth, while oil imports showed a moderation in growth.

Oil Imports

Oil imports at US $ 4.4 billion in April 2007 showed a moderation in growth at 11.4 per cent (28.6 per cent a year ago), mainly reflecting the impact of international oil prices. The Indian basket

Chart 3 : Destination of India's Exports

of crude oil price at US $ 65.3 per barrel in April 2007 was lower by 2.1 per cent than a year ago (US $ 66.7 per barrel in April 2006) [Table 2]. In volume terms, oil imports increased by 18.3 per cent during 2006-07 (April-February) as compared to 4.5 per cent growth a year ago.

Table 2: Trends in Crude Oil Prices

(US $/barrel)

	Dubai	UK Brent	US-WTI	Indian Basket*
1995-96	16.2	17.5	18.8	16.7
2000-01	25.9	28.1	30.3	26.8
2001-02	21.8	23.2	24.1	22.4
2002-03	25.9	27.6	29.2	26.6
2003-04	26.9	29.0	31.4	27.8
2004-05	36.4	42.2	45.0	38.9
2005-06	53.4	58.0	59.9	55.3
2006-07	60.9	64.4	64.7	62.4
April -06	64.1	70.4	69.4	66.7
April-07	63.8	67.4	63.9	65.3

* : Indian basket comprises 58 per cent ‘sour’ variety benchmarked by Dubai crude and 42 per cent of ‘sweet’ variety benchmarked by UK Brent crude.

Source : International Monetary Fund, *International Financial Statistics*, World Bank’s Commodity Price Pink sheet May 2007.

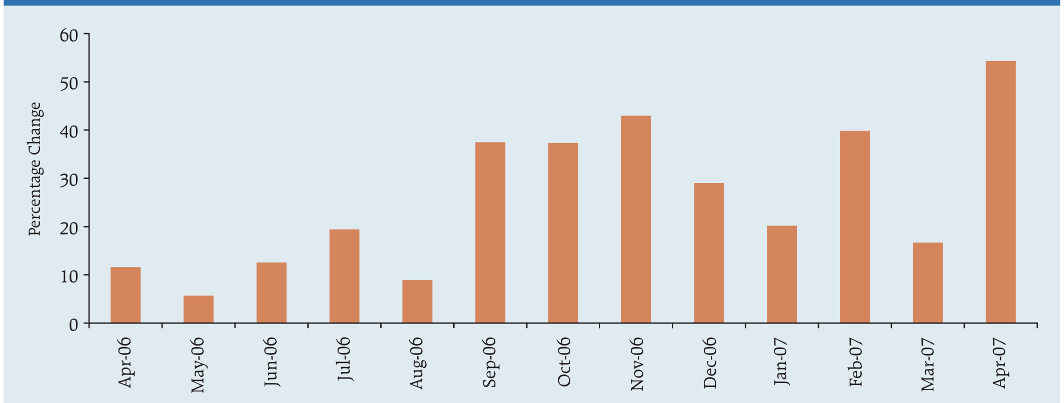
Non-Oil Imports

Non-oil imports in April 2007 posted a strong growth of 54.3 per cent (11.5 per cent in April 2006) maintaining the high growth momentum witnessed since September 2006 (Chart 4).

Commodity-wise details on non-oil imports for 2006-07 indicate that capital goods, metalliferrous ores and metal scrap and gold and silver were the major contributors of non-oil imports growth, contributing to 79.1 per cent of non-oil import growth (Statement 4). Capital goods imports surged by 32.5 per cent on the back of buoyant industrial production, particularly, in capital goods sector. On the other hand, pearls, precious and semi-precious stones, a major component of non-oil imports, showed a decline of 23.3 per cent during 2006-07 (April-February).

Source-wise, China was the major source of imports during 2006-07 (April-February) accounting for 9.7 per cent of total imports (oil plus non-oil imports), followed by Saudi Arabia (7.6 per cent), the US (5.7

Chart 4: Growth in India's Non-oil Imports



per cent) and Switzerland (4.9 per cent) [Statement 5].

Trade Deficit

Trade deficit in April 2007 stood at US $ 7.1 billion in April 2007 (US $ 3.9 billion in April 2006). The trade deficit on the oil account increased by US $ 6.1 billion during 2006-07 (April-February), while the non-oil trade deficit increased by US $ 5.9 billion.

Global Developments

The global economy remains buoyant in 2007, irrespective of slowdown in the US economy, triggered mainly by the steady growth in the Asian region. According to the US Bureau of Economic Analysis, the US real GDP in the first quarter of 2007 showed a modest growth of 0.6 per cent as compared to 5.6 per cent growth in the first quarter of 2006. In China, according to the National Bureau of Statistics, GDP expanded by 11.1 per cent in the first quarter of 2007.

On the trade front, the year 2007 started with a positive note whereby world exports recorded a growth of 15.9 per cent in the first two months of 2007 (11.0 per cent a year ago). Exports from industrial countries witnessed a sharp pick up, while that of developing countries showed some deceleration in growth (Table 3).

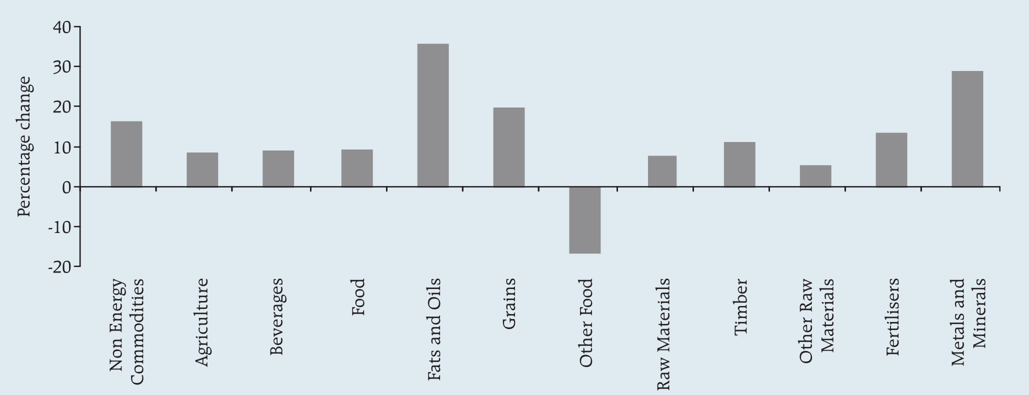
According to the US Bureau of Economic Analysis (BEA), during 2007 (January-April), the US merchandise exports registered a growth of 10.7 per cent

Table 3: Trends in World Exports

Region/Countries	**Percentage change**	
	2006	**2007**
	First Quarter	
World*	11.0	15.9
Industrial Countries*	7.3	14.1
US	14.2	10.8
Japan	5.3	10.3
Developing Countries	16.5	14.7
Asia	18.2	15.0
China	26.6	27.8
Hong Kong	12.8	8.3
Indonesia	16.2	9.9
Korea	10.6	14.8
Singapore	23.0	9.9

* : Corresponds to January-February.
Source : IMF, International Financial Statistics.

Chart 5: Trends in Commodity Prices- 2007 (January-May)



(12.8 per cent a year ago), while imports grew by 4.4 per cent (12.5 per cent in the corresponding period a year ago). In the Euro area, according to Euro Stat, exports from the 13 major EU countries increased by 9.9 per cent in euro terms during January-April 2007 (13.2 per cent a year ago), while imports registered a relatively slow growth of 5.8 per cent (19.0 per cent a year ago). Japan's exports posted a growth of 12.6 per cent in the first four months of 2007 (13.3 per cent a year ago) and imports grew by 7.2 per cent (20.3 per cent a year ago). China's exports, according to the Ministry of Commerce of the People's Republic of China, during 2007 (January-April) posted a growth of 27.6 per cent (25.8 per cent a year ago), while imports grew by 19.1 per cent (22.1 per cent).

Commodity Prices

Global Commodity prices remained strong in 2007 so far. According to the World Bank, Monthly Commodity price data, average international crude oil prices touched US $ 65.16 per barrel in May 2007. Non-energy commodity prices also remained high in 2007, led by continued surge in oil seeds and metals and minerals products (Chart 5).

Statement 1: India's Foreign Trade

Year	Export			Import			Trade Balance		
	Total	Oil	Non-Oil	Total	Oil	Non-Oil	Total	Oil	Non-Oil
1	2	3	4	5	6	7	8	9	10
April-March									
Rupees crore									
2004-2005	375,340	31,404	343,935	501,065	134,094	366,971	-125,725	-102,690	-23,035
	(27.9)	(91.5)	(24.2)	(39.5)	(41.9)	(38.7)			
2005-2006 R	456,418	51,030	405,388	660,409	194,640	465,769	-203,991	-143,610	-60,381
	(21.6)	(62.5)	(17.9)	(31.8)	(45.2)	(26.9)			
2006-07 P	563,800	76,683 *	433,805 *	820,568	259,316	561,252	-256,768	…	…
	(23.5)	(63.1)	(21.3)	(24.3)	(33.2)	(20.5)			
US dollar million									
2004-2005	83,536	6,989	76,547	111,517	29,844	81,673	-27,981	-22,855	-5,127
	(30.8)	(95.9)	(27.0)	(42.7)	(45.1)	(41.8)			
2005-2006 R	103,091	11,526	91,564	149,166	43,963	105,203	-46,075	-32,437	-13,638
	(23.4)	(64.9)	(19.6)	(33.8)	(47.3)	(28.8)			
2006-07 P	124,598	16905 *	95635 *	181,343	57,308	124,035	-56,745	…	…
	(20.9)	(59.1)	(18.3)	(21.6)	(30.4)	(17.9)			
SDR million									
2004-2005	56,081	4,692	51,389	74,866	20,036	54,830	-18,785	-15,343	-3,442
	(25.6)	(88.0)	(21.9)	(36.9)	(39.2)	(36.1)			
2005-2006 R	70,774	7,913	62,861	102,405	30,182	72,224	-31,632	-22,269	-9,363
	(26.2)	(68.6)	(22.3)	(36.8)	(50.6)	(31.7)			
2006-07 P	83,832	11388 *	6442 *	122,011	38,558	83,453	-38,179		
	(18.5)	(63.1)	(21.3)	(19.1)	(27.8)	(15.5)			
April									
Rupees crore									
2005-2006	33,233	2,990	30,243	47,086	13,511	33,575	-13,854	-10,521	-3,332
2006-2007 R	38,627	4,230	34,397	56,342	17,855	38,487	-17,715	-13,625	-4,090
	(16.2)	(41.5)	(13.7)	(19.7)	(32.1)	(14.6)			
2007-08 P	44,572	…	…	74,330	18,650	55,680	-29,758		
	(15.4)			(31.9)	(4.5)	(44.7)			
US dollar million									
2005-2006	7,598	684	6,914	10,765	3,089	7,676	-3,167	-2,405	-762
	(34.6)	(21.6)	(36.1)	(54.1)	(32.3)	(65.0)			
2006-2007 R	8,594	941	7,653	12,535	3,972	8,562	-3,941	-3,031	-910
	(13.1)	(37.7)	(10.7)	(16.4)	(28.6)	(11.5)			
2007-08 P	10,575			17,635	4,425	13,210	-7,060		
	(23.1)			(40.7)	(11.4)	(54.3)			
SDR million									
2005-2006	5,031	453	4,578	7,128	2,045	5,083	-2,097	-1,593	-504
	(30.2)	(17.6)	(31.6)	(48.9)	(27.9)	(59.5)			
2006-2007 R	5,917	648	5,269	8,630	2,735	5,895	-2,713	-2,087	-626
	(17.6)	(43.1)	(15.1)	(21.1)	(33.7)	(16.0)			
2007-08 P	6,948	..	..	11,586	2,907	8,679	-4,639		
	(17.4)			(34.3)	(6.3)	(47.2)			

* : Pertains to April-Febraury.

P : Provisional. R : Revised. .. : Not available.

Note : 1. Figures in brackets relate to percentage variation over the corresponding period of the previous year.
2. Data conversion has been done using period average exchange rates.

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

Statement 2: India's Exports of Principal Commodities

(US $ million)

Commodity Group	April-February			Percentage Variation	
	2004-05	**2005-06**	**2006-07 P**	**(3)/(2)**	**(4)/(3)**
1	2	3	4	5	6
I. Primary Products	**11,219.9**	**14,273.2**	**16,775.7**	**27.2**	**17.5**
	(15.5)	**(15.6)**	**(14.9)**		
A. Agricultural & Allied Products	**7,375.2**	**8,990.0**	**10,811.2**	**21.9**	**20.3**
of which :	**(10.2)**	**(9.8)**	**(9.6)**		
1. Tea	380.5	359.2	410.0	-5.6	14.1
2. Coffee	198.2	314.5	378.6	58.7	20.4
3. Rice	1,277.4	1,276.1	1,354.9	-0.1	6.2
4. Wheat	314.4	125.9	7.9	-60.0	-93.7
5. Cotton Raw incl. Waste	70.9	504.6	1,108.3	611.4	119.6
6. Tobacco	236.9	262.6	326.5	10.8	24.3
7. Cashew incl. CNSL	491.9	541.6	500.5	10.1	-7.6
8. Spices	376.0	428.1	599.3	13.9	40.0
9. Oil Meal	623.6	895.0	1,038.4	43.5	16.0
10. Marine Products	1,215.6	1,446.4	1,414.8	19.0	-2.2
11. Sugar & Mollases	32.0	89.4	610.9	179.8	583.0
B. Ores & Minerals	**3,844.7**	**5,283.2**	**5,964.5**	**37.4**	**12.9**
of which :	**(5.3)**	**(5.8)**	**(5.3)**		
1. Iron Ore	2,417.1	3,277.7	3,323.1	35.6	1.4
2. Processed Minerals	721.9	1,001.8	1,142.5	38.8	14.0
II. Manufactured Goods	**53,020.9**	**64,260.0**	**73,868.7**	**21.2**	**15.0**
of which :	**(73.2)**	**(70.3)**	**(65.6)**		
A. Leather & Manufactures	**2,187.0**	**2,434.8**	**2,660.1**	**11.3**	**9.3**
B. Chemicals & Related Products	**10,972.8**	**13,050.5**	**14,897.8**	**18.9**	**14.2**
1. Basic Chemicals, Pharmaceuticals & Cosmetics	6,257.5	7,971.0	9,231.4	27.4	15.8
2. Plastic & Linoleum	2,726.9	2,539.8	2,895.1	-6.9	14.0
3. Rubber, Glass, Paints & Enamels, *etc.*	1,548.8	1,892.1	2,106.4	22.2	11.3
4. Residual Chemicals & Allied Products	439.6	647.5	665.0	47.3	2.7
C. Engineering Goods	**14,858.5**	**18,989.6**	**25,854.6**	**27.8**	**36.2**
of which :					
1. Manufactures of metals	3,013.7	3,767.9	4,443.5	25.0	17.9
2. Machinery & Instruments	3,171.2	4,468.2	5,844.8	40.9	30.8
3. Transport equipments	2,510.1	3,700.1	4,202.9	47.4	13.6
4. Iron & steel	3,246.2	3,134.4	4,684.9	-3.4	49.5
5. Electronic goods	1,617.9	1,910.5	2,525.1	18.1	32.2
D. Textiles and Textile Products	**11,922.1**	**14,602.7**	**15,298.2**	**22.5**	**4.8**
1. Cotton Yarn, Fabrics, Made-ups, *etc.*	3,072.4	3,533.9	3,677.7	15.0	4.1
2. Natural Silk Yarn, Fabrics Madeups, *etc.* (Incl. silk waste)	368.1	398.3	400.7	8.2	0.6
3. Manmade Yarn, Fabrics, Made-ups, *etc.*	1,745.2	1,738.1	1,932.4	-0.4	11.2
4. Manmade Staple Fibre	70.8	75.9	174.2	7.1	129.5
5. Woolen Yarn, Fabrics, Madeups, *etc.*	62.3	77.2	75.4	23.9	-2.2
6. Readymade Garments	5,696.1	7,626.5	7,851.3	33.9	2.9
7. Jute & Jute Manufactures	246.8	268.2	243.6	8.7	-9.2
8. Coir & Coir Manufactures	94.3	122.3	129.4	29.6	5.8
9. Carpets	565.9	762.5	813.7	34.7	6.7
(a) Carpet Handmade	540.4	741.0	787.6	37.1	6.3
(b) Carpet Millmade	0.0	0.0	0.0		
(c) Silk Carpets	25.5	21.5	26.1	-15.6	21.4
E. Gems & Jewellery	**12,006.6**	**13,867.3**	**13,797.5**	**15.5**	**-0.5**
F. Handicrafts	**345.0**	**421.9**	**339.3**	**22.3**	**-19.6**
III. Petroleum Products	**6,333.8**	**10,624.0**	**16,905.2**	**67.7**	**59.1**
	(8.7)	**(11.6)**	**(15.0)**		
IV. Others	**1,897.3**	**2,295.3**	**4,990.2**	**21.0**	**117.4**
	(2.6)	**(2.5)**	**(4.4)**		
Total Exports	**72,472.0**	**91,452.5**	**112,539.8**	**26.2**	**23.1**

P : Provisional.
Note : Figures in brackets relate to percentage to total exports for the period.
Source : DGCI & S.

Statement 3: Direction of India's Foreign Trade- Exports

(US $ million)

Group/Country	April-February			Percentage Variation	
	2004-05	2005-06	2006-07 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. O E C D Countries	**32,106.0**	**41,071.9**	**46,507.7**	**27.9**	**13.2**
A. E U	**15,292.9**	**20,055.9**	**23,050.5**	**31.1**	**14.9**
Of which:					
1. Belgium	2,191.2	2,544.2	3,104.8	16.1	22.0
2. France	1,483.2	1,892.7	1,889.8	27.6	-0.2
3. Germany	2,436.6	3,168.1	3,519.6	30.0	11.1
4. Italy	2,006.6	2,223.8	3,219.5	10.8	44.8
5. Netherland	1,380.7	2,300.9	2,361.1	66.6	2.6
6. U K	3,192.1	4,540.5	5,034.9	42.2	10.9
B. North America	**13,052.1**	**16,479.8**	**17,934.6**	**26.3**	**8.8**
1. Canada	758.3	910.6	1,003.0	20.1	10.1
2. U S A	12,293.8	15,569.2	16,931.6	26.6	8.8
C. Asia and Oceania	**2,550.5**	**3,077.0**	**3,821.4**	**20.6**	**24.2**
of which:					
1. Australia	641.3	743.9	817.4	16.0	9.9
2. Japan	1,824.7	2,201.0	2,511.2	20.6	14.1
D. Other O E C D Countries	**1,210.5**	**1,459.2**	**1,701.2**	**20.5**	**16.6**
of which:					
1. Switzerland	465.7	414.7	415.6	-11.0	0.2
II. O P E C	**11,564.0**	**13,471.3**	**18,590.4**	**16.5**	**38.0**
of which:					
1. Indonesia	1,199.2	1,185.7	1,865.6	-1.1	57.3
2. Iran	1,143.8	1,044.2	1,333.4	-8.7	27.7
3. Iraq	120.3	129.5	188.8	7.7	45.8
4. Kuwait	374.3	464.4	557.0	24.1	20.0
5. Saudi Arabia	1,257.7	1,600.3	2,231.7	27.2	39.5
6. U A E	6,420.4	7,620.5	10,822.3	18.7	42.0
III. Eastern Europe	**1,589.0**	**1,746.6**	**2,226.1**	**9.9**	**27.5**
of which:					
1. Romania	94.8	69.9	150.8	-26.3	115.7
2. Russia	554.2	651.3	802.2	17.5	23.2
IV. Developing Countries	**26,823.1**	**34,916.9**	**44,916.2**	**30.2**	**28.6**
of which:					
A. Asia	**20,918.4**	**27,068.4**	**33,475.5**	**29.4**	**23.7**
a) S A A R C	**3,903.7**	**4,825.0**	**5,656.7**	**23.6**	**17.2**
1. Bangladesh	1,427.6	1,509.5	1,448.0	5.7	-4.1
2. Bhutan	75.1	91.7	55.1	–	-39.9
3. Maldives	42.9	62.5	61.4	45.8	-1.8
4. Nepal	679.0	789.6	841.7	16.3	6.6
5. Pakistan	448.9	583.5	1,208.3	30.0	107.1
6. Sri Lanka	1,230.3	1,788.3	2,042.0	45.4	14.2
b) Other Asian Developing Countries	**17,014.6**	**22,243.4**	**27,818.8**	**30.7**	**25.1**
of which:					
1. People's Rep of China	4,171.4	5,781.9	7,261.2	38.6	25.6
2. Hong Kong	3,174.1	3,959.5	4,049.1	24.7	2.3
3. South Korea	875.0	1,523.4	2,279.4	74.1	49.6
4. Malaysia	934.1	1,027.4	1,183.8	10.0	15.2
5. Singapore	3,408.1	4,777.3	5,426.9	40.2	13.6
6. Thailand	767.7	958.3	1,300.1	24.8	35.7
B. Africa	**3,990.5**	**5,011.8**	**7,758.1**	**25.6**	**54.8**
of which:					
1. Benin	39.1	87.9	138.3	124.8	57.4
2. Egypt Arab Republic	390.0	556.7	674.4	42.7	21.2
3. Kenya	394.3	483.6	1,183.2	22.6	144.7
4. South Africa	879.7	1,355.1	1,967.8	54.0	45.2
5. Sudan	282.3	268.9	364.5	-4.7	35.5
6. Tanzania	157.4	211.6	258.4	34.4	22.1
7. Zambia	42.3	59.7	97.6	41.4	63.3
C. Latin American Countries	**1,914.3**	**2,836.7**	**3,682.5**	**48.2**	**29.8**
V. Others	**62.2**	**86.3**	**93.9**	**38.7**	**8.8**
VI. Unspecified	**327.6**	**159.6**	**205.5**	**-51.3**	**28.7**
Total Exports	**72,472.0**	**91,452.5**	**112,539.8**	**26.2**	**23.1**

P : Provisional.

Source : DGCI & S.

Statement 4: India's Imports of Principal Commodities

(US $ million)

Commodity Group	April-February			Percentage Variation	
	2004-05	2005-06	2006-07 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. Bulk Imports	**37,649.6**	**55,150.4**	**76,040.3**	**46.5**	**37.9**
	(38.7)	**(42.6)**	**(46.8)**		
A. Petroleum, Petroleum Products & Related Material	**26,565.1**	**39,757.4**	**52,160.1**	**49.7**	**31.2**
	(27.3)	**(30.7)**	**(32.1)**		
B. Bulk Consumption Goods	**2,830.2**	**2,494.0**	**3,011.9**	**-11.9**	**20.8**
1. Wheat	0.0	0.0	312.5	–	–
2. Cereals & Cereal Preparations	22.7	32.4	29.7	42.9	-8.4
3. Edible Oil	2,260.1	1,788.8	1,925.0	-20.9	7.6
4. Pulses	368.4	525.6	743.9	42.7	41.5
5. Sugar	178.9	147.1	0.7	–	–
C. Other Bulk Items	**8,254.3**	**12,899.0**	**20,868.3**	**56.3**	**61.8**
1. Fertilisers	1,173.5	2,006.6	3,013.8	71.0	50.2
a) Crude	215.6	288.4	328.1	33.7	13.8
b) Sulphur & Unroasted Iron Pyrites	101.9	129.4	100.0	27.0	-22.7
c) Manufactured	856.0	1,588.8	2,585.6	85.6	62.7
2. Non-Ferrous Metals	1,170.1	1,646.7	2,387.7	40.7	45.0
3. Paper, Paperboard & Mgfd. incl. Newsprint	655.9	846.0	1,103.6	29.0	30.5
4. Crude Rubber, incl. Synthetic & Reclaimed	369.9	372.5	559.5	0.7	50.2
5. Pulp & Waste Paper	450.2	517.1	568.5	14.9	9.9
6. Metalliferrous Ores & Metal Scrap	2,145.2	3,409.1	7,506.8	58.9	120.2
7. Iron & Steel	2,289.5	4,100.9	5,728.6	79.1	39.7
II. Non-Bulk Imports	**59,622.9**	**74,256.9**	**86,428.9**	**24.5**	**16.4**
	(61.3)	**(57.4)**	**(53.2)**		
A. Capital Goods	**20,655.0**	**28,527.8**	**37,808.9**	**38.1**	**32.5**
1. Manufactures of Metals	812.9	1,088.5	1,417.9	33.9	30.3
2. Machine Tools	532.7	955.6	1,330.9	79.4	39.3
3. Machinery except Electrical & Electronics	5,996.2	8,860.1	12,393.2	47.8	39.9
4. Electrical Machinery except Electronics	1,062.9	1,349.0	1,761.1	26.9	30.5
5. Electronic Goods incl. Computer Software	9,466.3	12,587.3	15,263.0	33.0	21.3
6. Transport Equipments	2,245.8	2,936.6	3,995.4	30.8	36.1
7. Project Goods	538.1	750.9	1,647.4	39.5	119.4
B. Mainly Export Related Items	**15,019.7**	**17,244.7**	**16,089.7**	**14.8**	**-6.7**
1. Pearls, Precious & Semi-Precious Stones	8,314.1	8,638.6	6,627.2	3.9	-23.3
2. Chemicals, Organic & Inorganic	4,917.1	6,285.1	7,101.7	27.8	13.0
3. Textile Yarn, Fabric, *etc.*	1,397.8	1,865.0	1,978.7	33.4	6.1
4. Cashew Nuts, raw	390.7	456.0	382.1	16.7	-16.2
C. Others	**23,948.2**	**28,484.5**	**32,530.3**	**18.9**	**14.2**
of which :					
1. Gold & Silver	10,183.1	10,144.7	13,105.4	-0.4	29.2
2. Artificial Resins & Plastic Materials	1,276.5	2,021.6	2,322.0	58.4	14.9
3. Professional Instruments, *etc.* except electrical	1,324.7	1,766.3	2,090.9	33.3	18.4
4. Coal, Coke & Briquittes, *etc.*	2,627.0	3,464.6	4,048.4	31.9	16.8
5. Medicinal & Pharmaceutical Products	637.6	932.8	1,165.0	46.3	24.9
6. Chemical Materials & Products	729.9	924.2	1,208.2	26.6	30.7
7. Non-Metallic Mineral Manufactures	416.2	556.0	716.9	33.6	28.9
Total Imports	**97,272.6**	**129,407.3**	**162,469.3**	**33.0**	**25.5**
Memo Items					
Non-Oil Imports	**70,707.5**	**89,649.9**	**110,309.2**	**26.8**	**23.0**
Non-Oil Imports excl. Gold & Silver	**60,524.4**	**79,505.1**	**97,203.8**	**31.4**	**22.3**
Mainly Industrial Inputs*	**55,513.5**	**73,656.1**	**89,515.4**	**32.7**	**21.5**

P : Provisional.

* : Non oil imports net of gold and silver,bulk consumption goods, manufactured fertilisers and professional instruments.

Note : Figures in brackets relate to percentage to total imports for the period.

Source : DGCI & S.

Statement 5: Direction of India's Foreign Trade - Imports

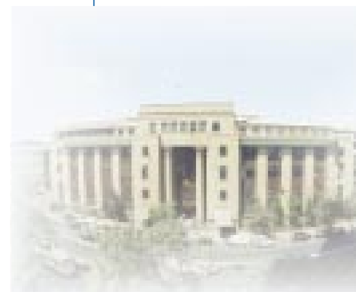
(US $ million)

Group/Country	April-February		
	2004-05	2005-06	2006-07 P
1	2	3	4
I. O E C D Countries	**34,477.6**	**42,443.3**	**53,282.9**
A. E U	**16,091.0**	**20,449.7**	**23,393.6**
of which:			
1. Belgium	4,115.1	4,411.6	3,686.4
2. France	1,260.8	1,628.3	1,927.9
3. Germany	3,525.7	5,236.9	6,736.6
4. Italy	1,227.7	1,663.0	2,365.3
5. Netherland	701.4	953.9	1,010.1
6. U K	3,094.3	3,627.9	3,686.0
B. North America	**6,457.4**	**7,882.0**	**10,457.1**
1. Canada	690.3	843.3	1,219.8
2. U S A	5,767.1	7,038.7	9,237.3
C. Asia and Oceania	**6,175.6**	**7,838.0**	**10,532.5**
of which:			
1. Australia	3,366.1	4,461.8	6,246.7
2. Japan	2,709.1	3,179.8	4,040.4
D. Other O E C D Countries	**5,753.5**	**6,273.7**	**8,899.6**
of which:			
1. Switzerland	5,449.4	5,831.4	7,988.5
II. O P E C	**8,806.4**	**10,051.3**	**50,843.5**
of which:			
1. Indonesia	2,326.6	2,657.5	3,656.6
2. Iran	355.0	611.3	6,735.8
3. Iraq	0.9	1.6	5,085.0
4. Kuwait	268.2	419.2	5,396.7
5. Saudi Arabia	1,170.0	1,508.8	12,376.5
6. U A E	4,047.4	3,937.3	7,606.3
III. Eastern Europe	**2,188.2**	**3,472.8**	**4,109.3**
of which:			
1. Romania	144.3	240.0	231.0
2. Russia	1,171.9	1,895.2	1,871.6
IV. Developing Countries	**24,972.9**	**33,367.3**	**53,531.6**
of which:			
A. Asia	**19,707.9**	**26,949.2**	**42,640.6**
a) S A A R C	**849.2**	**1,239.8**	**1,346.0**
1. Bangladesh	52.9	112.0	205.3
2. Bhutan	62.9	79.3	125.4
3. Maldives	0.5	1.8	2.8
4. Nepal	314.5	358.9	283.4
5. Pakistan	84.5	164.6	306.5
6. Sri Lanka	333.8	523.2	422.5
b) Other Asian Developing Countries	**18,858.7**	**25,709.4**	**41,294.6**
of which:			
1. People's Rep of China	6,182.1	9,649.6	15,682.3
2. Hong Kong	1,538.0	1,965.2	2,177.9
3. South Korea	2,890.9	4,000.0	4,296.6
4. Malaysia	2,087.5	2,165.3	4,792.5
5. Singapore	2,341.6	2,871.6	4,944.1
6. Thailand	746.4	1,075.6	1,544.9
B. Africa	**3,435.7**	**4,198.9**	**6,161.0**
of which:			
1. Benin	77.6	75.8	78.0
2. Egypt Arab Republic	125.1	202.4	1,573.0
3. Kenya	41.4	44.3	50.3
4. South Africa	1,969.1	2,214.8	2,321.5
5. Sudan	21.2	28.8	87.0
6. Tanzania	128.1	116.0	88.9
7. Zambia	22.0	38.5	78.6
C. Latin American Countries	**1,829.3**	**2,219.1**	**4,730.0**
V. Others	**19.8**	**42.2**	**61.0**
VI. Unspecified	**26,807.7**	**40,030.3**	**641.0**
Total Imports	**97,272.6**	**129,407.3**	**162,469.3**

P : Provisional.

Note : The figures for 2006-07, which include country-wise distribution of petroleum imports, are not strictly comparable with the data for previous years.

Source : DGCI & S.



Other Items

Press Releases

Regulatory and Other Measures

Foreign Exchange Developments

Press Releases

RBI Rejects Study Group Suggestion of Charges on Paper Based Transactions

May 4, 2007

The Reserve Bank of India has decided not to accept Study Group's recommendation of levying a charge for paper based transactions. It may be recalled that an Internal Study Group on Migration from Paper Based Funds Movement to Electronic Funds Transfer had, among other suggestions, recommended levying a charge for paper based transactions to be borne by the bank customers in a bid to encourage them to move to safer and speedier electronic funds transfer. Incidentally, it may be noted that the Reserve Bank had not accepted similar suggestion received twice in the past.

The Reserve Bank has further clarified that the recommendations of any study group - internal or external - constituted by the Reserve Bank, are purely recommendatory in nature and do not reflect the views of the Reserve Bank. These reports are placed in the public domain for comments/suggestions.

The Reserve Bank continues to receive comments in respect of other suggestions made by the Study Group which are under consideration.

Customers can now Appeal against the Banking Ombudsman's Decision

May 24, 2007

Bank customers can now appeal against the decision of the Banking Ombudsman where he has rejected the customer's complaint relating to matters falling within the grounds of complaints specified under the scheme. The Reserve Bank has amended the Banking Ombudsman Scheme, 2006 to enable the customers to appeal against the Banking Ombudsman's decision. The amendments are available on the RBI website. Before the scheme was amended, the bank customers could appeal only against the awards given by the Banking Ombudsman. The appellate authority for the Banking Ombudsman Scheme is the Deputy Governor of Reserve Bank.

It may be recalled that in the Annual Policy for 2007-2008, the Reserve Bank had announced that based on customer feedback, it would amend the Banking Ombudsman Scheme, 2006 to extend the appeal option also to the decisions of the Banking Ombudsman.

Originally introduced in 1995, the Banking Ombudsman Scheme enables speedy and cost effective resolution of complaints of bank customers relating to deficiency in bank services. The Scheme now covers all Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks. The customers can also now complain to the Banking Ombudsman against deficiency in almost any banking services, including credit cards, after exhausting the channel available with the bank concerned for resolving their complaints. The Reserve Bank has appointed 15 Banking Ombudsmen who are located mostly in State Capitals under the Scheme. The Banking Ombudsman tries to resolve the complaint through conciliation or mediation and even passes an award if it is not resolved through such settlement.

Ways and Means Advances to the Government of India for the Financial Year 2007-2008

May 24, 2007

It has been decided in consultation with the Government of India that the following arrangements will be in force for the fiscal year 2007-08.

The limit for WMA will be Rs.20,000 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 limit of WMA is utilised by Government, the Reserve Bank may trigger fresh floatation of market loans.

The Reserve Bank would retain the flexibility to revise the limits at any time, in consultation with the Government of India, taking into consideration the transitional issues and prevailing circumstances.

The interest rate on WMA/overdraft will be as under:

a) Ways and Means Advances	Repo Rate
b) Overdraft	Two percent above the Repo Rate

The minimum balance required to be maintained by the Government of India with the Reserve Bank will not be less than Rs.100 crore on Fridays, on the date of closure of Government of India's financial year and on June 30, *i.e,* closure of the annual accounts of the Reserve Bank and not less than Rs.10 crore on other days.

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

Regulatory and Other Measures

May 2007

RBI/2006-2007/415 UBD. CO. BPD (PCB) No. 45 / 12.05.001/2006-07 dated May 25 , 2007

Chief Executive Officers,
All Primary (Urban) Co-operative Banks

UCBs - Wire Transfers

Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards / Combating of Financing of Terrorism (CFT) - Wire Transfers

Banks use wire transfers as an expeditious method for transferring funds between bank accounts. Wire transfers include transactions occurring within the national boundaries of a country or from one country to another. As wire transfers do not involve actual movement of currency, they are considered as a rapid and secure method for transferring value from one location to another.

2. The salient features of a wire transfer transaction are as under :

i) Wire transfer is a transaction carried out on behalf of an originator person (both natural and legal) through a bank by electronic means with a view to making an amount of money available to a beneficiary person at a bank. The originator and the beneficiary may be the same person.

ii) Cross-border transfer means any wire transfer where the originator and the beneficiary bank or financial institution are located in different countries. It may include any chain of wire transfers that has at least one cross-border element.

iii) Domestic wire transfer means any wire transfer where the originator and receiver are located in the same country. It may also include a chain of wire transfers that takes place entirely within the borders of a single country even though the system used to effect the wire transfer may be located in another country.

iv) The originator is the account holder, or where there is no account, the person (natural or legal) that places the order with the bank to perform the wire transfer.

3. Wire transfer is an instantaneous and most preferred route for transfer of funds across the globe and hence, there is a need for preventing terrorists and other criminals from having unfettered access to wire transfers for moving their funds and for detecting any misuse when it occurs. This can be achieved if basic information on the originator of wire transfers is immediately available to appropriate law enforcement and/or prosecutorial authorities in order to assist them in detecting, investigating, prosecuting terrorists or other criminals and tracing their assets. The information can be used by Financial Intelligence Unit - India (FIU-IND) for analysing suspicious or unusual activity and disseminating it as necessary. The originator information can also be put to use by the beneficiary bank to facilitate identification and reporting of suspicious transactions to FIU-IND. Owing to the potential terrorist financing threat posed by small wire transfers, the objective is to be in a position to trace all wire transfers with minimum threshold limits. Accordingly, we advise that banks must ensure that all wire transfers are accompanied by the following information:

(i) Cross-border Wire Transfers

(a) All cross-border wire transfers must be accompanied by accurate and meaningful originator information.

(b) Information accompanying cross-border wire transfers must contain the name and address of the originator and where an account exists, the number of that account. In the absence of an account, a unique reference number, as prevalent in the country concerned, must be included.

(c) Where several individual transfers from a single originator are bundled in a batch file for transmission to beneficiaries in another country, they may be exempted from including full originator information, provided they include the originator's account number or unique reference number as at (b) above.

(ii) Domestic Wire Transfers

(a) Information accompanying all domestic wire transfers of Rs. 50000/- (Rupees Fifty Thousand) and above must include complete originator information, *i.e.,* name, address and account number, *etc.*, unless full originator information can be made available to the beneficiary bank by other means.

(b) If a bank has reason to believe that a customer is intentionally structuring wire transfers to below Rs. 50000/- (Rupees Fifty Thousand) to several beneficiaries in order to avoid reporting or monitoring, the bank must insist on complete customer identification before effecting the transfer. In case of non-cooperation from the customer, efforts should be made to establish his identity and Suspicious Transaction Report (STR) should be made to FIU-IND.

(c) When a credit or debit card is used to effect money transfer, necessary information as (a) above should be included in the message.

iii) Exemptions

Interbank transfers and settlements where both the originator and beneficiary are banks or financial institutions would be exempted from the above requirements.

Role of Ordering, Intermediary and Beneficiary banks

(i) Ordering bank

An ordering bank is the one that originates a wire transfer as per the order placed by its customer. The ordering bank must ensure that qualifying wire transfers contain complete originator information. The bank must also verify and preserve the information at least for a period of ten years.

(ii) Intermediary Bank

For both cross-border and domestic wire transfers, a bank processing an intermediary element of a chain of wire transfers must ensure that all originator information accompanying a wire transfer is retained with the transfer. Where technical limitations prevent full originator information accompanying a cross-border wire transfer from remaining with a related domestic wire transfer, a record must be kept at least for ten years (as required under Prevention of Money Laundering Act, 2002) by the receiving intermediary bank of all the information received from the ordering bank.

(iii) Beneficiary Bank

A beneficiary bank should have effective risk-based procedures in place to identify wire transfers lacking complete originator information. The lack of complete originator information may be considered as a factor in assessing whether a wire transfer or related transactions are suspicious and whether they should be reported to the Financial Intelligence Unit-India. The beneficiary bank should also take up the matter with the ordering bank if a transaction is not accompanied by detailed information of the fund remitter. If the ordering bank fails to furnish information on the remitter, the beneficiary bank should consider restricting or even terminating its business relationship with the ordering bank.

5. These guidelines are issued under Section 35A of the Banking Regulation Act, 1949(AACS) and any contravention thereof may attract penalties under the relevant provisions of the Act.

Foreign Exchange Developments

May 2007

Liberalised Remittance Scheme for Resident Individuals- Enhancement of limit from USD 50,000 to USD 100,000

The existing limit of USD 50,000 per financial year for remittances by resident Individuals under the Liberalised Remittance Scheme was enhanced to USD 100,000 per financial year (April- March) [para 137 of the Annual Policy Statement for the year 2007-08], for any permitted current or capital account transactions or a combination of both. All other transactions which are otherwise not permissible under FEMA and those in the nature of remittance for margins or margin calls to overseas exchanges/ overseas counterparty are not allowed under the Scheme. Banks are not permitted to extend any kind of credit facilities to resident individuals to facilitate remittances under the Scheme.

[A. P. (DIR Series) Circular No. 51 dated May 8, 2007]

Booking of Forward Contracts Based on Past Performance

AD Category - I banks are permitted to allow importers and exporters to book forward contracts on the basis of a declaration of an exposure and based on past performance up to the average of the previous three financial years' (April to March) actual import/ export turnover or the previous year's actual import / export turnover, whichever is higher, subject to specified conditions. Further, forward contracts booked in excess of 50 per cent of the eligible limit shall be on a deliverable basis and cannot be cancelled. The aggregate forward contracts booked during the year and outstanding at any point of time should not exceed the eligible limit. The eligible limits are to be computed separately for import/export transactions.

As announced in the Annual Policy Statement for the year 2007-08, with a view to facilitate dynamic hedging of foreign exchange exposures of exporters and importers, the above facility has been further liberalised by raising the eligible limit of 50 per cent to 75 per cent. Accordingly, forward contracts booked on the basis of declaration of an exposure by importers/exporters and based on past performance in excess of 75 per cent of the eligible limit shall be on a deliverable basis and cannot be cancelled.

[A. P. (DIR Series) Circular No. 52 dated May 8, 2007]

Overseas Investment by Mutual Funds - Liberalisation

With a view to providing greater opportunity for investment overseas, the aggregate ceiling for overseas investment by Mutual Funds registered with SEBI, has been increased from USD 3 billion to USD 4 billion [para 135 of Annual Policy Statement for the year 2007-08] The investments would be subject to the terms and conditions and operational guidelines as issued by SEBI.

[A. P. (DIR Series) Circular No. 53 dated May 8, 2007]

Foreign Exchange Management (Deposit) Regulations, 2000- Repatriation of Maturity Proceeds of FCNR(B) Deposits

AD Category – I banks and authorised banks are now permited to allow remittance of the maturity proceeds of FCNR (B) deposits to third parties outside India, provided the transaction is specifically authorised by the account holder and the authorised dealer is satisfied about the bonafides of the transaction [Annual Policy Statement for the year 2007-08.

[A. P. (DIR Series) Circular No. 57 dated May 18, 2007]

Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000

As announced in the Annual Policy Statement for the Year 2007-08, a uniform period of 180 has been prescribed for resident individuals for surrender of received/realised/unspent/unused foreign exchange from the date of receipt/ realisation/purchase/acquisition/date of return of the traveler, as the case may be. In all other cases, the regulations/directions on surrender requirement shall remain unchanged.

[A. P. (DIR Series) Circular No. 58 dated May 18, 2007]

Investment by Navaratna Public Sector Undertakings (PSUs) in Unincorporated Entities in Oil Sector Abroad

As per the existing provisions of FEMA, investment in the oil sector *i.e.,* for exploration and drilling for oil and natural gas, *etc.* in an unincorporated entity overseas by an Indian party requires prior approval of the Reserve Bank. Such proposals of Navratna PSUs (status given by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India) are cleared by the competent authority, depending on the amount involved, *viz.* by (1) Board of Directors of the respective PSU, (2) Empowered Committee of the Secretaries (ECS), and (3) Cabinet Committee on Economic Affairs (CCEA).

In view of the existing controls in place, the procedures have been further liberalised to allow Navaratna PSUs to invest in unincorporated entities in oil sector abroad, under the automatic route. Accordingly, AD Category - I banks have been permitted to allow the remittances by Navaratna PSUs towards investment in the oil sector (*i.e.* for exploration and drilling for oil and natural gas, *etc.*) in an unincorporated entity overseas after ensuring that the proposal has been approved by the appropriate competent authority, as stated above and is duly supported by a certified copy of the Board Resolution approving such investment.

[A. P. (DIR Series) Circular No. 59 dated May 18, 2007]

External Commercial Borrowings (ECB)-End-use and All-in-cost Ceilings – Revised

The ECB policy was modified in view the current macroeconomic situation and the experience gained so far by the Reserve Bank in administering the ECB policy. The modifications are as below :

(a) End-use - As per the extant ECB policy, utilisation of ECB proceeds is not permitted in real estate. The term 'real estate' excludes development of integrated township as defined by Press Note 3 (2002 Series) dated January 4, 2002. It has now been decided to withdraw the exemption accorded to the 'development of integrated township' as a permissible end-use of ECB. Accordingly, utilisation of ECB proceeds is not permissible in real estate, without any exemption.

(b) All-in-cost Ceilings - With the sovereign credit ratings of India enhanced to investment grade, the all-in-cost ceilings for ECB are modified as follows:

Average Maturity Period	**All-in-Cost Ceilings over 6 Months LIBOR***	
	Existing	Revised
Three years and up to five years	200 basis points	150 basis points
More than five years	350 basis points	250 basis points

* for the respective currency of borrowing or applicable benchmark.

The above changes will apply to ECB both under the automatic route as well as approval route.

[A. P. (DIR Series) Circular No. 60 dated May 21, 2007]

Payment towards Cash Calls for the Purpose of Oil Exploration in India

As per the extant guidelines, the payment to Operators towards Cash Calls for the purpose of exploration of oil and natural gas in India requires prior approval of the Reserve Bank. As announced in the Annual Policy Statement for the year 2007-08, with a view to liberalise the procedure, AD Category - I banks are now allowed to permit payment towards cash calls to the Operator for the purpose of oil exploration in India, either by credit to the foreign currency or Rupee account in India as approved by the Reserve Bank wherever applicable, or by remittance overseas, subject to conditions

[A. P. (DIR Series) Circular No. 61 dated May 24, 2007]

Opening of Escrow/Special Accounts by Non-Resident Corporates for open Offers/ Delisting/Exit Offers

In terms of existing FEMA Regulations, opening of Escrow account and Special account for transfer of shares/convertible debentures of an Indian company through open offer/delisting/exit offer in accordance with the provisions of SEBI [Substantial Acquisition of Shares and Takeovers (SAST)] Regulations, 1997 or any other applicable SEBI Regulations requires prior approval of the Reserve Bank.

As announced in the Annual Policy Statement for the year 2007-08, with a view to provide operational flexibility to non-resident acquirers, AD Category – I banks are now permitted to open Escrow account and Special account in such cases, subject to the relevant SEBI (SAST) Regulations or any other applicable SEBI Regulations/provisions of the Companies Act, 1956 and other terms and conditions.

[A. P. (DIR Series) Circular No. 62 dated May 24, 2007]

(x) Import of Equipments by BPO Companies in India for International Call Centre

In terms of the existing provisions of FEMA, it is obligatory on the part of the AD Category - I banks through whom the remittance for imports has been made, to ensure that the importer submits the Exchange Control copy of the Bill of Entry for home consumption as evidence of import. However, in the case of Business Process Outsourcing (BPO) Companies, remittances towards import and installation of equipments at overseas sites in connection with setting up of their International Call Centres (ICCs) requires prior approval of the Reserve Bank since in such cases, the equipments are installed at overseas sites without physical import taking place in India.

As announced in the Annual Policy Statement for the year 2007-08 , with the objective of rationalising and simplifying the Foreign Exchange Regulations and providing greater flexibility to such transactions, prior approval of the Reserve Bank has been dispensed with and AD Category – I banks are now permitted to allow BPO companies in India to make remittances towards the cost of equipment to be imported and installed at their overseas sites, subject to certain conditions.

[A. P. (DIR Series) Circular No. 63 dated May 25, 2007]

Foreign Exchange Management (Deposit) Regulations, 2000- Operation of NRO account by Power of Attorney Holder

In terms of the provisions of FEMA, a person resident outside India is allowed to open a Non-Resident Ordinary Rupee (NRO) account, jointly with residents, with an AD Category – I/authorised bank. As announced in the Annual Policy Statement for the year 2007-08 , the facility of operation of NRO account has been extended to a Power of Attorney granted in favour of a resident by the non-resident individual account holder. However, such operations are restricted to all local payments in rupees including payments for eligible investments subject to compliance with relevant regulations made by the Reserve Bank; and remittance outside India of current income in India of the non-resident individual account holder, net of applicable taxes. Further, the resident Power of Attorney holder is not permitted to repatriate outside India funds held in the account other than to the non-resident individual account holder nor to make payment by way of gift to a resident on behalf of the non-resident account holder or transfer funds from the account to another NRO account.

[A. P. (DIR Series) Circular No. 64 dated May 25, 2007]

Remittance on Winding up of Companies

As per the existing FEMA provisions, remittance of out of the assets of Indian companies under liquidation requires prior approval of the Reserve Bank. As announced in the Annual Policy Statement for the year 2007-08, as a measure of simplification of procedure, powers have been delegated to AD Category – I banks to permit remittance out of assets of Indian companies under liquidation under the provisions of the Companies Act, 1956 subject to any order issued by the court winding up the company or the official liquidator or the liquidator in case of voluntary winding up and also subject to tax compliance.

[A. P. (DIR Series) Circular No. 65 dated May 31, 2007]

Risk Management and Inter-Bank Dealings – Commodity Hedging

Currently, residents in India are permitted, with prior approval of the Reserve Bank, to enter into contracts in commodity exchanges or markets outside India to hedge the price risk in a commodity, subject to certain terms and conditions. Further, companies listed on a recognised stock exchange can be permitted by select AD Category – I banks to hedge the price risk in respect of any commodity (except gold, silver, petroleum and petroleum products) in international commodity exchanges/markets. However, hedging the price risk on domestic sale/ purchase transactions in the international exchanges/markets is not permitted, even if the domestic price is linked to the international price of the commodity.

In order to enable domestic producers and users of certain metals to take advantage of greater depth and liquidity in international exchanges, like London Metal Exchange (LME), and to hedge the price risk on domestic purchases and sales, AD Category – I banks, which have specifically been authorised by the Reserve Bank in this regard, are now allowed to permit domestic producers/users to hedge their price risk on aluminium, copper, lead, nickel and zinc in international commodity exchanges, based on their underlying economic exposures. Hedging would be permitted up to the average of previous three financial years'

(April to March) actual purchases/sales or the previous year's actual purchases/sales turnover, whichever is higher, of the above commodities. Further, only standard exchange traded futures and options (purchases only) may be permitted. (announcement made in the Annual Policy Statement for the year 2007-08)

Further, AD Category – I banks, which have specifically been authorised by Reserve Bank in this regard, are now allowed to permit actual users of aviation turbine fuel (ATF) to hedge their economic exposures in the international commodity exchanges based on their domestic purchases. If the risk profile warrants, the actual users of ATF may also use OTC contracts. AD Category – I banks should ensure that permission for hedging ATF is granted only against firm orders and the necessary documentary evidence should be retained by them. Companies who are exposed to systemic international price risk are required to approach the Reserve Bank.

[A. P. (DIR Series) Circular No. 66 dated May 31, 2007]

General

No. 1: Selected Economic Indicators

Item	Unit / Base	1990-91	2004-05	2005-06	2006-07	2007		
						Mar.	Apr.	May
1	2	3	4	5	6	7	8	9
Output								
1. Gross Domestic Product at Factor Cost (at 1999-00 prices)	Rs. crore	6,92,871 #	23,89,660 (P)	26,04,532 (Q.E.)	28,48,157 (R.E.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1993-94=100	148.4 +	140.8	121.3 (P)	122.9 (P)			
a. Foodgrains Production	Million tonnes	176.4	198.4	208.6	211.8 (A.E.)			
3. General Index of Industrial Production (1)	1993-94=100	212.6 *	204.8	221.5	247.0 (P)	284.5 (P)	255.9 (P)	
Money and Banking								
Reserve Bank of India (2)								
4. Notes in circulation	Rs. crore	53,784	3,62,487	4,21,922	4,96,775	4,96,775	5,12,672	5,14,502
5. Rupee Securities (3)	"	86,035	65,455	70,409	96,861	96,861	92,979	84,998
6. Loans and discount	"	19,900	6,388	4,746	6,585	6,585	5,761	3,294
(a) Scheduled Commercial Banks (4)	"	8,169	45	1,488	6,245	6,245	4,078	3,139
(b) Scheduled State Co-operative Banks (4)	"	38	5	7	–	–	6	3
(c) Bills purchased and discounted (internal)	"	–	–	–	–	–	–	–
Scheduled Commercial Banks								
7. Aggregate deposits (5)	Rs. crore	1,92,541	17,00,198	21,09,049	26,08,309	26,08,309	26,00,117 (P)	26,08,665 (P)
8. Bank credit (5)	"	1,16,301	11,00,428	15,07,077	19,28,913	19,28,913	18,89,557 (P)	18,86,520 (P)
9. Investment in Govt. Securities (5)	"	49,998	7,18,982	7,00,742	7,74,980	7,74,980	7,88,753 (P)	7,96,292 (P)
10. Cheque clearances (6)	Rs. thousand crore	1,703	6,792	6,459	6,480 (P)	674 (P)	501 (P)	571 (P)
11. Money Stock measures (7)								
(a) M_1	Rs. crore	92,892	6,47,495	8,26,378	9,65,129	9,65,129	9,39,904	9,21,979
(b) M_3	"	2,65,828	22,30,675	27,29,547	33,10,212	33,10,212	33,21,671	33,25,247
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (16)	Per cent	15.00	5.00	5.00	6.00	6.00	6.25	6.50
13. Bank Rate	Per cent Per annum	10.00	6.00	6.00	6.00	6.00	6.00	6.00
14. Inter-bank call money rate (Mumbai) (8)	"	4.00-70.00	0.60-6.25	3.00-8.25	6.00-80.00	6.00-80.00	4.00-15.00	1.95-8.25
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.00 (11)	3.00-5.00	2.25-5.50	3.00-7.00	3.00-7.00	3.00-7.00	3.00-7.00
(b) 1 year and above	"	9.00-11.00	5.25-6.25	6.00-7.00	7.50-9.00	7.50-9.00	7,50-9.00	7.50-9.00

Q.E. : Quick Estimate. A.E. : Advance Estimate. R.E. : Revised Estimate. R : Revised.

* : Base : 1980-81 = 100. + : Base : 1993-94 = 100.

$: Fourth Advance Estimate ^ : Base : 2001 = 100 from January 2006 onwards.

@ : As the security 12.50% 2004 had matured on March 23, 2004, it has been substituted by 11.40% Loan 2008, with effect from March 2004, to represent the short-term yield.

\# : Gross Domestic Product at factor cost (at 1993-94 prices)

\## : As the maturity of the security 11.50% 2008, which represents the trends in long term yield, had become less than 5 years, it has been substituted by 7.40% Loan 2012, with effect from April 2004.

Also see 'Notes on Tables'.

No. 1: Selected Economic Indicators *(Concld.)*

Item	Unit / Base	1990-91	2004-05	2005-06	2006-07	2007		
						Mar.	Apr.	May
1	2	3	4	5	6	7	8	9
16. Prime Lending Rate (10)	"	–	10.25-10.75	10.25-10.75	12.25-12.50	12.25-12.50	12.75-13.25	12,75-13.25
17. Yield on 11.40% Loan 2008 @	"	–	5.73	6.40	7.22	7.90	8.02	7.92
18. Yield on 7.40% Loan 2012 # #	"	–	6.21	6.95	7.55	7.91	8.08	8.10
Government Securities Market (2)								
19. Govt. of India 91-day Treasury Bills (Total outstandings)	Rs. crore		27,792	16,318	45,229	45,229	46,686	46,335
Price Indices								
20. Wholesale prices (13)	1993-94 = 100							
(a) All commodities	"	182.7 +	187.3	195.6	206.1	209.8	..	..
(b) Primary articles	"	184.9 +	188.1	193.6	208.6	214.6	..	..
(c) Fuel, power, light and lubricants	"	175.8 +	280.1	306.8	324.9	319.8	..	..
(d) Manufactured products	"	182.8 +	166.3	171.5	179.0	183.5	..	..
(e) Foodgrains (Cereals + Pulses)	"	179.2 +	177.5	186.9	205.9	211.1	..	..
(f) Edible oils	"	223.3 +	156.4	146.1	154.6	163.6	..	..
(g) Sugar, khandsari & gur	"	152.3 +	163.5	178.8	179.8	164.3	..	..
(h) Raw cotton	"	145.5 +	165.6	144.3	151.8	158.9	..	..
21. Consumer prices (All-India) (1)								
(a) Industrial Workers ^	1982 = 100	193	520	542	125	127	128	129
(b) Urban Non-Manual Employees	1984-85 = 100	161	436	456	486	498	501	503
(c) Agricultural Labourers	July 1986-June 1987 = 100	..	342	358	..	392	394	395
Foreign Trade								
22. Value of imports	U.S. $ Million	24,073	1,11,517	1,49,166	1,81,343 (R)	16,383 (R)	17,635	..
23. Value of exports	"	18,145	83,536	1,03,091	1,24,598 (R)	12,584 (R)	10,575	..
24. Balance of trade	"	–5,927	–27,981	–46,075	–56,745 (R)	–3,799 (R)	–7,060	..
25. Foreign exchange reserves (14)								
(a) Foreign currency assets	U.S. $ Million	2,236	1,35,571	1,45,108	1,91,924	1,91,924	1,96,899	1,97,438
(b) Gold	"	3,496	4,500	5,755	6,784	6,784	7,036	7,036
(c) SDRs	"	102	5	3	2	2	11	1
Employment Exchange Statistics (15)								
26. Number of registrations	Thousand	6,541	5,553	..	..	..	..	..
27. Number of applicants								
(a) Placed in employment	"	265	171	..	..	..	..	..
(b) On live register (14)	"	34,632	41,996	..	..	..	..	..

Money and Banking

No. 2: Reserve Bank of India

(Rs. crore)

Last Friday / Friday	1990-91	2005-06	2006-07	2006	2007									
				Jun.	Jan.	Feb.	Mar.	Apr.	May	Jun. 1	Jun. 8	Jun. 15	Jun. 22	Jun. 29
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Issue Department														
Liabilities														
Notes in Circulation	53,784	4,21,922	4,96,775	4,40,977	4,79,642	4,90,051	4,96,775	5,12,672	5,14,502	5,11,723	5,16,587	5,16,188	5,12,638	5,07,347
Notes held in Banking Department	23	18	11	12	18	20	11	11	21	14	21	17	23	18
Total liabilities (total notes issued) or assets	**53,807**	**4,21,940**	**4,96,786**	**4,40,989**	**4,79,661**	**4,90,072**	**4,96,786**	**5,12,683**	**5,14,523**	**5,11,736**	**5,16,608**	**5,16,205**	**5,12,661**	**5,07,364**
Assets														
Gold coin and bullion	6,654	20,974	24,160	23,266	23,548	23,561	24,160	24,160	23,733	22,995	22,995	22,995	22,995	22,995
Foreign securities	200	3,99,769	4,71,567	4,16,525	4,54,958	4,65,394	4,71,567	4,87,420	4,89,546	4,87,513	4,92,398	4,92,009	4,88,480	4,83,199
Rupee coin (1)	29	150	12	151	108	70	12	57	197	182	168	155	139	124
Government of India rupee securities	46,924	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046
Banking Department														
Liabilities														
Deposits	**38,542**	**2,05,934**	**3,02,615**	**1,88,319**	**2,35,138**	**2,53,967**	**3,02,615**	**2,91,810**	**2,96,747**	**3,19,866**	**3,16,608**	**3,08,613**	**2,89,297**	**3,04,389**
Central Government	61	28,928	36,661	101	22,594	33,215	36,661	101	100	101	101	101	100	101
Market Stabilization Scheme	–	29,062	62,974	33,295	39,375	42,807	62,974	75,924	87,319	81,317	86,306	83,867	82,617	81,137
State Governments	33	41	41	41	41	41	41	41	41	41	41	41	41	41
Scheduled Commercial Banks	33,484	1,27,061	1,80,222	1,26,310	1,52,871	1,57,306	1,80,222	1,91,200	1,86,236	2,14,425	1,97,292	2,01,195	1,80,601	1,99,587
Scheduled State Co-operative Banks	244	2,299	2,851	1,827	2,004	2,032	2,851	2,504	2,438	2,581	2,527	2,614	2,715	2,598
Non-Scheduled State Co-operative Banks	13	54	55	51	55	48	55	52	47	48	49	50	48	55
Other banks	88	6,097	8,202	6,261	7,197	7,503	8,202	8,753	8,946	9,133	9,196	9,068	9,132	9,130
Others	4,619	12,391	11,609	20,614	11,001	11,014	11,609	13,235	11,621	12,221	21,096	11,676	14,042	11,740
Other liabiliities (2)	28,342	1,33,063	1,79,897	1,79,512	1,70,880	1,79,777	1,79,897	1,42,238	1,26,395	1,25,462	1,33,377	1,34,462	1,35,427	1,73,768
Total liabilities or assets	**66,884**	**3,38,997**	**4,82,512**	**3,67,831**	**4,06,017**	**4,33,744**	**4,82,512**	**4,34,048**	**4,23,142**	**4,45,329**	**4,49,985**	**4,43,075**	**4,24,724**	**4,78,157**

See 'Notes on Tables'.

No. 2: Reserve Bank of India *(Concld.)*

(Rs. crore)

Last Friday / Friday	1990-91	2005-06	2006-07	2006	2007									
				Jun.	Jan.	Feb.	Mar.	Apr.	May	Jun. 1	Jun. 8	Jun. 15	Jun. 22	Jun. 29
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Assets														
Notes and coins	23	21	11	16	19	20	11	11	21	14	21	17	23	18
Balances held abroad (3)	4,008	2,47,367	3,64,834	3,01,973	3,05,701	3,58,582	3,64,834	3,20,967	3,11,872	3,27,166	3,35,940	3,42,145	3,46,615	3,56,530
Loans and Advances														
Central Government	–	–	–	–	–	–	–	980	7,753	26,707	21,579	8,248	–	15,159
State Governments (4)	916	86	–	106	299	127	–	596	816	58	903	1,011	–	–
Scheduled Commercial Banks	8,169	1,488	6,245	2	4,316	827	6,245	4,078	3,139	184	101	105	101	1,266
Scheduled State Co-op.Banks	38	7	–	–	21	21	–	6	3	21	17	31	13	10
Industrial Dev. Bank of India	3,705	–	–	–	–	–	–	–	–	–	–	–	–	–
NABARD	3,328	2,998	–	2,963	2,234	–	–	–	–	–	–	–	–	–
EXIM Bank	745	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	1,615	167	340	84	610	141	340	101	152	86	86	86	86	83
Bills Purchased and Discounted														
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	1,384	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	40,286	73,526	99,983	42,064	83,763	64,381	99,983	96,092	88,107	79,586	79,565	79,555	65,998	92,883
Other Assets (5)	2,666	13,336	11,099	20,624	9,054	9,643	11,099	11,217	11,280	11,507	11,773	11,877	11,888	12,207
	(–)	(4,699)	(5,414)	(5,213)	(5,276)	(5,279)	(5,414)	(5,414)	(5,318)	(5,152)	(5,152)	(5,152)	(5,152)	(5,152)

No. 3: All Scheduled Banks – Business in India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2005-06	2006-07	2006			2007				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of reporting banks	299	289	249	284	255	255	255	251	249	249	249
Liabilities to the banking system (1)	**6,673**	**77,872**	**91,453**	**72,436**	**77,306**	**82,718**	**76,559**	**80,669**	**91,453**	**90,338**	**83,391**
Demand and time deposits from banks (2)	5,598	39,750	43,620	34,082	35,767	34,885	36,779	38,182	43,620	39,869	37,728
Borrowings from banks (3)	998	29,232	35,532	29,761	32,762	39,371	31,078	32,391	35,532	34,400	28,890
Other demand and time liabilities (4)	77	8,890	12,301	8,593	8,776	8,461	8,703	10,096	12,301	16,069	16,773
Liabilities to others (1)	**2,13,125**	**24,60,973**	**30,22,790**	**24,84,992**	**27,00,607**	**28,01,799**	**27,87,019**	**28,54,107**	**30,22,790**	**30,11,546**	**29,98,244**
Aggregate deposits (5)	**1,99,643**	**21,85,810**	**26,91,053**	**22,12,387**	**24,07,089**	**24,64,708**	**24,85,836**	**25,48,479**	**26,91,053**	**26,83,217**	**26,86,818**
Demand	34,823	3,74,125	4,39,949	3,40,398	3,65,461	3,97,777	3,77,318	4,09,562	4,39,949	3,95,207	3,78,062
Time (5)	1,64,820	18,11,684	22,51,104	18,71,989	20,41,628	20,66,931	21,08,518	21,38,917	22,51,104	22,88,009	23,08,755
Borrowings (6)	645	83,816	86,910	78,522	84,075	81,560	84,609	86,755	86,910	90,125	84,368
Other demand and time liabilities (4)	12,838	1,91,347	2,44,827	1,94,083	2,09,442	2,55,532	2,16,574	2,18,874	2,44,827	2,38,205	2,27,059
Borrowings from Reserve Bank (7)	**3,483**	**1,575**	**6,348**	**17**	**19**	**5,013**	**4,432**	**848**	**6,348**	**4,099**	**3,208**
Against usance bills / promissory notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	3,483	1,575	6,348	17	19	5,013	4,432	848	6,348	4,099	3,208
Cash in hand and balances with Reserve Bank	**25,995**	**1,45,120**	**2,02,565**	**1,39,304**	**1,49,468**	**1,72,069**	**1,71,616**	**1,76,254**	**2,02,565**	**2,11,417**	**2,07,608**
Cash in hand	1,847	13,512	16,607	12,778	13,744	14,506	14,177	14,267	16,607	14,723	15,752
Balances with Reserve Bank (9)	24,147	1,31,608	1,85,958	1,26,526	1,35,723	1,57,562	1,57,439	1,61,987	1,85,958	1,96,694	1,91,856

See 'Notes on Tables'

No. 3: All Scheduled Banks – Business in India *(Concld.)*

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2005-06	2006-07	2006			2007				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
Assets with the Banking System	**6,848**	**63,882**	**86,922**	**59,313**	**69,097**	**75,316**	**72,922**	**72,318**	**86,922**	**80,931**	**76,472**
Balances with other banks	3,347	30,735	33,486	27,375	28,771	31,421	30,234	29,254	33,486	29,866	29,749
In current account	1,926	14,240	14,451	10,846	10,894	12,294	11,451	11,616	14,451	12,905	13,266
In other accounts	1,421	16,494	19,035	16,530	17,877	19,127	18,783	17,638	19,035	16,961	16,483
Money at call and short notice	2,201	17,669	22,761	17,206	21,493	23,911	17,425	20,182	22,761	21,470	18,150
Advances to banks (10)	902	4,701	6,516	3,689	5,669	6,403	5,476	5,094	6,516	6,670	4,960
Other assets	398	10,778	24,159	11,043	13,164	13,581	19,788	17,788	24,159	22,926	23,614
Investment	**76,831**	**7,49,682**	**8,20,249**	**7,78,057**	**7,96,002**	**7,73,794**	**7,86,214**	**8,18,346**	**8,20,249**	**8,39,555**	**8,45,371**
Government securities (11)	51,086	7,31,889	8,03,768	7,59,567	7,79,268	7,57,243	7,69,810	8,01,966	8,03,768	8,17,512	8,23,570
Other approved securities	25,746	17,792	16,481	18,490	16,734	16,551	16,404	16,380	16,481	22,043	21,801
Bank credit	**1,25,575**	**15,72,781**	**20,06,332**	**15,56,943**	**17,51,950**	**18,40,846**	**18,53,138**	**18,92,868**	**20,06,332**	**19,66,349**	**19,60,907**
Loans, cash-credits and overdrafts	1,14,982	14,94,715	19,17,260	14,83,856	16,75,051	17,58,861	17,71,331	18,10,909	19,17,260	18,84,182	18,82,209
Inland bills-purchased	3,532	13,242	16,408	10,720	9,781	11,570	11,685	12,196	16,408	13,143	12,052
Inland bills-discounted	2,409	31,362	31,933	29,281	31,438	32,354	32,375	31,910	31,933	31,627	31,056
Foreign bills-purchased	2,788	13,108	16,171	12,030	13,355	14,700	14,478	14,466	16,171	14,452	13,547
Foreign bills-discounted	1,864	20,353	24,559	21,056	22,325	23,362	23,269	23,387	24,559	22,945	22,042
Cash-Deposit Ratio	13.0	6.6	7.5	6.3	6.2	7.0	6.9	6.9	7.5	7.9	7.7
Investment-Deposit Ratio	38.5	34.3	30.5	35.2	33.1	31.4	31.6	32.1	30.5	31.3	31.5
Credit-Deposit Ratio	62.9	72.0	74.6	70.4	72.8	74.7	74.5	74.3	74.6	73.3	73.0

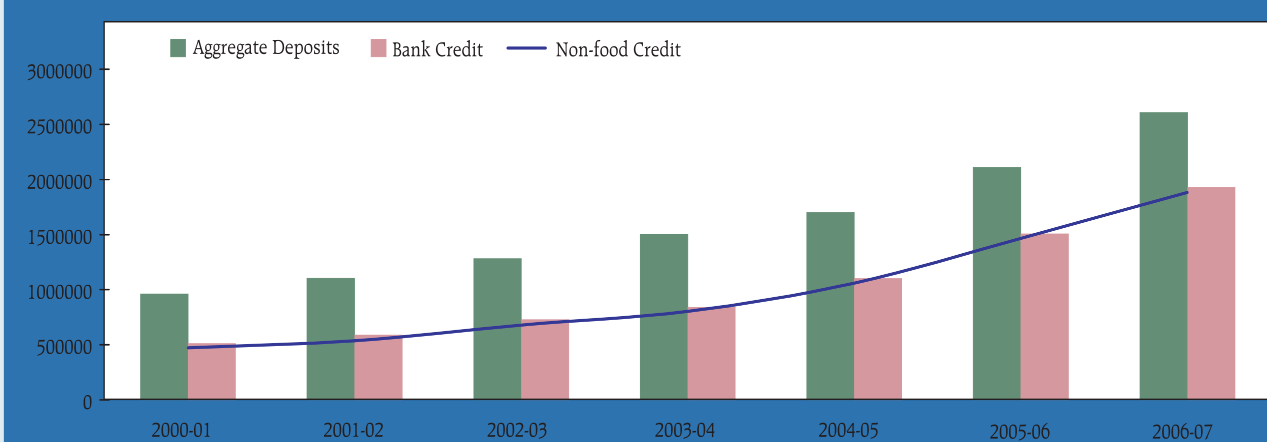
No. 4: All Scheduled Commercial Banks – Business in India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2005-06	2006-07	2006			2007				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting banks	271	218	179	214	185	185	185	181	179	179	179
Liabilities to the banking system (1)	**6,486**	**75,165**	**88,457**	**69,753**	**74,345**	**79,914**	**73,788**	**77,928**	**88,457**	**88,348**	**81,597**
Demand and time deposits from banks (2), (12)	5,443	37,078	40,772	31,438	33,091	32,207	34,067	35,477	40,772	38,011	36,028
Borrowings from banks (3)	967	29,197	35,399	29,722	32,478	39,245	31,019	32,357	35,399	34,289	28,818
Other demand and time liabilities (4)	76	8,890	12,286	8,593	8,776	8,461	8,703	10,094	12,286	16,047	16,751
Liabilities to others (1)	**2,05,600**	**23,80,973**	**29,36,149**	**24,06,736**	**26,21,817**	**26,91,394**	**27,06,398**	**27,72,555**	**29,36,149**	**29,24,008**	**29,15,569**
Aggregate deposits (5)	**1,92,541**	**21,09,049**	**26,08,309**	**21,37,009**	**23,31,273**	**23,88,145**	**24,08,456**	**24,70,660**	**26,08,309**	**26,00,117**	**26,08,665**
Demand	33,192	3,64,640	4,29,137	3,31,637	3,56,492	3,88,713	3,68,154	4,00,241	4,29,137	3,85,661	3,69,043
Time (5)	1,59,349	17,44,409	21,79,172	18,05,372	19,74,781	19,99,431	20,40,302	20,70,419	21,79,172	22,14,455	22,39,622
Borrowings (6)	470	83,144	85,836	77,959	83,476	80,233	83,895	85,484	85,836	88,467	82,619
Other demand and time liabilities (4), (13)	12,589	1,88,780	2,42,004	1,91,768	2,07,068	2,23,016	2,14,048	2,16,410	2,42,004	2,35,424	2,24,285
Borrowings from Reserve Bank (7)	**3,468**	**1,488**	**6,245**	**2**	**4**	**4,893**	**4,316**	**827**	**6245**	**4,078**	**3,139**
Against usance bills/ promissory notes	–	–	–	–	–	–	–	–	–	–	–
Others	3,468	1,488	6,245	2	4	4,893	4,316	827	6245	4,078	3,139

See 'Notes on Tables'.

Select Banking Aggregates



No. 4: All Scheduled Commercial Banks – Business in India *(Concld.)*

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2005-06	2006-07	2006			2007				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
Cash in hand and balances with Reserve Bank	**25,665**	**1,40,106**	**1,96,331**	**1,34,874**	**1,44,994**	**1,67,088**	**1,66,619**	**1,71,073**	**1,96,331**	**2,05,441**	**2,01,559**
Cash in hand	1,804	13,046	16,108	12,316	13,245	14,009	13,748	13,767	16,108	14,241	15,323
Balances with Reserve Bank (9)	23,861	1,27,061	1,80,222	1,22,558	1,31,749	1,53,079	1,52,871	1,57,306	1,80,222	1,91,200	1,86,236
Assets with the Banking System	**5,582**	**54,392**	**77,060**	**50,213**	**59,646**	**65,752**	**63,787**	**63,764**	**77,060**	**70,997**	**67,059**
Balances with other banks	2,846	26,462	29,088	23,097	24,484	26,379	25,351	25,255	29,088	25,667	25,918
In current account	1,793	12,974	13,201	9,895	9,974	11,378	10,504	10,596	13,201	11,808	12,236
In other accounts	1,053	13,488	15,887	13,202	14,509	15,002	14,848	14,659	15,887	13,859	13,682
Money at call and short notice	1,445	13,619	18,267	13,329	17,535	20,353	14,207	16,731	18,267	16,988	13,897
Advances to banks (10)	902	4,191	6,203	3,339	5,166	6,099	5,166	4,794	6,203	6,055	4,321
Other assets	388	10,120	23,503	10,448	12,462	12,921	19,063	16,985	23,503	22,286	22,924
Investment	**75,065**	**7,17,454**	**7,90,431**	**7,45,835**	**7,64,884**	**7,43,321**	**7,54,844**	**7,87,858**	**7,90,431**	**8,09,758**	**8,17,057**
Government securities (11)	49,998	7,00,742	7,74,980	7,28,397	7,49,167	7,27,770	7,39,428	7,72,537	7,74,980	7,88,753	7,96,292
Other approved securities	25,067	16,712	15,451	17,439	15,716	15,551	15,416	15,321	15,451	21,005	20,765
Bank credit (14)	**1,16,301**	**15,07,077**	**19,28,913**	**14,93,433**	**16,83,257**	**17,70,015**	**17,80,725**	**18,18,843**	**19,28,913**	**18,89,557**	**18,86,520**
	(4,506)	**(40,691)**	**(46,521)**	**(37,258)**	**(33,458)**	**(42,161)**	**(42,071)**	**(43,898)**	**(46,521)**	**(49,887)**	**(44,864)**
Loans,cash-credits and overdrafts	1,05,982	14,30,455	18,41,626	14,21,788	16,07,724	16,89,450	1,70,0361	17,38,417	18,41,626	18,09,171	18,09,490
Inland bills-purchased	3,375	12,914	15,912	10,380	9,518	11,275	11,372	11,828	15,912	12,636	11,591
Inland bills-discounted	2,336	30,816	31,300	28,766	30,939	31,832	31,843	31,334	31,300	31,014	30,520
Foreign bills-purchased	2,758	13,075	16,139	11,991	13,314	14,668	14,444	14,436	16,139	14,405	13,498
Foreign bills-discounted	1,851	19,817	23,936	20,508	21,761	22,790	22,705	22,827	23,936	22,331	21,420
Cash-Deposit Ratio	13.3	6.6	7.5	6.3	6.2	7.0	6.9	6.9	7.5	7.9	7.7
Investment- Deposit Ratio	39.0	34.0	30.3	34.9	32.8	31.1	31.3	31.9	30.3	31.1	31.3
Credit-Deposit Ratio	60.4	71.5	74.0	69.9	72.2	74.1	73.9	73.6	74.0	72.7	72.3

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	24,169	17,857	2,343 (64)
Mar. 24, 2000	5,037	30,620	22,988	2,834 (20)
Mar. 23, 2001	6,984	38,453	27,006	3,171 (15)
Jul. 14, 2000	6,918	32,992	22,848	2,952 (15)
Jul. 13, 2001	6,479	39,135	27,318	3,178 (15)
Jul. 28, 2000	6,544	33,210	23,189	3,003 (15)
Jul. 27, 2001	5,652	39,381	26,952	3,188 (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.

(Rs. crore)

Outstanding as on	Commercial Paper	Shares issued by		Bonds / Debentures issued by	
		Public Sector Undertakings (PSUs)	Private Corporate Sector	Public Sector Undertakings (PSUs)	Private Corporate Sector
1	2	3	4	5	6
March 19, 2004	3,835	1,565	7,400	49,720	27,966
March 18, 2005	3,944	1,886	10,289	46,939	31,994
March 31, 2006	4,837	2,627	10,502	33,018	29,550
March 30, 2007	9,178	2,152	16,194	28,280	27,663
January 6, 2006	3,740	2,011	10,942	34,289	29,068
January 5, 2007	6,947	2,094	14,913	30,157	25,838
January 20, 2006	3,547	2,359	11,204	33,919	29,419
January 19, 2007	6,527	2,140	15,389	29,529	25,366
February 3, 2006	3,536	2,153	11,709	33,748	28,300
February 2, 2007	6,237	2,115	15,525	29,508	24,906
February 17, 2006	3,409	2,318	11,341	33,383	30,497
February 16, 2007	6,717	2,134	15,339	29,340	25,403
March 17, 2006	4,166	2,372	11,153	33,724	31,236
March 16, 2007	7,946	2,210	15,480	28,085	25,941
March 31, 2006	4,837	2,627	10,502	33,018	29,550
March 30, 2007	9,178	2,152	16,194	28,280	27,663
April 14, 2006	4,704	2,295	12,425	33,413	28,893
April 13, 2007	7,997	2,059	16,332	27,278	27,405
April 28, 2006	4,297	2,299	13,058	33,100	28,716
April 27, 2007	7,027	1,972	16,049	26,661	26,067
May 12, 2006	4,046	2,335	13,605	32,489	27,746
May 11, 2007	6,869	2,177	16,398	25,555	25,933
May 26, 2006	3,963	2,629	14,871	33,031	27,458
May 25, 2007	7,079	1,903	17,145	24,848	25,145

Note : From the financial year 2001-02, data on investments are based on Statutory Section 42(2) Returns. Such data for the earlier period were based on Special Fortnightly Return (SFR VII), which has since been discontinued.

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	2004-05	2005-06	2006					2007			
				Feb.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. 2	Feb. 16	Feb. 23
1	2	3	4	5	6	7	8	9	10	11	12	13
Number of reporting banks	28	31	31	31	31	31	31	31	31	31	31	31
Demand and Time Liabilities												
Aggregate Deposits (1)	**2,152**	**13,807**	**15,665**	**15,196**	**15,850**	**15,887**	**16,212**	**16,512**	**16,545**	**16,400**	**16,304**	**16,276**
Demand Liabilities	**1,831**	**4,871**	**6,065**	**5,664**	**5,863**	**5,761**	**5,735**	**6,132**	**5,616**	**5,666**	**5,967**	**6,122**
Deposits												
Inter-bank	718	999	1,457	993	887	938	858	911	955	939	955	933
Others	794	2,586	3,101	2,908	3,214	3,243	3,176	3,264	3,245	3,274	3,239	3,203
Borrowings from banks	181	349	464	940	886	661	795	1,062	501	537	930	1,147
Others	139	938	1,043	823	877	918	907	895	915	916	842	840
Time Liabilities	**3,963**	**36,325**	**38,464**	**37,207**	**36,859**	**36,490**	**36,565**	**36,996**	**37,307**	**37,118**	**37,145**	**37,181**
Deposits												
Inter-bank	2,545	24,825	25,561	24,617	23,974	23,526	23,210	23,433	23,705	23,685	23,784	23,818
Others	1,359	11,221	12,564	12,288	12,637	12,643	13,037	13,248	13,300	13,126	13,066	13,074
Borrowings from banks	–	11	12	12	11	10	10	10	10	10	10	10
Others	59	267	327	290	237	311	307	305	292	297	286	280
Borrowing from Reserve Bank	**15**	**32**	**–**	**29**	**–**	**–**	**15**	**21**	**21**	**21**	**21**	**21**
Borrowings from the State Bank and / or a notified bank (2) and State Government	**1,861**	**8,320**	**9,768**	**9,321**	**10,882**	**10,884**	**10,836**	**11,469**	**12,361**	**12,265**	**12,639**	**12,715**
Demand	116	1,623	2,021	1,917	1,901	1,809	1,888	2,335	2,630	2,731	2,966	2,979
Time	1,745	6,696	7,747	7,404	8,981	9,075	8,948	9,134	9,730	9,533	9,673	9,736
Assets												
Cash in hand and balances with Reserve Bank	**334**	**2,001**	**2,499**	**2,069**	**1,998**	**2,048**	**1,934**	**2,132**	**2,176**	**2,217**	**2,175**	**2,217**
Cash in hand	24	109	146	132	129	168	130	140	121	124	125	139
Balance with Reserve Bank	310	1,892	2,353	1,937	1,869	1,880	1,804	1,992	2,055	2,093	2,051	2,078
Balances with other banks in current account	93	333	575	352	308	285	326	320	315	398	356	329
Investments in Government securities (3)	1,058	16,602	16,472	16,067	15,323	15,622	15,400	14,914	15,744	15,766	15,168	14,895
Money at call and short notice	498	3,777	5,899	5,222	5,299	5,619	5,899	6,952	6,190	5,584	5,503	5,246
Bank credit (4)	**2,553**	**14,529**	**15,589**	**15,111**	**14,359**	**14,556**	**14,715**	**14,631**	**15,193**	**15,394**	**15,537**	**15,918**
Advances												
Loans, cash-credits and overdrafts	2,528	14,508	15,568	15,094	14,345	14,540	14,702	14,617	15,178	15,380	15,523	15,904
Due from banks (5)	5,560	21,945	24,167	23,996	27,419	27,187	27,238	28,697	29,202	29,233	29,377	29,562
Bills purchased and discounted	25	21	21	17	13	16	14	14	15	14	14	13
Cash - Deposit Ratio	15.5	14.5	16.0	13.6	12.6	12.9	11.9	12.9	13.2	13.5	13.3	13.6
Investment - Deposit Ratio	49.2	120.2	105.2	105.7	96.7	98.3	95.0	90.3	95.2	96.1	93.0	91.5
Credit - Deposit Ratio	118.6	105.2	99.5	99.4	90.6	91.6	90.8	88.6	91.8	93.9	95.3	97.8

See 'Notes on Tables'.

No. 7: Reserve Bank's Standing Facilities 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 Standing Facility	
	Normal *		Back Stop **		Total ***		Normal *		Back Stop **		Total			
	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing
1	2	3	4	5	6 =(2+4)	7 =(3+5)	8	9	10	11	12 =(8+10)	13 =(9+11)	14 =(6+12)	15 =(7+13)
2001-02	6,060.29	3,144.11	3,025.60	49.83	9,085.89	3,193.94	837.62	422.35	218.65	–	1,056.27	422.35	10,142.16	3,616.29
2002-03	2,524.13	61.51	2,524.13	23.00	5,048.26	84.51	399.66	–	–	–	399.66	–	5,447.92	84.51
2003-04	1,553.25	–	3,111.17	–	4,664.42	–	399.66	–	–	–	399.66	–	5,064.08	–
2004-05	–	–	–	–	4,912.13	50.00	399.66	–	–	–	399.66	–	5,311.79	50.00
2005-06	–	–	–	–	6,050.63	1,567.68	–	–	–	–	–	–	6,050.63	1,567.68
2006-07	–	–	–	–	8,110.33	4,984.94	–	–	–	–	–	–	8,110.33	4,984.94
Sep. 2006	–	–	–	–	6,963.09	1,563.75	–	–	–	–	–	–	6,963.09	1,563.75
Dec. 2006	–	–	–	–	7,200.34	1,784.23	–	–	–	–	–	–	7,200.34	1,784.23
Mar. 2007	–	–	–	–	8,110.33	4,984.94	–	–	–	–	–	–	8,110.33	4,984.94
Apr. 2006	–	–	–	–	6,674.53	119.06	–	–	–	–	–	–	6,674.53	119.06
May 2006	–	–	–	–	6,638.08	2.06	–	–	–	–	–	–	6,638.00	2.06
Jun. 2006	–	–	–	–	6,513.55	2.06	–	–	–	–	–	–	6,513.55	2.06
Jul. 2006	–	–	–	–	7,046.20	2.06	–	–	–	–	–	–	7,046.20	2.06
Aug. 2006	–	–	–	–	7,046.52	–	–	–	–	–	–	–	7,046.52	–
Sep. 2006	–	–	–	–	6,963.09	1,563.75	–	–	–	–	–	–	6,963.09	1,563.75
Oct. 2006	–	–	–	–	7,259.39	1,215.00	–	–	–	–	–	–	7,259.39	1,215.00
Nov. 2006	–	–	–	–	7,065.80	4.00	–	–	–	–	–	–	7,065.90	4.00
Dec. 2006	–	–	–	–	7,200.34	1,784.23	–	–	–	–	–	–	7,200.34	1,784.23
Jan. 2007	–	–	–	–	7,470.20	3,013.48	–	–	–	–	–	–	7,470.20	3,013.48
Feb. 2007	–	–	–	–	7,946.14	–	–	–	–	–	–	–	7,946.14	–
Mar. 2007	–	–	–	–	8,110.33	4,984.94	–	–	–	–	–	–	8,110.33	4,984.94
Apr. 2007	–	–	–	–	8,871.55	3,760.22	–	–	–	–	–	–	8,871.55	3,760.22

@ : 'Others' include Collateralised Lending Facility (CLF) (withdrawn completely effective from October 5, 2002) / Additional CLF (withdrawn effective from June 5, 2000), *etc.*

* : Normal Limit = 1/2 of total limit effective from November 16, 2002; 1/3rd of the total limit effective from December 27, 2003.

** : Back-Stop Limit = 1/2 of total limit effective from November 16, 2002; 2/3rd of the total limit effective from December 27, 2003.

***: Total limits under Normal Facility and Back-Stop facility merged into a single facility effective from March 29, 2004.

Also see 'Notes on Tables'.

No. 8: Cheque Clearing Data

(Number in Lakh and Amount in Rs. crore)

Month/Year	Total		Total MICR* Centres		Total Non-MICR** Centres		Total of RBI Centres		RBI Centres***					
									Ahmedabad		Bangalore		Bhopal	
1	2 = (3+4)		3 = (5+22)		4		5		6		7		8	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	9,015	1,25,75,254	5,377	1,09,47,391	3,638	16,27,863	5,377	1,09,47,391	414	2,07,524	445	2,69,346	–	–
2002-03	10,139	1,34,24,313	5,980	1,09,78,762	4,159	24,45,551	5,980	1,09,78,762	434	2,25,060	485	3,07,577	–	–
2003-04	10,228	1,15,95,960	6,241	91,78,751	3,987	24,17,209	6,241	91,78,751	473	2,80,649	547	3,75,885	–	–
2004-05	11,671	1,01,20,716	9,417	90,18,073	2,254	11,02,643	7,387	81,55,142	525	3,52,697	602	4,77,810	59	47,188
2005-06	12,868	1,13,29,134	10,318	94,74,371	2,549	18,54,763	7,942	81,94,977	604	4,06,599	656	4,98,344	72	32,181
2006-07 (P)	13,706	1,20,56,100	11,474	1,04,49,110	2,232	16,06,990	8,343	86,13,168	594	4,29,956	702	5,58,676	72	52,225
2006-07 (P)														
April	1,084	9,52,862	896	8,38,068	188	1,14,795	658	7,03,540	48	34,358	53	43,128	6	3,647
May	1,142	9,93,452	947	8,77,955	195	1,15,497	690	7,23,599	50	34,803	61	39,886	6	4,030
June	1,086	9,40,521	904	8,21,920	182	1,18,600	666	6,85,682	45	31,406	58	44,615	5	4,219
July	1,107	8,80,998	934	7,73,365	173	1,07,633	682	6,30,010	47	30,032	56	44,029	6	3,526
August	1,162	9,42,891	979	8,27,061	184	1,15,830	713	6,65,255	45	29,450	61	44,878	6	3,802
September	1,120	10,08,566	945	8,96,027	175	1,12,538	676	7,52,206	47	34,782	57	48,512	6	3,455
October	1,116	9,25,835	941	8,15,317	174	1,10,518	692	6,66,082	49	34,792	56	45,459	6	4,018
November	1,168	9,80,539	986	8,64,101	182	1,16,438	715	7,09,101	50	32,676	60	45,530	6	4,208
December	1,137	10,06,191	957	8,98,722	180	1,07,469	696	7,48,085	51	37,865	60	53,311	5	4,484
January	1,133	11,46,253	944	8,56,517	189	2,89,736	685	7,01,520	49	38,373	57	46,414	6	4,778
February	1,140	10,03,850	962	8,72,897	178	1,30,953	693	7,13,515	53	39,079	59	43,611	6	4,351
March	1,311	12,74,143	1,078	11,07,160	233	1,66,983	777	9,14,573	60	52,339	65	59,302	7	7,707
2007-08 (P)														
April	1,155	10,13,809	969	8,51,754	186	1,62,054	697	6,87,790	48	37,978	60	52,523	6	4,797
May	1,165	11,04,451	979	8,65,933	187	2,38,517	694	7,03,365	50	36,213	62	56,278	6	4,835
Total (upto May. 07)	**2,321**	**21,18,259**	**1,948**	**17,17,688**	**373**	**4,00,572**	**1,391**	**13,91,155**	**99**	**74,190**	**122**	**1,08,801**	**12**	**9,632**

* : MICR - Magnetic Ink Character Recognition - automated CPC (Cheque Processing Centers).

** : Non MICR - Clearing done mannually.

*** : RBI Centres (MICR) refers to all centres where RBI is the manager of Clearing House.

Notes : 1. Non MICR Data for the month of May 2007, pertains to the Clearing Houses managed by 10 banks-managed clearing house- SBI(Patna, Delhi, Lucknow, Mumbai, Ahmedabad, Bhopal, Kolkata, Chennai, Guwahati, Chnadigarh, Kerala, Hyderabad, Bangalore & Bhubaneshwar),SBBJ, SB Indore, PNB, SBT, SBP, SBS, SBH, SBM and United Bank of India.

2. The other MICR Centres includes 43 centres managed by 13 PSBs namely Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Central Bank of Indian, Corporation Bank, Oriental Bank of Commerence, Punjab National Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, State Bank of Hyderabad and Union Bank of India. The list of other MICR centres (apart from RBI) is given in the Notes on Table 8.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakh and Amount in Rs. crore)

Month/Year	RBI Centres***													
	Bhubaneshwar		Chandigarh		Chennai		Guwahati		Hyderabad		Jaipur		Kanpur	
1	9		10		11		12		13		14		15	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	27	21,625	–	–	522	5,00,872	30	19,592	305	1,82,764	123	54,432	67	32,369
2002-03	33	26,349	–	–	557	5,52,913	34	22,436	337	2,15,035	130	58,202	73	34,532
2003-04	37	37,136	–	–	602	6,12,158	37	27,840	369	2,75,503	148	70,122	78	41,397
2004-05	42	47,253	113	1,11,092	735	7,59,883	42	32,714	390	3,01,679	168	89,087	87	47,226
2005-06 (P)	49	53,650	124	1,27,038	813	6,55,278	48	39,660	417	3,63,317	187	1,13,453	93	55,329
2006-07 (P)	56	64,834	141	1,98,205	836	7,05,875	55	49,101	439	3,95,911	198	1,37,785	97	64,396
2006-07 (P)														
April	4	3,927	10	14,269	65	54,057	4	3,823	37	33,184	16	10,352	8	5,123
May	5	5,175	11	14,067	68	54,209	5	3,939	33	32,046	17	10,801	8	5,426
June	4	4,307	10	10,829	78	59,996	4	3,808	35	32,498	16	11,540	7	5,124
July	5	5,382	10	14,701	81	57,350	4	3,272	35	30,934	15	10,779	8	4,796
August	5	5,338	17	11,607	80	60,967	5	4,039	36	31,079	16	10,148	8	5,235
September	5	5,238	11	46,787	78	61,602	4	3,739	35	31,851	16	10,595	8	5,159
October	5	5,263	12	15,081	76	62,061	4	3,671	35	29,738	16	11,498	7	4,557
November	5	5,295	12	14,472	69	62,164	5	4,528	38	33,718	17	11,518	9	6,087
December	5	5,048	12	12,714	68	57,572	5	4,287	39	33,876	17	12,189	8	5,565
January	5	6,051	11	12,017	54	49,956	5	4,409	35	30,771	17	11,948	8	5,265
February	5	5,683	11	12,880	57	55,902	5	4,025	38	31,696	17	11,868	9	5,424
March	6	8,126	12	18,781	63	70,038	6	5,561	43	44,520	19	14,548	9	6,634
2007-08 (P)														
April	5	5,831	11	14,150	56	59,978	4	4,579	37	35,342	17	12,405	8	5,508
May	5	5,939	12	15,227	57	54,145	5	4,089	36	33,432	17	12,149	9	5,775
Total (upto May. 07)	**9**	**11,770**	**23**	**29,377**	**114**	**1,14,123**	**9**	**8,667**	**72**	**68,774**	**34**	**24,554**	**17**	**11,283**

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakh and Amount in Rs. crore)

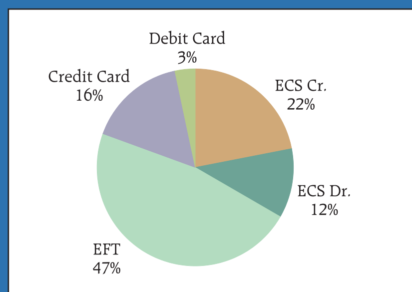
Month/Year	RBI Centres***											
	Kolkata		Mumbai		Nagpur		New Delhi		Patna		Thiruvananthapuram	
1	16		17		18		19		20		21	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	523	3,73,131	1,679	82,17,816	102	41,151	1,079	9,90,315	27	17,421	34	19,032
2002-03	531	4,19,164	2,019	76,94,748	109	46,924	1,164	13,19,625	37	19,506	37	36,691
2003-04	470	4,65,308	2,162	55,11,293	120	56,330	1,107	13,54,677	50	26,739	41	43,714
2004-05	602	2,22,481	2,304	37,53,670	124	63,495	1,479	17,73,610	65	30,862	48	44,396
2005-06 (P)	642	6,58,640	2,392	33,42,829	135	75,772	1,597	16,97,583	59	36,820	55	38,484
2006-07 (P)	684	6,82,358	2,518	33,19,090	146	92,547	1,691	17,73,548	57	47,969	56	40,693
2006-07 (P)												
April	50	52,003	204	2,82,176	12	7,721	132	1,50,396	4	3,684	4	1,692
May	58	54,915	205	3,03,037	12	8,238	143	1,46,372	5	3,402	5	3,252
June	54	52,312	197	2,69,120	12	7,629	131	1,41,374	4	3,764	5	3,141
July	55	48,533	203	2,34,137	12	6,837	137	1,28,657	4	3,871	5	3,176
August	59	54,668	213	2,48,886	11	6,756	140	1,41,680	5	3,538	5	3,182
September	54	55,803	197	2,76,372	11	6,484	138	1,54,903	5	3,858	4	3,064
October	55	49,874	209	2,42,864	12	7,299	141	1,43,426	4	3,447	5	3,034
November	60	58,186	218	2,77,426	12	7,397	144	1,38,471	5	4,012	5	3,412
December	56	59,901	207	2,91,560	13	8,157	141	1,54,432	5	3,930	5	3,194
January	56	51,880	217	2,74,342	12	7,698	145	1,49,332	5	3,989	5	4,296
February	59	58,149	210	2,79,724	12	7,705	143	1,45,494	5	4,324	5	3,602
March	69	86,134	236	3,39,446	14	10,626	157	1,79,010	6	6,151	5	5,647
2007-08 (P)												
April	58	58,697	221	2,29,446	11	8,696	145	1,46,705	5	6,928	5	4,228
May	60	61,399	208	2,61,566	12	8,660	146	1,34,495	5	5,352	5	3,811
Total (upto May 07)	**118**	**1,20,096**	**429**	**4,91,012**	**23**	**17,356**	**291**	**2,81,200**	**9**	**12,281**	**9**	**8,039**

No. 8: Cheque Clearing Data *(Concld.)*

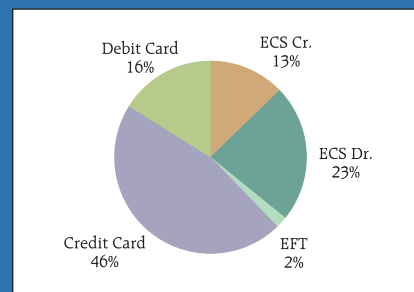
(Number in Lakh and Amount in Rs. crore)

Month/Year	Other MICR Centres	
1	22	
	Number	Amount
2001-02	–	–
2002-03	–	–
2003-04	–	–
2004-05	2,030	8,62,931
2005-06 (P)	2,376	12,79,394
2006-07 (P)	3,131	18,35,942
2006-07 (P)		
April	238	1,34,527
May	257	1,54,357
June	238	1,36,239
July	252	1,43,355
August	265	1,61,806
September	269	1,43,821
October	250	1,49,234
November	271	1,55,000
December	261	1,50,637
January	259	1,54,997
February	269	1,59,382
March	301	1,92,587
2007-08 (P)		
April	272	1,63,964
May	285	1,62,569
Total (upto May 2007)	**556**	**3,26,533**

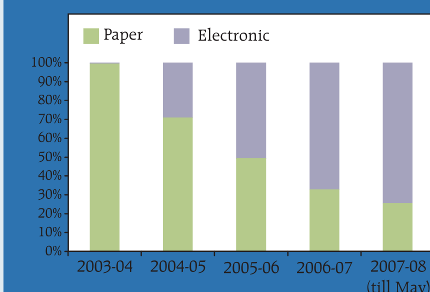
Retail Electronic Transactions-Value in percentage



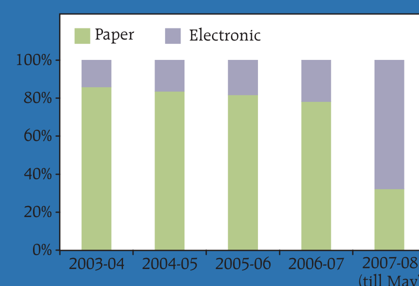
Retail Electronic Transactions-Volume in percentage



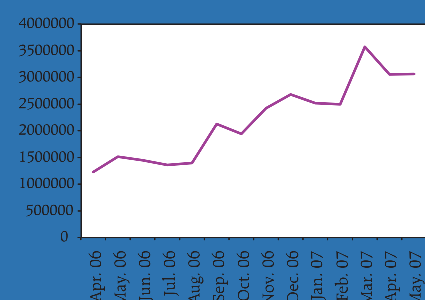
Representation of Electronic Transactions Value in Total



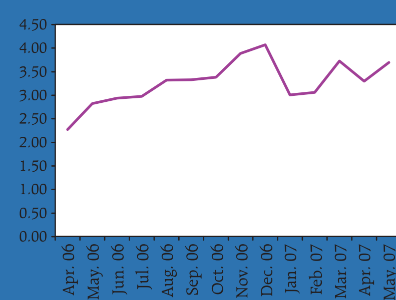
Representation of Electronic Transactions Volume in Total



Growth in RTGS Value



Growth in RTGS Volume



No. 9A: Retail Electronic Payment Systems

(Number in Lakh and Amount in Rs. crore)

Year / Period	Total Electronic Payments		Electronic Clearing Services (ECS)				Electronic Funds Transfer (EFT)		Card Payments					
			ECS (Credit)		ECS (Debit)				Credit			Debit*		
1	2=(3+4+5+6+7)		3		4		5		6			7		
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount	Number of Out-standing Cards	Volume	Amount	Number of Out-standing Cards	Volume	Amount
2003-04	1,669.55	52,142.78	203.00	10,228.00	79.00	2,253.58	8.19	17,124.81	–	1,001.79	1,7662.72	–	377.57	4,873.67
2004-05	2,289.04	1,08,749.83	400.51	20,179.81	153.00	2,921.24	25.49	54,601.38	–	1,294.72	2,5686.36	–	415.32	5,361.04
2005-06	2,850.13	1,46,382.68	442.16	32,324.35	359.58	12,986.50	30.67	61,288.22	173.27	1,560.86	3,3886.47	497.63	456.86	5,897.14
2006-07(P)	3,787.09	2,35,693.12	690.19	83,273.09	752.02	25,440.79	47.76	77,446.31	231.23	1,695.36	4,1361.31	749.76	601.77	8,171.63
2006-07 (P)														
April	248.66	13,307.04	41.69	4,361.55	44.73	1,527.94	3.01	4,261.11	177.16	117.72	2,615.53	518.13	41.50	540.91
May	270.01	19,454.10	46.78	8,978.03	43.53	1,685.09	3.40	5,234.09	180.55	131.93	2,970.52	526.95	44.37	586.38
June	275.45	12,769.55	52.51	3,469.70	51.53	1,585.07	3.36	4,383.87	185.76	125.45	2,773.69	546.88	42.60	557.22
July	301.41	20,495.04	61.90	6,078.30	53.15	1,643.62	3.39	9,195.79	190.27	133.71	2,957.08	573.13	49.26	620.25
August	321.75	17,470.80	70.75	5,633.54	56.95	1,976.00	3.60	5,991.33	195.65	139.77	3,211.80	589.64	50.68	658.12
September	298.98	17,141.85	51.87	4,990.12	60.15	2,022.28	3.85	6,166.52	200.39	136.22	3,270.12	613.98	46.89	692.81
October	334.69	21,231.53	57.47	8,304.32	65.13	2,166.65	4.15	5,936.81	204.85	151.66	3,991.78	658.59	56.28	831.97
November	328.13	22,522.59	66.06	9,245.42	69.32	2,207.17	3.44	6,808.25	210.98	139.62	3,602.20	664.19	49.68	659.56
December	329.08	18,792.68	42.88	5,970.25	72.37	2,517.06	3.59	5,597.25	215.99	151.85	3,883.96	689.28	58.39	824.16
January	342.32	20,750.14	48.13	6,296.77	76.21	2,334.62	3.71	7,262.69	221.08	161.90	4,110.29	698.44	52.38	745.76
February	369.00	26,403.45	84.55	11,568.11	78.49	2,259.09	5.73	7,995.26	226.54	147.25	3,875.02	720.26	52.98	705.97
March	367.61	25,354.35	65.60	8,376.98	80.46	3,516.19	6.53	8,613.34	231.23	158.28	4,099.32	749.76	56.75	748.52
2007-08														
April (P)	376.45	28,346.53	60.07	8,027.76	82.63	3,040.37	6.75	12,159.06	235.03	167.35	4,258.26	758.66	59.65	861.07
May (P)	4,489.96	24,451.57	38.70	3,620.43	88.98	2,942.11	7.42	12,734.62	241.29	174.70	4,296.39	784.59	61.13	858.02
Total (upto May, 07)	**4,866.41**	**52,798.10**	**98.78**	**11,648.20**	**171.60**	**5,982.48**	**14.17**	**24,893.68**	**476.32**	**342.05**	**8,554.65**	**1,543.25**	**120.78**	**1,719.09**

* Debit Cards figures for 2003-04 and 2004-05 are estimated based on 2005-06 figures.

No. 9B: Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in Rs. crore)

Year / Period	Real Time Gross Settlement System									
	Total		Customer remittance		Inter-Bank remittance		Inter-bank clearing settlement		Total Inter-bank	
1	2=(3+4+5)		3		4		5		6=(4+5)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2003-04	0.001	1,965.49	–	–	0.001	1,965.49	–	0.00	0.001	1,965.49
2004-05	4.60	40,66,184.00	0.68	2,49,662.00	3.92	38,16,522.00	–	0.00	3.92	38,16,522.00
2005-06	17.67	1,15,40,836.25	7.13	25,70,212.29	10.54	89,70,623.96	–	0.00	10.54	89,70,623.96
2006-07	38.80	2,46,19,179.99	24.82	71,67,807.91	13.94	1,13,13,346.69	0.04	61,38,025.39	13.98	1,74,51,372.08
2006-07										
April	2.27	12,15,738.55	1.36	4,14,832.62	0.92	8,00,905.93	–	–	0.92	8,00,905.93
May	2.82	15,05,769.58	1.72	5,22,421.94	1.10	9,83,347.64	–	–	1.10	9,83,347.64
June	2.94	14,37,408.04	1.82	4,90,716.67	1.13	9,46,691.37	–	–	1.13	9,46,691.37
July	2.97	13,46,465.65	1.87	4,54,992.42	1.11	8,91,473.23	–	–	1.11	8,91,473.23
August	3.32	13,87,871.86	2.16	4,82,295.19	1.16	9,05,576.67	–	–	1.16	905,576.67
September*	3.33	21,20,783.51	2.19	5,56,877.18	1.13	9,65,023.29	0.006	5,98,883.04	1.14	15,63,906.33
October	3.39	19,30,288.73	2.29	4,69,506.04	1.09	9,39,937.84	0.005	5,20,844.85	1.10	14,60,782.69
November	3.89	24,16,741.81	2.64	6,65,072.44	1.24	10,52,418.91	0.006	6,99,250.46	1.25	17,51,669.37
December	4.07	26,73,508.76	2.82	7,14,428.61	1.24	10,24,691.36	0.005	9,34,388.79	1.25	19,59,080.15
January	3.01	25,11,745.65	1.78	5,98,777.17	1.22	8,41,163.48	0.006	10,71,805.00	1.22	19,12,968.48
February	3.06	24,92,395.60	1.87	7,37,553.10	1.19	8,63,897.68	0.006	8,90,944.82	1.19	17,54,842.50
March	3.73	35,80,462.25	2.31	10,60,334.53	1.41	10,98,219.29	0.006	14,21,908.43	1.42	25,20,127.72
2007-08										
April	3.30	30,52,145.05	2.06	8,37,607.28	1.23	11,09,957.75	0.006	11,04,580.02	1.24	22,14,537.77
May	3.69	30,56,182.88	2.37	9,33,089.84	1.32	8,75,831.15	0.009	12,47,261.89	1.32	21,23,093.04
Total (upto May 07)	**6.99**	**61,08,327.93**	**4.43**	**17,70,697.12**	**2.55**	**19,85,788.90**	**0.02**	**23,51,841.91**	**2.56**	**43,37,630.81**

No. 9B: Large Value Clearing and Settlement Systems *(Concld.)*

(Number in Lakh and Amount in Rs. crore)

Year / Period	CCIL Operated Systems							
	Government Securities Settlement				Forex Settlement		CBLO Settlement	
	Outright		Repo					
1	7		8		9		10	
	No.of Trades	Value	No. of Trades	Value	No. of Trades	Value	No. of Trades	Value
2003-04	2.44	15,75,133.00	0.21	9,43,189.00	3.31	23,18,530.80	0.03	76,850.70
2004-05	1.61	11,34,222.08	0.24	15,57,906.55	4.66	40,42,434.86	0.29	9,76,757.10
2005-06	1.25	8,64,751.40	0.25	16,94,508.70	4.90	52,39,673.90	0.68	29,53,133.90
2006-07	1.37	10,21,535.70	0.30	25,56,501.50	6.06	80,23,078.00	0.86	47,32,271.30
2006-07								
April	0.07	65,574.20	0.02	1,19,853.80	0.43	5,74,361.50	0.06	3,59,227.90
May	0.08	67,748.80	0.03	2,33,469.50	0.53	6,81,602.20	0.07	4,28,666.90
June	0.05	48,565.90	0.03	2,74,677.00	0.52	6,12,044.80	0.06	3,63,646.30
July	0.06	44,318.00	0.03	2,41,765.50	0.45	5,08,753.10	0.07	3,91,737.70
August	0.14	1,06,896.60	0.03	2,61,423.20	0.47	5,29,951.70	0.07	3,74,214.60
September*	0.20	1,49,361.20	0.03	2,38,804.80	0.50	6,16,516.70	0.07	3,69,532.00
October	0.10	73,362.00	0.02	2,13,868.50	0.44	5,90,332.70	0.07	3,73,561.20
November	0.25	1,73,279.40	0.03	2,,62,460.90	0.60	7,65,387.70	0.09	4,62,395.40
December	0.12	87,551.70	0.02	1,72,089.30	0.49	7,12,010.70	0.08	3,87,828.80
January	0.12	82,359.80	0.02	1,58,176.30	0.58	7,51,947.10	0.07	3,78,183.80
February	0.10	67,412.10	0.02	1,71,475.90	0.47	7,40,587.00	0.07	4,19,390.50
March	0.08	55,106.00	0.02	2,08,436.80	0.59	9,39,582.80	0.08	4,23,886.20
2007-08								
April	0.09	79,052.00	0.02	1,50,668.90	0.68	10,33,519.20	0.08	3,97,902.20
May	0.10	78,229.50	0.02	2,24,137.20	0.63	8,67,577.50	0.09	5,20,253.50
Total (upto May 07)	**0.20**	**1,57,281.50**	**0.04**	**3,74,806.10**	**1.31**	**19,01,096.70**	**0.18**	**9,18,155.70**

* MNSB settlement in RTGS started from 12 August, 2006.

No. 10: Money Stock Measures

(Rs. crore)

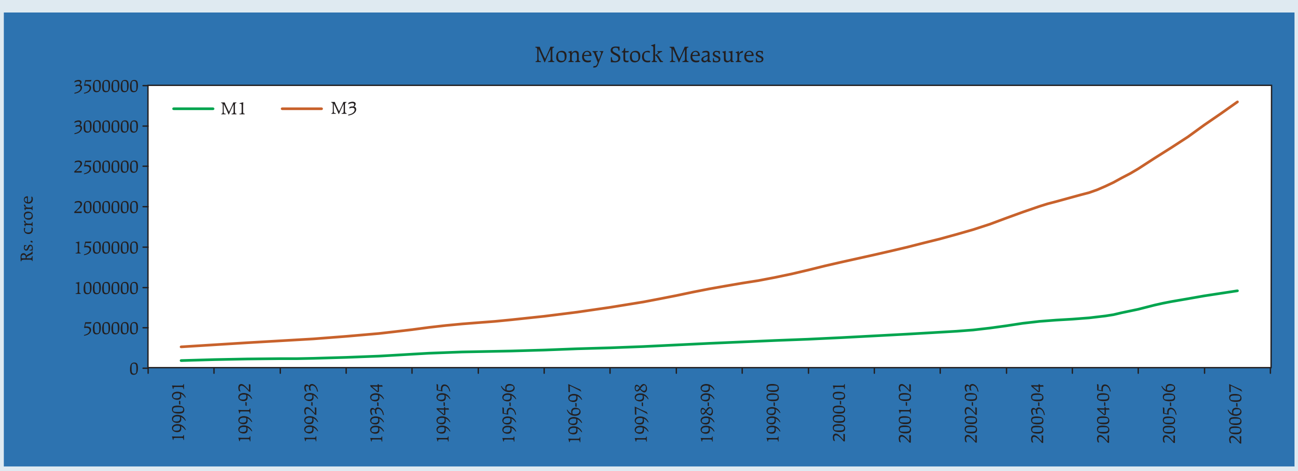
March 31/ Reporting Fridays of the month/ Last reporting Friday of the month	Currency with the public					Deposit money of the public			M_1 (6+9)	Post office savings bank deposits	M_2 (10+11)	Time deposits with banks	M_3 (10+13)	Total post office deposits	M_4 (14+15)
	Notes in circulation(1)	Circulation of		Cash in hand with banks	Total (2+3+4-5)	Demand deposits with banks	'Other' deposits with Reserve Bank (3)	Total (7+8)							
		Rupee coins (2)	Small coins (2)												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2004-05	3,61,213	5,984	1,464	12,798	3,55,863	2,85,154	6,478	2,91,632	**6,47,495**	5,041	**6,52,536**	16,03,954	**22,51,449**	25,969	**22,77,418**
												(15,83,180)	**(22,30,675)**		
2005-06	4,21,922	6,190	2,564	17,557	4,13,119	4,06,388	6,871	4,13,258	**8,26,378**	5,041	**8,31,419**	19,03,170	**27,29,547**	25,969	**27,55,516**
2006-07	4,95,938	6,626	1,603	20,754	4,83,413	4,74,228	7,487	4,81,716	**9,65,129**	5,041	**9,70,170**	23,45,083	**33,10,212**	25,969	**33,36,181**
April 1, 2005	3,60,552	5,984	1,464	13,129	3,54,871	3,21,363	6,319	3,27,682	**6,82,553**	5,041	**6,87,594**	16,50,114	**23,32,667**	25,969	**23,58,636**
												(16,29,340)	**(23,11,893)**		
May 12, 2006	4,48,914	6,242	1,479	15,143	4,41,492	3,71,408	6,654	3,78,062	**8,19,554**	5,041	**8,24,595**	19,53,419	**27,72,973**	25,969	**27,98,942**
May 26, 2006	4,43,893	6,281	1,494	15,506	4,36,162	3,72,451	6,414	3,78,864	**8,15,026**	5,041	**8,20,067**	19,64,255	**27,79,281**	25,969	**28,05,250**
January 2007	4,80,197	6,588	1,603	16,406	4,71,981	3,97,986	5,597	4,03,584	**8,75,565**	5,041	**8,80,606**	21,96,166	**30,71,731**	25,969	**30,97,700**
February 2007	4,90,848	6,626	1,603	16,570	4,82,507	4,33,709	4,704	4,38,413	**9,20,919**	5,041	**9,25,960**	22,21,147	**31,42,067**	25,969	**31,68,036**
March 2007	4,95,938	6,626	1,603	20,754	4,83,413	4,74,228	7,487	4,81,716	**9,65,129**	5,041	**9,70,170**	23,45,083	**33,10,212**	25,969	**33,36,181**
April 2007	5,12,672	6,626	1,603	17,591	5,03,310	4,29,593	7,001	4,36,593	**9,39,904**	5,041	**9,44,945**	23,81,767	**33,21,671**	25,969	**33,47,640**
May 11, 2007	5,20,464	6,626	1,603	18,082	5,10,611	4,12,173	7,391	4,19,565	**9,30,175**	5,041	**9,35,216**	24,02,998	**33,33,173**	25,969	**33,59,142**
May 25, 2007	5,14,502	6,626	1,603	18,619	5,04,112	4,12,481	5,386	4,17,867	**9,21,979**	5,041	**9,27,020**	24,03,268	**33,25,247**	25,969	**33,51,216**

Notes : 1. Figures in brackets exclude the impact of mergers and conversion since May 3, 2002 and October 11, 2004, respectively.

2. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

3. Last reporting Friday for 2005-06 was as on March 31, 2006 and coincided with the closing day for banks' annual accounts while last reporting Friday for 2004-05 was on March 18, 2005 and that for 2006-07 was on March 30, 2007. Data on fiscal year variation for 2005-06 are, thus, not comparable with those of the other years as the data for 2005-06 include 27 fortnights while usually the data include 26 fortnights.

Also see 'Notes on Tables'.



No. 11: Sources of Money Stock (M_3)

(Rs. crore)

Source	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month					
	2004-2005	2005-2006	2006-2007	April 1, 2005	May 12, 2006	May 26, 2006
1	2	3	4	5	6	7
1. Net Bank Credit to Government (A+B)	**7,56,766 (7,44,574)**	**7,66,595**	**8,36,787**	**7,48,707 (7,36,514)**	**7,92,758**	**7,94,322**
A. RBI's net credit to Government (i-ii)	-17,975	8,136	4,362	-27,662	11,510	7,734
(i) Claims on Government (a+b)	61,970	73,540	97,469	36,700	3,7,238	35,692
(a) Central Government (1)	56,687	70,563	97,184	36,107	37,238	35,692
(b) State Governments	5,283	2,977	285	593	–	–
(ii) Government deposits with RBI (a+b)	79,945	65,404	93,107	64,362	25,728	27,958
(a) Central Government	79,945	65,404	93,066	64,321	25,466	27,917
(b) State Governments	–	–	41	41	262	41
B. Other Banks' Credit to Government	7,74,741	7,58,459	8,32,425	7,76,369	7,81,248	7,86,588
2. Bank Credit to Commercial Sector(A+B)	**12,80,249 (12,47,367)**	**16,93,004**	**21,23,362**	**13,31,258 (12,98,376)**	**16,73,633**	**16,79,938**
A. RBI's credit to commercial sector (2)	1,390	1,387	1,537	1,390	1,387	1,387
B. Other banks' credit to commercial sector (i+ii+iii)	12,78,859	16,91,617	21,21,825	13,29,869	16,72,246	16,78,551
(i) Bank credit by commercial banks	11,00,428	15,07,077	19,28,913	11,52,210	14,87,646	14,93,433
(ii) Bank credit by co-operative banks	1,53,508	1,63,731	1,74,231	1,53,419	1,63,520	1,63,683
(iii) Investments by commercial and co-operative banks in other securities	24,923	20,809	18,681	24,240	21,079	21,435
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**6,49,255**	**7,26,194**	**9,30,319**	**6,47,903**	**7,87,308**	**7,94,535**
A. RBI's net foreign exchange assets (i-ii)(3)	6,12,790	6,72,983	8,66,153	6,11,439	7,34,097	7,41,324
(i) Gross foreign assets	6,12,808	6,73,001	8,66,170	6,11,456	7,34,115	7,41,342
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	36,465	53,211	64,166	36,465	53,211	53,211
4. Government's Currency Liabilities to the Public	**7,448**	**8,754**	**8,229**	**7,448**	**7,721**	**7,775**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**4,42,269**	**4,64,999**	**5,88,485**	**4,02,649**	**4,88,447**	**4,97,289**
A. Net non-monetary liabilities of RBI(3)	1,19,776	1,23,998	1,78,967	1,23,214	1,64,603	1,70,954
B. Net non-monetary liabilities of other	3,22,493	3,41,001	4,09,519	2,79,435	3,23,844	3,26,335
M_3 (1+2+3+4-5)	**22,51,449 (22,30,675)**	**27,29,547**	**33,10,212**	**23,32,667 (23,11,893)**	**27,72,973**	**27,79,281**

No. 11: Sources of Money Stock (M_3) *(Concld.)*

(Rs.crore)

Source	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month					
	January 2007	February 2007	March 2007	April 2007	May 11, 2007	May 25, 2007
1	8	9	10	11	12	13
1. Net Bank Credit to Government (A+B)	**8,09,362**	**8,08,669**	**8,36,787**	**8,64,937**	**8,56,245**	**8,58,753**
A. RBI's net credit to Government (i-ii)	12,242	-32	4,362	18,546	6,348	6,304
(i) Claims on Government (a+b)	81,302	74,157	97,469	94,612	87,452	93,764
(a) Central Government (1)	81,142	74,055	97,184	94,016	85,292	92,949
(b) State Governments	160	101	285	596	2,159	816
(ii) Government deposits with RBI (a+b)	69,060	74,188	93,107	76,066	81,103	87,461
(a) Central Government	69,018	74,143	93,066	76,025	81,062	87,419
(b) State Governments	41	45	41	41	41	41
B. Other Banks' Credit to Government	7,97,120	8,08,701	8,32,425	8,46,392	8,49,896	8,52,450
2. Bank Credit to Commercial Sector(A+B)	**19,63,318**	**20,09,932**	**21,23,362**	**20,89,308**	**20,91,251**	**20,84,179**
A. RBI's credit to commercial sector (2)	1,907	1,441	1,537	1,386	1,386	1,386
B. Other banks' credit to commercial sector (i+ii+iii)	19,61,411	20,08,491	21,21,825	20,87,922	20,89,865	20,82,793
(i) Bank credit by commercial banks	17,66,491	18,13,325	19,28,913	18,89,557	18,91,061	18,86,520
(ii) Bank credit by co-operative banks	1,69,974	1,70,747	1,74,231	1,74,090	1,74,690	1,72,240
(iii)Investments by commercial and co-operative banks in other securities	24,946	24,418	18,681	24,275	24,114	24,033
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**8,51,487**	**8,95,051**	**9,30,319**	**9,02,296**	**9,05,503**	**8,94,800**
A. RBI's net foreign exchange assets (i-ii)(3)	7,87,321	8,30,884	8,66,153	8,38,129	8,41,336	8,30,634
(i) Gross foreign assets	7,87,338	8,30,901	8,66,170	8,38,147	8,41,354	8,30,651
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	64,166	64,166	64,166	64,166	64,166	64,166
4. Government's Currency Liabilities to the Public	**8,190**	**8,229**	**8,229**	**8,229**	**8,229**	**8,229**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**5,60,626**	**5,79,814**	**5,88,485**	**5,43,099**	**5,28,054**	**5,20,715**
A. Net non-monetary liabilities of RBI(3)	1,75,649	1,74,039	1,78,967	1,41,202	1,40,435	1,25,200
B. Net non-monetary liabilities of other banks(residual)	3,84,977	4,05,775	4,09,519	4,01,897	3,87,619	3,95,515
M_3 (1+2+3+4-5)	**30,71,731**	**31,42,067**	**33,10,212**	**33,21,671**	**33,33,173**	**33,25,247**

Notes : 1. Figures in brackets exclude the impact of mergers and conversion since May 3, 2002 and October 11, 2004, respectively.

2. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

3. Last reporting Friday for 2005-06 was as on March 31, 2006 and coincided with the closing day for banks' annual accounts while last reporting Friday for 2004-05 was as on March 18, 2005. Data on fiscal year variation for 2005-06 are, thus, not comparable with those of the other years as the data for 2005-06 include 27 fortnights while usually the data include 26 fortnights.

4. Government balances as on March 31, 2007 are before closure of accounts.

Also see 'Notes on Tables'.

No. 11A: Commercial Bank Survey

(Rs. crore)

Item		Outstanding as on							
		Mar. 18, 2005	Apr. 1, 2005	Mar. 31, 2006	May 12, 2006	May 26, 2006	Mar. 30, 2007	May 11, 2007	May 25, 2007
1		2	3	4	5	6	7	8	9
Components									
C.I	**Aggregate Deposits of Residents** (C.I.1+C.I.2)	**16,23,793**	**17,08,984**	**20,49,773**	**20,63,573**	**20,74,187**	**25,42,067**	**25,41,427**	**25,46,828**
C.I.1	Demand Deposits	2,48,028	2,86,017	3,64,640	3,30,765	3,31,637	4,29,137	3,68,342	3,69,043
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	13,75,766	14,22,967	16,85,133	17,32,807	17,42,551	21,12,929	21,73,085	21,77,785
C.I.2.1	Short-term Time Deposits	6,19,095	6,40,335	7,58,310	7,79,763	7,84,148	9,50,818	9,77,888	9,80,003
C.I.2.1.1	Certificates of Deposits (CDs)	13,112	15,527	44,499	50,216	53,132	97,104	98,850	99,966
C.I.2.2	Long-term Time Deposits	7,56,671	7,82,632	9,26,823	9,53,044	9,58,403	11,62,111	11,95,197	11,97,782
C.II	**Call/Term Funding from Financial Institutions**	**69,523**	**71,920**	**83,144**	**79,753**	**77,959**	**85,836**	**87,277**	**82,619**
Sources									
S.I	**Domestic Credit (S.I.1+S.I.2)**	**19,87,406**	**20,41,434**	**23,64,241**	**23,75,730**	**23,91,013**	**28,65,770**	**28,45,486**	**28,45,608**
S.I.1	Credit to the Government	7,18,982	7,20,256	7,00,742	7,23,328	7,28,397	7,74,980	7,91,692	7,96,292
S.I.2	Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)	12,68,425	13,21,178	16,63,499	16,52,401	16,62,617	20,90,790	20,53,794	20,49,316
S.I.2.1	Bank Credit	11,00,428	11,52,210	15,07,077	14,87,646	14,93,433	19,28,913	18,91,061	18,86,520
S.I.2.1.1	Non-food Credit	10,59,308	11,12,194	14,66,386	14,49,173	14,54,370	18,82,392	18,43,657	18,41,656
S.I.2.2	Net Credit to Primary Dealers	1,447	1,783	4,369	4,054	2,282	2,676	1,843	2,443
S.I.2.3	Investments in Other Approved Securities	20,172	20,007	16,712	17,194	17,439	15,451	20,978	20,765
S.I.2.4	Other Investments (in non-SLR Securities)	1,46,377	1,47,178	1,35,340	1,43,507	1,49,463	1,43,750	1,39,911	1,39,588
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-75,980**	**-75,256**	**-45,616**	**-45,696**	**-56,163**	**-38,347**	**-33,398**	**-35,704**
S.II.1	Foreign Currency Assets	26,091	29,435	43,494	45,664	35,752	60,272	57,490	53,342
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	76,405	76,151	59,275	61,886	62,821	66,242	62,568	61,837
S.II.3	Overseas Foreign Currency Borrowings	25,666	28,540	29,834	29,474	29,094	32,377	28,320	27,209
S.III	**Net Bank Reserves (S.III.1+S.III.2-S.III.3)**	**96,527**	**1,03,037**	**1,38,619**	**1,32,002**	**1,34,872**	**1,90,086**	**1,85,520**	**1,98,420**
S.III.1	Balances with the RBI	88,105	92,983	1,27,061	1,20,112	1,22,558	1,80,222	1,71,114	1,86,236
S.III.2	Cash in Hand	8,472	10,149	13,046	11,962	12,316	16,108	14,777	15,323
S.III.3	Loans and Advances from the RBI	50	95	1,488	72	2	6,245	371	3,139
S.IV	**Capital Account**	**1,33,688**	**1,37,406**	**1,77,727**	**1,87,387**	**1,88,341**	**2,00,158**	**2,19,733**	**2,21,349**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,80,949**	**1,50,904**	**1,46,600**	**1,31,323**	**1,29,235**	**1,89,448**	**1,49,172**	**1,57,528**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	1,67,094	1,58,477	1,58,946	1,58,184	1,62,675	2,09,627	1,92,821	1,97,077
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	17,199	23,110	25,141	24,998	21,822	14,072	16,706	16,980

Note : Data are provisional.

No. 11B: Monetary Survey

(Rs. crore)

Item		Outstanding as on							
		Mar. 31, 2005	Apr. 1, 2005	Mar. 31, 2006	May 12, 2006	May 26, 2006	Mar. 31, 2007	May 11, 2007	May 25, 2007
1		2	3	4	5	6	7	8	9
Monetary Aggregates									
M_1 (C.I+C.II.1+C.III)		6,52,672	6,87,437	8,30,271	8,23,348	8,18,861	9,68,448	9,33,492	9,25,733
NM_2 (M_1+C.II.2.1)		13,37,113	13,92,634	16,55,649	16,70,028	16,70,044	19,87,991	19,79,627	19,74,145
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**22,43,174**	**23,26,461**	**27,47,587**	**27,84,612**	**27,88,337**	**33,19,935**	**33,45,513**	**33,38,156**
Components									
C.I	**Currency with the Public**	**3,55,850**	**3,54,844**	**4,13,143**	**4,41,487**	**4,36,196**	**4,83,485**	**5,10,640**	**5,04,123**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**18,11,323**	**18,93,377**	**22,44,430**	**22,56,718**	**22,67,769**	**27,43,127**	**27,40,205**	**27,46,028**
C.II.1	Demand Deposits	2,90,344	3,26,273	4,10,258	3,75,207	3,76,252	4,77,476	4,15,460	4,16,224
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	15,20,979	15,67,104	18,34,172	18,81,511	18,91,517	22,65,651	23,24,745	23,29,804
C.II.2.1	Short-term Time Deposits	6,84,441	7,05,197	8,25,378	8,46,680	8,51,183	10,19,543	10,46,135	10,48,412
C.II.2.1.1	Certificates of Deposits (CDs)	13,112	15,527	44,499	50,216	53,132	97,104	98,850	99,966
C.II.2.2	Long-term Time Deposits	8,36,538	8,61,907	10,08,795	10,34,831	10,40,334	12,46,108	12,78,610	12,81,392
C.III	**'Other' Deposits with RBI**	**6,478**	**6,319**	**6,871**	**6,654**	**6,414**	**7,487**	**7,391**	**5,386**
C.IV	**Call/Term Funding from Financial Institutions**	**69,523**	**71,920**	**83,144**	**79,753**	**77,959**	**85,836**	**87,277**	**82,619**
Sources									
S.I	**Domestic Credit (S.I.1+S.I.2)**	**21,83,803**	**22,27,602**	**25,94,668**	**26,05,691**	**26,17,618**	**30,95,146**	**30,75,665**	**30,75,707**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	7,48,656	7,41,116	7,57,632	7,83,687	7,84,995	8,28,109	8,47,028	8,51,023
S.I.1.1	Net RBI credit to the Government	-17,975	-27,662	8,136	11,510	7,734	4,362	6,348	6,304
S.I.1.2	Credit to the Government by the Banking System	7,66,630	7,68,778	7,49,495	7,72,177	7,77,261	8,23,748	8,40,680	8,44,719
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	14,35,148	14,86,486	18,37,037	18,22,003	18,32,624	22,67,036	22,28,637	22,24,684
S.I.2.1	RBI Credit to the Commercial Sector	5,317	5,303	4,385	1,547	1,525	1,537	1,386	1,386
S.I.2.2	Credit to the Commercial Sector by the Banking System	14,29,831	14,81,183	18,32,652	18,20,457	18,31,099	22,65,499	22,27,251	22,23,298
S.I.2.2.1	Other Investments (Non-SLR Securities)	1,55,339	1,56,141	1,44,303	1,52,469	1,58,425	1,52,713	1,48,874	1,48,550
S.II	**Government's Currency Liabilities to the Public**	**7,448**	**7,448**	**8,754**	**7,721**	**7,775**	**8,229**	**8,229**	**8,229**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**5,36,810**	**5,36,182**	**6,27,368**	**6,88,401**	**6,85,161**	**8,27,806**	**8,07,938**	**7,94,930**
S.III.1	Net Foreign Exchange Assets of the RBI	6,12,790	6,11,438	6,72,983	7,34,097	7,41,324	8,66,153	8,41,336	8,30,634
S.III.2	Net Foreign Currency Assets of the Banking System	-75,980	-75,256	-45,616	-45,696	-56,163	-38,347	-33,398	-35,704
S.IV	**Capital Account**	**2,76,376**	**2,78,634**	**3,18,544**	**3,65,361**	**3,71,883**	**3,81,608**	**3,62,448**	**3,47,217**
S.V	**Other items (net)**	**2,08,511**	**1,66,137**	**1,64,658**	**1,51,840**	**1,50,335**	**2,29,638**	**1,83,871**	**1,93,493**

Notes : 1. Data provisional.
2. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.
3. Government balances as on March 31, 2007 are before closure of accounts.

No. 11C: Reserve Bank of India Survey

(Rs. crore)

Item		Outstanding as on						
		Mar. 31, 2005	Mar. 31, 2006	May 12, 2006	May 26, 2006	Mar. 31, 2007	May 11, 2007	May 25, 2007
1		2	3	4	5	6	7	8
Components								
C.I	Currency in Circulation	3,68,661	4,30,676	4,56,635	4,51,668	5,04,167	5,28,693	5,22,731
C.II	Bankers' Deposits with the RBI	1,13,996	1,35,511	1,28,288	1,30,562	1,97,295	1,82,376	1,97,666
C.II.1	Scheduled Commercial Banks	1,06,659	1,27,061	1,20,112	1,22,558	1,86,322	1,71,114	1,86,236
C.III	'Other' Deposits with the RBI	6,478	6,871	6,654	6,414	7,487	7,391	5,386
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V)**	**4,89,135**	**5,73,058**	**5,91,577**	**5,88,644**	**7,08,950**	**7,18,459**	**7,25,783**
Sources								
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**-11,327**	**15,319**	**14,362**	**10,498**	**13,534**	**9,329**	**12,120**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	-17,975	8,136	11,510	7,734	4,362	6,348	6,304
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)	-23,258	5,160	11,772	7,775	4,118	4,230	5,529
S.I.1.1.1	Loans and Advances to the Central Government	–	–	–	1,203	–	8,131	7,753
S.I.1.1.2	Investments in Treasury Bills	–	–	–	–	–	–	–
S.I.1.1.3	Investments in dated Government Securities	56,540	70,409	37,124	34,392	97,172	77,133	84,998
S.I.1.1.3.1	Central Government Securities	55,022	69,362	36,077	33,345	96,125	76,087	83,952
S.I.1.1.4	Rupee Coins	147	154	114	98	12	28	198
S.I.1.1.5	Deposits of the Central Government	79,945	65,404	25,466	27,917	93,066	81,062	87,419
S.I.1.2	Net RBI credit to State Governments	5,283	2,977	-262	-41	244	2,118	774
S.I.2	RBI's Claims on Banks	1,331	2,797	1,305	1,240	7,635	1,595	4,431
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	95	1,488	72	2	6,310	371	3,139
S.I.3	RBI's Credit to Commercial Sector	5,317	4,385	1,547	1,525	1,537	1,386	1,386
S.I.3.1	Loans and Advances to Primary Dealers	–	–	–	–	153	–	–
S.I.3.2	Loans and Advances to NABARD	3,927	2,998	160	138	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**7,448**	**8,754**	**7,721**	**7,775**	**8,229**	**8,229**	**8,229**
S.III	**Net Foreign Exchange Assets of the RBI**	**6,12,790**	**6,72,983**	**7,34,097**	**7,41,324**	**8,66,153**	**8,41,336**	**8,30,634**
S.III.1	Gold	19,686	25,674	28,335	28,335	29,573	29,051	29,051
S.III.2	Foreign Currency Assets	5,93,121	6,47,327	7,05,780	7,13,007	8,36,597	8,12,302	8,01,600
S.IV	**Capital Account**	**1,18,517**	**1,16,647**	**1,53,804**	**1,59,371**	**1,57,279**	**1,18,545**	**1,01,697**
S.V	**Other Items (net)**	**1,259**	**7,351**	**10,799**	**11,582**	**21,688**	**21,890**	**23,503**

Notes : 1. Data provisional.
2. Government balances as on March 31, 2007 are before closure of accounts.

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)**
2005-06										
April	23,29,999	89,718	24,19,717	2,474	30	245	2,749	24,22,466		
May	23,40,363	91,306	24,31,669	3,027	31	245	3,303	24,34,972		
June	23,51,794	92,870	24,44,664	2,954	30	242	3,226	24,47,890	20,797	24,68,687
July	23,67,507	94,376	24,61,883	2,978	31	243	3,252	24,65,135		
August	23,95,530	95,885	24,91,415	2,991	31	246	3,268	24,94,683		
September	24,80,351	97,248	25,77,599	2,655	31	235	2,921	25,80,520	21,694	26,02,214
October	24,87,995	98,418	25,86,413	2,656	31	245	2,932	25,89,345		
November	25,00,695	99,771	26,00,466	2,656	31	245	2,932	26,03,398		
December	25,26,094	1,01,199	26,27,293	2,656	31	245	2,932	26,30,225	21,694	26,51,919
January	25,54,825	1,01,832	26,56,657	2,656	31	245	2,932	26,59,589		
February	25,96,657	1,02,121	26,98,778	2,656	31	245	2,932	27,01,710		
March	27,47,587	1,03,918	28,51,505	2,656	31	245	2,932	28,54,437	23,841	28,78,278
2006-07										
April	27,84,885	1,04,700	28,89,585	2,656	31	245	2,932	28,92,517		
May	27,88,337	1,05,852	28,94,189	2,656	31	245	2,932	28,97,121		
June	28,01,957	1,07,171	29,09,128	2,656	31	245	2,932	29,12,060	23,841	29,35,901
July	28,46,742	1,08,492	29,55,234	2,656	31	245	2,932	29,58,166		
August	28,90,729	1,09,931	30,00,660	2,656	31	245	2,932	30,03,592		
September	29,62,506	1,11,023	30,73,529	2,656	31	245	2,932	30,76,461	25,578	31,02,039
October	29,57,143	1,11,997	30,69,140	2,656	31	245	2,932	30,72,072		
November	29,99,741	1,13,240	31,12,981	2,656	31	245	2,932	31,15,913		
December	30,18,855	1,14,365	31,33,220	2,656	31	245	2,932	31,36,152	26,064	31,62,217
January	30,80,868	1,14,759	31,95,627	2,656	31	245	2,932	31,98,559		
February	31,51,603	1,14,804	32,66,407	2,656	31	245	2,932	32,69,339		
March	33,06,958	1,15,204	34,22,162	2,656	31	245	2,932	34,25,094	26,064	34,51,158
2007- 08										
April	33,35,020	1,15,204	34,50,224	2,656	31	245	2,932	34,53,156		
May	33,38,156	1,15,204	34,53,360	2,656	31	245	2,932	34,56,292		

CDs: Certificates of Deposit; L_1, L_2 and L_3: Liquidity Aggregates; NBFCs: Non-Banking Financial Companies.

Notes:
1. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
2. Financial Institutions (FIs), here, comprise IFCI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC. Since October 2004, data on FIs do not include that of IDBI reflecting its conversion into a banking entity.
3. Since July 2001, the term money borrowings of the FIs comprise borrowings from corporate and others.
4. Since August 2002,Term Deposits include CP and Others.
5. Estimates of public deposits with NBFCs 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.
6. While L_1 and L_2 are compiled on a monthly basis, L_3 is compiled on a quarterly basis.
7. Data are provisional. 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
2004-05	3,68,661	12,798	6,478	1,13,996	**4,89,135**
2005-06	4,30,676	17,557	6,871	1,35,511	**5,73,058**
2006-07	5,04,167	19,996	7,487	1,97,295	**7,08,950**
May 5, 2006	4,52,444	–	6,866	1,34,468	**5,93,779**
May 12, 2006	4,56,635	15,143	6,654	1,28,288	**5,91,577**
May 19, 2006	4,54,863	–	6,552	1,28,074	**5,89,590**
May 26, 2006	4,51,668	15,506	6,414	1,30,562	**5,88,644**
January 2007	4,88,387	16,406	5,597	1,47,830	**6,41,815**
February 2007	4,99,077	16,570	4,704	1,65,642	**6,69,423**
March 2007	5,04,167	19,996	7,487	1,97,295	**7,08,950**
April 2007	5,20,901	17,591	7,001	2,02,508	**7,30,410**
May 4, 2007	5,25,530	–	7,031	1,97,376	**7,29,937**
May 11, 2007	5,28,693	18,082	7,391	1,82,376	**7,18,459**
May 18, 2007	5,26,951	–	5,349	1,96,176	**7,28,477**
May 25, 2007	5,22,731	18,619	5,386	1,97,666	**7,25,783**

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)	Government's currency liabilities to the public	Net non-monetary liabilities of RBI (3)	**Reserve Money (2+3+4+5 +6+7-8)**
	Government (net)(1)	Commercial & co-operative banks	National Bank for Agriculture and Rural Development	Commercial sector(2)				
1	2	3	4	5	6	7	8	9
2004-05	-17975	1,331	3,927	1,390	6,12,790	7,448	1,19,776	**4,89,135**
2005-06	8,136	2,798	2,998	1,387	6,72,983	8,754	1,23,998	**5,73,058**
2006-07	4,362	7,635	–	1,537	8,66,153	8,229	1,78,967	**7,08,950**
May 5, 2006	13,276	1,310	961	1,387	7,25,433	7,721	1,56,308	**5,93,779**
May 12, 2006	11,510	1,305	160	1,387	7,34,097	7,721	1,64,603	**5,91,577**
May 19, 2006	7,760	1,235	1,088	1,387	7,36,943	7,721	1,66,644	**5,89,490**
May 26, 2006	7,734	1,240	138	1,387	7,41,324	7,775	1,70,954	**5,88,644**
January 2007	12,242	5,025	2,779	1,907	7,87,321	8,190	1,75,649	**6,41,815**
February 2007	-32	2,939	–	1,441	8,30,884	8,229	1,74,039	**6,69,423**
March 2007	4,362	7,635	–	1,537	8,66,153	8,229	1,78,967	**7,08,950**
April 2007	18,546	5,322	–	1,386	8,38,129	8,229	1,41,202	**7,30,410**
May 4, 2007	15,929	4,663	–	1,386	8,32,717	8,229	1,32,987	**7,29,937**
May 11, 2007	6,348	1,595	–	1,386	8,41,336	8,229	1,40,435	**7,18,459**
May 18, 2007	12,772	5,747	–	1,386	8,32,659	8,229	1,32,317	**7,28,477**
May 25, 2007	6,304	4,431	–	1,386	8,30,634	8,229	1,25,200	**7,25,783**

See 'Notes on Tables'.

Note : Government Balances as on March 31, 2007 are before closure of accounts.

No. 14: Daily Call Money Rates

As on			Range of Rates		Weighted Average Rates	
			Borrowings	Lendings	Borrowings	Lendings
1			2	3	4	5
May	3,	2007	6.00 - 8.85	6.00 - 8.85	8.58	8.58
May	4,	2007	5.50 - 8.25	5.50 - 8.25	7.90	7.90
May	5,	2007	6.00 - 7.85	6.00 - 7.85	7.41	7.41
May	7,	2007	4.50 - 7.30	4.50 - 7.30	6.62	6.62
May	8,	2007	3.00 - 7.00	3.00 - 7.00	5.87	5.87
May	9,	2007	2.25 - 6.25	2.25 - 6.25	4.31	4.31
May	10,	2007	0.25 - 7.20	0.25 - 7.20	2.80	2.80
May	11,	2007	1.00 - 7.75	1.00 - 7.75	3.09	3.09
May	12,	2007	3.00 - 8.00	3.00 - 8.00	7.17	7.17
May	14,	2007	5.50 - 9.00	5.50 - 9.00	8.70	8.70
May	15,	2007	5.50 - 9.30	5.50 - 9.30	9.08	9.08
May	16,	2007	5.50 - 9.50	5.50 - 9.50	8.87	8.87
May	17,	2007	5.60 - 9.25	5.60 - 9.25	8.46	8.46
May	18,	2007	5.60 - 8.50	5.60 - 8.50	8.16	8.16
May	19,	2007	5.50 - 8.25	5.50 - 8.25	7.72	7.72
May	21,	2007	1.95 - 8.25	1.95 - 8.25	8.05	8.05
May	22,	2007	5.50 - 8.00	5.50 - 8.00	7.75	7.75
May	23,	2007	5.50 - 7.90	5.50 - 7.90	7.56	7.56
May	24,	2007	5.50 - 8.05	5.50 - 8.05	7.82	7.82
May	25,	2007	5.50 - 8.15	5.50 - 8.15	7.79	7.79
May	26,	2007	6.50 - 8.10	6.50 - 8.10	7.76	7.76
May	28,	2007	5.25 - 7.75	5.25 - 7.75	7.09	7.09
May	29,	2007	1.30 - 7.75	1.30 - 7.75	4.98	4.98
May	30,	2007	1.00 - 5.00	1.00 - 5.00	2.99	2.99
May	31,	2007	0.10 - 4.00	0.10 - 4.00	1.00	1.00
June	1,	2007	0.10 - 6.00	0.10 - 6.00	0.62	0.62
June	2,	2007	0.15 - 2.00	0.15 - 2.00	0.45	0.45
June	4,	2007	0.05 - 4.00	0.05 - 4.00	0.55	0.55
June	5,	2007	0.15 - 3.50	0.15 - 3.50	0.46	0.46
June	6,	2007	0.10 - 4.00	0.10 - 4.00	0.39	0.39
June	7,	2007	0.10 - 3.50	0.10 - 3.50	0.34	0.34
June	8,	2007	0.10 - 4.00	0.10 - 4.00	0.28	0.28
June	9,	2007	0.50 - 4.25	0.50 - 4.25	2.70	2.70
June	11,	2007	1.25 - 4.00	1.25 - 4.00	3.22	3.22
June	12,	2007	1.00 - 3.75	1.00 - 3.75	3.27	3.27
June	13,	2007	1.00 - 3.75	1.00 - 3.75	3.21	3.21
June	14,	2007	1.00 - 3.50	1.00 - 3.50	3.04	3.04
June	15,	2007	1.00 - 4.75	1.00 - 4.75	3.14	3.14

No. 15: Average Daily Turnover in Call Money Market

(Rs. crore)

Fortnight ended	Average Daily Call Money Turnover				
	Banks		Primary Dealers		**Total**
	Borrowings	Lendings	Borrowings	Lendings	
1	2	3	4	5	6
March 3, 2006	6,850	7,817	983	15	**15,666**
March 17, 2006	7,555	8,722	1,227	61	**17,565**
March 31, 2006	7,631	9,166	1,606	71	**18,475**
April 14, 2006	6,810	8,068	1,289	32	**16,199**
April 28, 2006	7,339	8,648	1,353	43	**17,383**
May 12, 2006	6,702	8,198	1,515	19	**16,434**
May 26, 2006	7,881	9,303	1,353	31	**18,669**
June 9, 2006	6,414	7,385	989	18	**14,805**
June 23, 2006	7,498	8,614	1,133	18	**17,263**
July 7, 2006	9,278	10,988	1,742	32	**22,039**
July 21, 2006	7,649	9,487	1,850	12	**18,998**
August 4, 2006	7,206	8,583	1,411	34	**17,234**
August 18, 2006	8,951	11,039	2,091	2	**22,084**
September 1, 2006	7,831	10,035	2,206	2	**20,075**
September 15, 2006	9,536	12,051	2,524	9	**24,120**
September 29, 2006	10,084	12,053	2,253	284	**24,674**
October 13, 2006	9,366	11,382	2,078	63	**22,889**
October 27, 2006	11,829	13,617	2,120	332	**27,898**
November 10, 2006	12,572	14,237	1,962	298	**29,069**
November 24, 2006	8,797	10,752	2,178	223	**21,951**
December 8, 2006	10,824	12,585	2,182	420	**26,011**
December 22, 2006	11,212	12,931	1,860	141	**26,144**
January 5, 2007	10,182	11,194	1,177	165	**22,718**
January 19, 2007	9,271	10,727	1,618	162	**21,779**
February 2, 2007	9,956	11,393	1,514	77	**22,940**
February 16, 2007	10,139	11,789	1,730	79	**23,737**
March 2, 2007	9,081	10,706	1,675	49	**21,511**
March 16, 2007	9,790	11,341	1,646	95	**22,873**
March 30, 2007	10,325	11,304	1,131	152	**22,912**
April 13, 2007	14,046	16,030	2,083	100	**32,259**
April 27, 2007	14,352	15,349	1,147	150	**30,997**
May 11, 2007	10,236	10,943	756	49	**21,985**
May 25, 2007	9,522	10,064	624	82	**20,292**
June 8, 2007	5,836	6,399	612	49	**12,896**

Notes : 1. Data provisional.

2. Since August 6, 2005 eligible participants are Banks and Primary Dealers.

No. 16: Issue of Certificates of Deposit by Scheduled Commercial Banks

(Amount in Rs. crore)

Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @
1		2	3	1		2	3	1		2	3
2005-06				**2006-07**				**2007-08**			
April	1	14,975	4.75 - 6.60	April	14	38,568	6.00 - 8.90	April	13	93,808	9.50 - 11.50
	15	14,106	4.10 - 6.60		28	44,059	6.00 - 8.45		27	95,980	9.40 - 11.50
	29	16,602	4.24 - 6.50	May	12	48,515	6.50 - 7.90	May	11	97,292	10.05-11.50
May	13	17,420	4.29 - 6.75		26	50,228	6.37 - 8.67		25	99,715	7.00-10.82
	27	17,689	4.29 - 6.75	June	9	53,863	5.75 - 7.96				
June	10	18,503	5.47 - 7.00		23	56,390	5.50 - 8.16				
	24	19,270	5.58 - 7.50	July	7	57,256	6.00 - 8.70				
July	8	20,509	4.50 - 7.00		21	59,167	4.35 - 8.21				
	22	20,768	4.25 - 7.00	August	4	64,748	6.00 - 8.62				
August	5	21,062	4.75 - 7.00		18	65,621	4.75 - 8.50				
	19	23,568	4.66 - 7.00	September	1	66,340	4.60 - 8.50				
September	2	21,935	4.66 - 7.00		15	63,864	7.13 - 8.50				
	16	25,604	4.66 - 7.00		29	65,274	7.25 - 8.50				
	30	27,641	4.39 - 7.00	October	13	64,482	4.75 - 8.50				
October	14	27,626	4.66 - 7.75		27	65,764	6.00 - 8.50				
	28	29,193	5.25 - 7.75	November	10	67,694	6.75 - 8.50				
November	11	29,345	5.25 - 6.50		24	68,911	7.50 - 8.33				
	25	27,457	5.25 - 7.50	December	8	69,664	6.00 - 8.36				
December	9	30,445	5.35 - 7.75		22	68,619	7.25 - 8.90				
	23	32,806	5.50 - 7.25	January	5	68,928	8.26 - 9.25				
January	6	34,432	4.40 - 7.75		19	70,149	8.00 - 9.55				
	20	34,521	5.40 - 7.75	February	2	70,727	8.41 - 9.80				
February	3	33,986	4.35 - 7.90		16	72,795	9.40 - 10.83				
	17	34,487	4.35 - 8.16	March	2	77,971	9.90 - 11.30				
March	17	36,931	4.35 - 8.81		16	92,468	10.30 - 11.25				
	31	43,568	6.50 - 8.94		30	93,272	10.23 - 11.90				

@ : Effective discount 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	1		2	3	1		2	3
2005-06				**2006-07**				**2007-08**			
April	15	15,213.90	5.55 - 6.33	April	15	12,968.25	6.77 - 8.95	April	15	19,012.70	10.00 - 14.00
	30	15,597.90	5.50 - 6.65		30	16,525.15	6.35 - 9.25		30	18,759.00	9.65-11.75
May	15	16,077.90	5.38 - 6.65	May	15	17,259.32	6.32 - 7.95	May	15	19,288.00	9.25.11.45
	31	17,181.90	5.40 - 6.65		31	16,921.51	6.40 - 9.25		31	22,024.00	8.71-12.00
June	15	17,521.90	5.42 - 6.65	June	15	18,696.51	6.44 - 9.25				
	30	17,796.90	5.45 - 6.51		30	19,524.51	6.59 - 9.25				
July	15	18,156.51	5.57 - 7.50	July	15	21,237.30	6.25-8.30				
	31	18,349.11	5.25 - 7.50		31	20,602.30	6.50 - 8.25				
August	15	19,226.71	5.50 - 7.50	August	15	22,764.30	6.25 - 8.10				
	31	10,956.30	4.60 - 7.69		31	22,854.30	6.60 - 9.00				
September	15	19,798.71	5.50 - 6.56	September	15	23,521.30	6.40 - 8.17				
	30	19,694.71	5.45 - 6.65		30	24,419.30	7.10 - 9.25				
October	15	18,561.71	5.69 - 7.50	October	15	23,361.00	7.20 - 8.65				
	31	18,545.51	5.63 - 7.50		31	23,031.00	7.00 - 8.75				
November	15	17,902.51	5.75 - 6.60	November	15	23,270.20	7.25 - 9.25				
	30	17,768.35	5.90 - 6.79		30	24,238.20	7.50 - 9.50				
December	15	16,871.35	6.21 - 7.75	December	15	23,827.20	7.50 - 8.75				
	31	17,180.35	6.20 - 7.75		31	23,516.20	7.74 - 10.00				
January	15	17,225.15	6.50 - 7.75	January	15	23,663.20	8.30 - 9.58				
	31	16,320.80	6.65 - 8.50		31	24,378.20	8.25 - 10.50				
February	15	16,173.35	7.03 - 8.50	February	15	23,999.20	8.00 - 11.25				
	28	15,876.35	7.22 - 8.75		28	21,167.20	8.70 - 12.00				
March	15	12,862.35	7.75 - 8.95	March	15	19,102.20	7.50 - 13.35				
	31	12,767.35	6.69 - 9.25		31	17,688.20	10.25 - 13.00				

* : Issued at face value by companies.

@ : Typical effective discount rate range per annum on issues during the fortnight.

Government Accounts

No. 18: Union Government Accounts at a Glance

(Amount in Rs. Crore)

Item	Financial Year	April - May			
	2007-08 (Budget Estimates)	2006-07 (Actuals)	2007-08 (Actuals)	Percentage to Budget Estimates	
				2006-07	2007-08
1	2	3	4	5	6
1. Revenue Receipts	**4,86,422**	**19,330**	**25,899**	**4.8**	**5.3**
2. Tax Revenue (Net)	4,03,872	15,087	21,725	4.6	5.4
3. Non-Tax Revenue	82,550	4,243	4,174	5.6	5.1
4. Capital Receipts	**1,94,099**	**72,588**	**64,851**	**45.2**	**33.4**
5. Recovery of Loans	1,500	500	349	6.3	23.3
6. Other Receipts	41,651	0	2,367	–	5.7
7. Borrowings and Other Liabilities	1,50,948	72,088	62,135	48.5	41.2
8. Total Receipts (1+4)	**6,80,521**	**91,918**	**90,750**	**16.3**	**13.3**
9. Non-Plan Expenditure	**4,75,421**	**62,882**	**67,615**	**16.1**	**14.2**
10. On Revenue Account	3,83,546	61,231	65,876	17.8	17.2
of which :					
(i) Interest Payments	1,58,995	23,919	26,221	17.1	16.5
11. On Capital Account	91,875	1,651	1,739	3.5	1.9
12. Plan Expenditure	**2,05,100**	**29,036**	**23,135**	**16.8**	**11.3**
13. On Revenue Account	1,74,354	26,719	19,358	18.6	11.1
14. On Capital Account	30,746	2,317	3,777	8.0	12.3
15. Total Expenditure (9+12)	**6,80,521**	**91,918**	**90,750**	**16.3**	**13.3**
16. Revenue Expenditure (10+13)	5,57,900	87,950	85,234	18.0	15.3
17. Capital Expenditure (11+14)	1,22,621	3,968	5,516	5.2	4.5
18. Revenue Deficit (16-1)	**71,478**	**68,620**	**59,335**	**81.0**	**83.0**
19. Fiscal Deficit {15-(1+5+6)}	**1,50,948**	**72,088**	**62,135**	**48.5**	**41.2**
20. Gross Primary Deficit [19-10(i)]	**-8,047**	**48,169**	**35,914**	**543.5**	**-446.3**

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.

Government Securities Market

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
	Re discounted	Ad hocs									
1	2	3	4	5	6	7	8	9	10	11	12
Mar. 31, 2000	–	–	288	–	557	–	–	–	455	–	220
Mar. 31, 2001	–	–	67	–	868	–	–	–	153	–	630
Mar. 31, 2002	–	–	154	–	2,292	–	450	–	360	–	1,301
Mar. 31, 2003	–	–	–	–	6,427	–	800	–	780	–	700
Mar. 31, 2004	–	–	–	–	3,948	–	600	–	1,452	–	39
Mar. 31, 2005	–	–	–	–	21,176	–	1,755	–	4,829	–	32
Mar. 31, 2006	–	–	–	–	5,943	–	9,762	–	576	–	37
Mar. 31, 2007	–	–	–	–	12,684	–	24,250	–	6,743	–	5
Aug. 2005	–	–	–	–	19,843	–	3,019	–	1,692	–	33
Sep. 2005	–	–	–	–	30,402	–	5,914	–	1,155	–	26
Oct. 2005	–	–	–	–	32,182	–	4,739	–	1,840	–	18
Nov. 2005	–	–	–	–	27,668	–	5,090	–	1,854	–	18
Dec. 2005	–	–	–	–	12,502	–	5,701	–	1,498	–	19
Jan. 2006	–	–	–	–	6,637	–	5,854	–	1,363	–	36
Feb. 2006	–	–	–	–	4,983	–	6,924	–	1,521	–	37
Mar. 2006	–	–	–	–	5,943	–	9,762	–	576	–	37
Apr. 2006	–	–	–	–	6,184	–	11,709	–	336	–	37
May 2006	–	–	–	–	9,678	–	12,676	–	1,348	–	37
Jun. 2006	–	–	–	–	13,638	–	8,119	–	886	–	37
Jul. 2006	–	–	–	–	14,092	–	9,619	–	5,238	–	19
Aug. 2006	–	–	–	–	16,019	–	9,727	–	4,800	–	10
Sep. 2006	–	–	–	–	18,637	–	9,385	–	4,029	–	10
Oct. 2006	–	–	–	–	16,306	–	8,485	–	4,955	–	10
Nov. 2006	–	–	–	–	13,887	–	13,035	–	3,933	–	10
Dec. 2006	–	–	–	–	12,521	–	15,543	–	2,538	–	5
Jan. 2007	–	–	–	–	12,734	–	15,343	–	2,855	–	5
Feb. 2007	–	–	–	–	12,810	–	12,793	–	5,762	–	5
Mar. 2007	–	–	–	–	12,684	–	24,250	–	6,743	–	5
Apr. 2007	–	–	–	–	16,126	–	24,050	–	6,927	–	5
Week Ended											
May 4, 2007	–	–	–	–	16,440	–	23,950	–	55,578	–	5
May 11, 2007	–	–	–	–	16,159	–	21,950	–	53,859	–	5
May 18, 2007	–	–	–	–	17,558	–	23,353	–	57,861	–	5
May 25, 2007	–	–	–	–	14,956	–	22,303	–	55,411	–	1

* : The rate of discount is 4.60 per cent per annum.

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 PDs/ SDs*	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
2006-07													
May 31	Jun. 2	2,000	55	4,056.10	770.00	13	856.10	770.00	–	1,626.10	98.59	5.7364	24,404.05
Jun. 7	Jun. 9	2,000	60	6,325.37	800.00	20	2,000.00	800.00	–	2,800.00	98.59	5.7364	26,239.06
Jun. 14	Jun. 16	2,000	58	2,213.34	257.30	52	2,000.00	257.30	–	2,257.30	98.48	6.1908	26,791.36
Jun. 21	Jun. 23	2,000	57	2,314.36	1,100.00	12	581.86	1100.00	–	1,681.86	98.45	6.3149	27,605.38
Jun. 28	Jun. 30	2,000	54	2,215.00	500.00	9	575.00	500.00	–	1,075.00	98.44	6.3563	22,680.12
Jul. 5	Jul. 7	2,000	56	3,516.21	–	31	2,000.00	–	–	2,000.00	98.43	6.3977	24,180.12
Jul. 12	Jul. 14	2,000	62	2,886.00	500.00	36	2,000.00	500.00	–	2,500.00	98.43	6.3977	24,572.50
Jul. 19	Jul. 21	2,000	60	3,909.05	750.00	41	2,000.00	750.00	–	2,750.00	98.42	6.4391	26,562.22
Jul. 26	Jul. 28	2,000	91	4,250.75	2,350.00	30	805.75	2,350.00	–	3,155.75	98.42	6.4391	28,967.97
Aug. 2	Aug. 4	2,000	79	4,703.00	–	63	2,000.00	–	–	2,000.00	98.42	6.4391	27,523.60
Aug. 9	Aug. 11	2,000	65	5,520.59	700.00	18	2,000.00	700.00	–	2,700.00	98.44	6.3563	27,582.46
Aug. 16	Aug. 18	2,000	73	3,666.47	1,510.00	51	2,000.00	1,510.00	–	3,510.00	98.43	6.3977	28,573.26
Aug. 23	Aug. 25	2,000	55	3,763.15	500.00	22	2,000.00	500.00	–	2,500.00	98.43	6.3977	30,556.01
Aug. 30	Sep. 1	2,000	44	2,687.00	100.00	32	2,000.00	100.00	–	2,100.00	98.42	6.4391	31,029.91
Sep. 6	Sep. 8	2,000	41	3,155.00	–	23	2,000.00	–	–	2,000.00	98.42	6.4391	30,229.91
Sep. 13	Sep. 15	2,000	52	2,873.54	1,165.00	37	2,000.00	1,165.00	–	3,165.00	98.41	6.4805	31,137.61
Sep. 20	Sep. 22	2,000	45	2,125.11	620.00	25	860.11	620.00	–	1,480.11	98.40	6.5219	30,935.86
Sep. 27	Sep. 29	2,000	48	2,645.36	1,200.00	42	2,000.00	1,200.00	–	3,200.00	98.38	6.6048	33,060.86
Oct. 4	Oct. 6	2,000	44	2,886.01	2,100.00	26	2,000.00	2,100.00	–	4,100.00	98.38	6.6048	35,160.86
Oct. 11	Oct. 13	2,000	44	2,510.00	–	19	1,070.00	–	–	1,070.00	98.38	6.6048	33,730.86
Oct. 18	Oct. 20	2,000	47	2,585.50	600.00	17	680.50	600.00	–	1,280.50	98.37	6.6462	32,261.36
Oct. 26	Oct. 27	2,000	36	2,466.00	–	5	651.00	–	–	651.00	98.37	6.6462	29,756.61
Nov. 1	Nov. 3	2,000	40	2,567.40	2,000.00	7	602.40	2,000.00	–	2,602.40	98.37	6.6462	30,359.01
Nov. 8	Nov. 10	2,000	44	3,196.74	200.00	16	988.74	200.00	–	1,188.74	98.37	6.6462	28,847.75
No.v 15	Nov. 17	2,000	39	1,670.52	2,305.00	11	620.52	2,305.00	–	2,925.52	98.37	6.6462	28,263.27
Nov. 22	Nov. 24	2,000	43	3,502.10	2,750.00	27	2,000.00	2,750.00	–	4,750.00	98.37	6.6462	30,513.27

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 PDs/ SDs*	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
2006-07													
Nov. 29	Dec. 1	2,000	42	2,361.47	563.00	32	2,000.00	563.00	–	2,563.00	98.36	6.6877	30,976.27
Dec. 6	Dec. 8	2,000	48	4,216.25	1,500.00	18	2,000.00	1,500.00	–	3,500.00	98.37	6.6462	32,476.27
Dec. 13	Dec. 15	2,000	41	1,254.14	830.00	34	1,059.14	830.00	–	1,889.14	98.26	7.1027	31,200.41
Dec. 20	Dec. 22	2,000	50	2,426.61	500.00	17	756.61	500.00	–	1,256.61	98.26	7.1027	30,976.91
Dec. 27	Dec. 29	2,000	34	1,650.25	2,200.00	12	630.25	2,200.00	–	2,830.25	98.24	7.1858	30,607.16
Jan. 3	Jan. 5	2,000	52	2,971.91	–	36	2,000.00	–	–	2,000.00	98.25	7.1443	28,507.16
Jan. 10	Jan. 12	2,000	49	2,855.22	2,000.00	37	2,000.00	2,000.00	–	4,000.00	98.25	7.1443	31,437.16
Jan. 17	Jan. 19	2,000	40	1,920.15	500.00	17	931.15	500.00	–	1,431.15	98.25	7.1443	31,587.81
Jan. 24,	Jan. 27	2,000	33	900.41	100.00	23	520.41	100.00	–	620.41	98.19	7.3937	31,557.22
Jan. 31	Feb. 2	2,000	41	1,514.57	–	17	699.57	–	–	699.57	98.15	7.5602	29,654.39
Feb. 7	Feb. 9	2,000	89	4,361.96	2,000.00	34	2,000.00	2,000.00	–	4,000.00	98.16	7.5186	32,465.65
Feb. 14	Feb. 17	2,000	71	2,322.77	705.44	63	2,000.00	705.44	–	2,705.44	98.02	8.1022	32,245.57
Feb. 21	Feb. 23	2,000	132	7,019.30	1,900.00	37	2,000.00	1,900.00	–	3,900.00	98.10	7.7685	31,395.57
Feb. 28	Mar. 2	2,000	106	6,127.05	4,250.00	34	2,000.00	4,250.00	–	6,250.00	98.17	7.4769	35,082.57
Mar. 7	Mar. 9	2,000	78	2,843.55	–	65	2,000.00	–	–	2,000.00	98.17	7.4769	33,582.57
Mar. 14	Mar. 16	2,000	102	4,035.44	5,000.50	37	2,000.00	5,000.00	–	7,000.50	98.17	7.4769	38,693.93
Mar. 21	Mar, 23	2,000	121	5,035.00	1,800.00	21	821.50	1,800.00	–	2,621.50	98.05	7.9770	40,058.82
Mar. 28	Mar. 30	2,000	103	4,705.40	6,000.00	55	2,000.00	6,000.00	–	8,000.00	98.05	7.9770	45,228.57
2007-08													
Apr. 4	Apr. 7	2,000	111	8,612.05	1,200.00	15	2,000.00	1,200.00	–	3,200.00	98.06	7.9353	46,428.57
Apr. 11	Apr. 13	2,000	138	7,215.42	500.00	19	2,000.00	500.00	–	2,500.00	98.20	7.3521	44,928.57
Apr. 18	Apr. 20	2,000	71	2,714.35	1,000.00	31	709.35	1,000.00	–	1,709.35	98.17	7.4769	45,206.77
Apr. 25	Apr. 27	2,000	96	4,416.73	100.00	36	2,000.00	100.00	–	2,100.00	98.20	7.3521	46,686.36
May 3	May 4	2,000	54	2,501.03	–	45	2,000.00	–	–	2,000.00	98.12	7.6851	47,986.79
May 9	May 11	2,000	75	4,794.50	–	47	2,000.00	–	–	2,000.00	98.14	7.6018	45,986.79
May 16	May 18	2,000	74	4,353.66	1,403.00	39	2,000.00	1,403.00	–	3,403.00	98.13	7.6435	46,684.35
May 23	May 25	2,000	71	5,324.50	1,551.00	50	2,000.00	1,551.00	–	3,551.00	98.13	7.6435	46,335.35

* : Effective from auction dated May 14,1999, devolvement would be on RBI only.

Notes : 1. Notified amount of Rs. 2,000 crore includes Rs. 1,500 crore under Market Stabilisation Scheme. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated October 27, 2004.

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 PDs	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
2006-07													
Apr. 5	Apr. 7	500	37	2,832.51	–	6	500	–	–	500.00	97.03	6.1386	8,771.37
Apr. 19	Apr. 21	500	35	2,130.00	–	7	500	–	–	500.00	97.28	5.6075	7,771.37
May 3	May 5	1,500	36	1,300.00	552.99	16	550	552.99	–	1,102.99	97.12	5.9471	7,374.36
May 17	May 19	1,500	43	2,800.00	703.00	39	1,500	703.00	–	2,203.00	97.05	6.0960	9,077.36
May 31	Jun. 2	1,500	50	4,182.50	513.43	27	1,500	513.43	–	2,013.43	97.01	6.1812	10,590.79
Jun. 14	Jun. 16	1,500	35	2,642.00	–	27	1,500	–	–	1,500.00	96.86	6.5014	11,590.79
Jun. 28	Jun. 30	1,500	40	1,417.50	500.00	16	600	500.00	–	1,100.00	96.73	6.7797	11,581.56
Jul. 12	Jul. 14	1,500	40	1,295.00	–	16	525	–	–	525.00	96.75	6.7368	11,606.56
Jul. 26	Jul. 28	1,500	64	3,344.57	–	30	1,500	–	–	1,500.00	96.74	6.7582	13,106.56
Aug. 9	Aug. 11	1,500	65	5,683.00	–	30	1,500	–	–	1,500.00	96.77	6.6940	14,606.56
Aug. 23	Aug. 25	1,500	45	2,460.00	500.00	21	1,500	500.00	–	2,000.00	96.76	6.7154	16,106.56
Sep. 6	Sep. 8	1,500	43	2,605.00	1,000.00	24	1,500	1,000.00	–	2,500.00	96.75	6.7368	18,106.56
Sep. 20	Sep. 22	1,500	47	2,807.09	1,262.14	27	1,500	1,262.14	–	2,762.14	96.73	6.7797	19,706.56
Oct. 4	Oct. 6	1,500	33	2,446.50	–	18	1,500	–	–	1,500.00	96.72	6.8011	20,706.56
Oct. 18	Oct. 20	1,500	31	1,140.00	500.00	17	620	500.00	–	1,120.00	96.68	6.8869	21,326.56
Nov. 1	Nov. 3	1,500	37	1,695.00	54.51	6	615	54.51	–	669.51	96.66	6.9298	20,893.08
Nov. 15	Nov. 17	1,500	40	1,700.00	203.00	22	1,115	203.00	–	1,318.00	96.66	6.9298	20,008.08
Nov. 29	Dec. 1	1,500	41	2,105.00	773.18	26	1,500	773.18	–	2,273.18	96.68	6.8869	20,267.83
Dec. 13	Dec. 15	1,500	30	1,742.50	–	26	1,500	–	–	1,500.00	96.51	7.2523	20,267.83
Dec. 27	Dec. 29	1,500	36	2,120.00	–	10	510	–	–	510.00	96.49	7.2954	19,677.83
Jan. 10	Jan. 12	1,500	51	3,408.40	400.00	17	1,500	400.00	–	1,900.00	96.56	7.1447	21,052.83
Jan. 24	Jan. 27	1,500	22	635.00	–	21	560	–	–	560.00	96.28	7.7487	20,112.83
Feb. 7	Feb. 9	1,500	57	3,790.00	–	12	1,500.00	–	–	1,500.00	96.34	7.6190	20,112.83
Feb. 21	Feb. 23	1,500	55	3,903.00	–	8	1,500.00	–	–	1,500.00	96.29	7.7271	19,612.83
Mar. 7	Mar. 9	1,500	54	2,265.00	500.00	50	1,500.00	500.00	–	2,000.00	96.28	7.7487	19,112.83
Mar. 21	Mar. 23	1,500	109	4,195.00	325.00	15	530.00	325.00	–	855.00	96.07	8.2040	17,205.69
2007-08													
Apr. 4	Apr. 7	1,500	88	7,005.00	–	5	1,500.00	–	–	1,500.00	96.17	7.9869	17,205.69
Apr. 18	Apr. 20	1,500	67	3,085.00	524.16	23	1,500.00	524.16	–	2,024.16	96.28	7.7487	18,109.85
May 3	May 4	1,500	52	3,550.50	126.33	16	1,500.00	126.33	–	1,626.33	96.29	7.7271	19,066.67
May 16	May 18	1,500	66	3,740.00	–	21	1,500.00	–	–	1,500.00	96.28	7.7487	19,248.67

Notes : 1. Notified amount of Rs. 1,500 crore includes Rs. 1,000 crore under Market Stabilisation Scheme.
2. Outstanding amount is net of redemption during the week.
3. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated April 6, 2005.
4. The auctions of 182-day Treasury Bills (TBs) which were discontinued effective May 14, 2001 have been reintroduced from April 6, 2005 onwards.

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 PDs/ SDs*	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
2006-07													
May 10	May 12	2,000	49	2,015.00	–	32	1,000	–	–	1,000.00	94.13	6.2532	40,238.33
May 24	May 26	2,000	53	4,740.00	650.00	17	2,000	650.00	–	2,650.00	93.97	6.4346	40,888.33
Jun. 7	Jun. 9	2,000	63	3,855.00	1,666.78	40	2,000	1,666.78	–	3,666.78	93.93	6.4800	42,355.11
Jun. 21	Jun. 23	2,000	99	4,580.00	915.83	43	2,000	915.83	–	2,915.83	93.43	7.0513	43,268.94
Jul. 5	Jul. 7	2,000	110	6,285.00	–	27	2,000	–	–	2,000.00	93.43	7.0513	43,268.94
Jul. 19	Jul. 21	2,000	105	6,195.00	280.50	22	2,000	280.50	–	2,280.50	93.46	7.0169	43,519.11
Aug. 2	Aug. 4	2,000	113	7,900.00	–	33	2,000	–	–	2,000.00	93.48	6.9939	43,519.11
Aug. 16	Aug. 18	2,000	91	5,955.00	8.00	15	2,000	8.00	–	2,008.00	93.51	6.9595	43,521.49
Aug. 30	Sep. 1	2,000	83	7,030.00	10.00	28	2,000	10.00	–	2,010.00	93.54	6.9251	43,526.74
Sep. 13	Sep. 15	2,000	85	4,980.00	100.00	41	2,000	100.00	–	2,100.00	93.54	6.9251	43,376.74
Sep. 27	Sep. 29	2,000	87	6,679.87	600.00	32	2,000	600.00	–	2,600.00	93.56	6.9022	43,976.74
Oct. 11	Oct. 13	2,000	58	4,680.00	17.20	24	2,000	17.20	–	2,017.20	93.55	6.9137	43,983.04
Oct. 26	Oct. 27	2,000	56	3,415.00	–	17	1,285	–	–	1,285.00	93.48	6.9939	43,268.04
Nov. 8	Nov. 10	2,000	59	4,510.00	–	30	2,000	–	–	2,000.00	93.48	6.9939	44,268.04
Nov. 22	Nov. 24	2,000	56	5,460.00	–	26	2,000	–	–	2,000.00	93.49	6.9824	45,268.04
Dec. 6	Dec. 8	2,000	77	6,115.00	–	22	2,000	–	–	2,000.00	93.53	6.9366	46,098.04
Dec. 20	Dec. 22	2,000	84	7,230.00	250.00	28	2,000	250.00	–	2,250.00	93.27	7.2354	47,348.04
Jan. 3	Jan. 5	2,000	78	4,225.00	5.10	27	2,000	5.10	–	2,005.10	93.31	7.1893	48,349.06
Jan. 17	Jan 19	2,000	43	2,315.00	402.20	21	1,155	402.20	–	1,557.20	93.24	7.2700	48,904.21
Jan. 31	Feb. 2	2,000	39	3,890.00	250.00	2	1,000	250.00	–	1,250.00	92.87	7.6985	48,904.21
Feb. 14	Feb. 17	2,000	70	8.065.50	96.00	6	2,000	96.00	–	2,096.00	92.75	7.8382	49,758.61
Feb. 28	Mar. 2	2,000	65	4,575.00	–	28	2,000	–	–	2,000.00	92.84	7.7334	50,758.61
Mar. 14	Mar. 16	2,000	96	4,970.00	271.00	31	2,000	271.00	–	2,271.00	92.76	7.8265	52,012.61
Mar. 28	Mar. 30	2,000	119	10,510.60	1,550.00	21	2,000	1,550.00	–	3,550.00	92.63	7.9782	53,812.61
2007-08													
Apr. 11	Apr. 13	2,000	112	8,010.00	130.00	10	2,000	130.00	–	2,130.00	92.87	7.6985	54,942.61
Apr. 25	Apr. 27	2,000	82	4,625.00	300.00	45	2,000	300.00	–	2,300.00	92.83	7.7450	55,942.61
May 9	May 11	2,000	64	5,100.00	–	24	2,000	–	–	2,000.00	92.81	7.7683	56,942.61
May 23	May 25	2,000	61	4,211.00	–	44	2,000	–	–	2,000.00	92.78	7.8032	56,292.61

* : Effective from auction dated May 19, 1999, devolvement would be on RBI only.

Notes: 1. Notified amount of Rs. 2,000 crore includes Rs.1,000 crore under Market Stabilisation Scheme.

2. Outstanding amount is net of redemption during the week.

3. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated October 27, 2004.

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*
			91 Day	182 Day	364 Day	
1	2	3	4	5	6	7
2005-06						
April	1,05,957.84	2,816.60	39,451.32	2,892.32	46,996.86	263.33
May	1,10,288.70	4,792.84	13,962.04	1,839.76	30,696.52	325.25
June	1,84,346.88	5,115.40	13,220.68	2,693.08	16,656.62	925.00
July	1,36,973.70	3,354.56	10,214.14	3,331.72	14,745.80	563.29
August	1,18,444.96	2,694.06	12,781.18	4,997.92	28,388.16	34.60
September	1,76,385.80	5,637.28	7,375.44	4,360.84	24,728.22	342.42
October	82,481.98	3,035.63	10,873.84	5,723.80	16,002.88	123.68
November	87,190.44	2,003.52	5,972.90	4,973.52	11,500.24	78.67
December	1,08,378.46	2,522.96	5,665.48	5,243.44	13,946.10	58.76
January	87,274.56	1,672.48	2,966.46	2,728.50	11,688.64	660.40
February	74,163.70	1,768.04	3,482.62	2,455.74	7,594.94	733.54
March	75,119.10	4,721.14	5,219.72	2,913.10	11,656.42	1,254.66
2006-07						
April	1,10,559.28	851.16	2,193.88	2,046.40	16,666.50	922.00
May	1,00,542.72	4,781.64	6,217.52	4,076.30	10,766.88	1,453.00
June	77,255.06	2,395.66	5,996.84	8,689.56	12,871.16	883.00
July	65,538.70	1,376.06	5,206.80	3,761.72	8,127.34	387.88
August	1,48,081.02	1,048.40	10,290.66	8,646.20	12,898.72	166.48
September	2,84,464.66	1,893.48	8,821.54	6,014.18	17,127.28	279.19
October	1,22,101.80	776.32	5,898.98	3,134.06	9,134.16	233.42
November	2,57.667.60	1,358.46	4,857.48	8,209.80	13,484.26	151.08
December	2,39,765.16	3,072.80	6,087.18	2,928.06	9,965.98	58.44
January	1,40,660.36	1,319.26	6,006.94	3,306.44	6,204.12	551.14
February	1,13,360.08	1,362.28	4,998.06	2,854.74	4,948.44	72.88
March	1,10,983.52	4,861.96	5,968.82	4,739.42	6,464.76	1,405.99
2007-08						
April	1,29,393.26	3,090.88	9,866.80	2,869.22	5,782.44	333.23
Week-Ended						
May 4, 2007	15,712.76	260.34	1,338.06	122.00	518.40	366.50
May 11, 2007	26,513.16	445.36	1,492.92	884.08	570.70	92.73
May 18, 2007	40,111.06	234.72	1,301.64	189.40	701.80	83.59
May 25, 2007	32,321.98	1,540.90	3,027.48	303.20	1,392.80	137.53

@ : 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.

* : 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 (INJECTION)					REVERSE REPO (ABSORPTION)					Net Injection (+)/ Absorption (–) of liquidity [(6) – (11)]	Outstanding Amount @
		Bids Received		Bids Accepted		Cut-off Rate (%)	Bids Received		Bids Accepted		Cut-off Rate (%)		
		Number	Amount	Number	Amount		Number	Amount	Number	Amount			
1	2	3	4	5	6	7	8	9	10	11	12	13	14
May 3, 2007	1	10	4,380	10	4,380	7.75	1	25	1	25	6.00	4,355	
$	1	11	3,225	11	3,225	7.75	1	10	1	10	6.00	3,215	-7,570
May 4, 2007	3	3	1,720	3	1,720	7.75	2	915	2	915	6.00	805	
$	3	3	225	3	225	7.75	3	215	3	215	6.00	10	-815
May 7, 2007	1	–	–	–	–	–	5	4,100	5	2,000	6.00	-2,000	
$	1	–	–	–	–	–	6	5,235	6	1,000	6.00	-1,000	3,000
May 8, 2007	1	–	–	–	–	–	17	17,260	17	1,998	6.00	-1,998	
$	1	1	30	1	30	7.75	11	11,335	11	1,002	6.00	-972	2,970
May 9, 2007	1	–	–	–	–	–	19	18,740	19	2,000	6.00	-2,000	
$	1	1	150	1	150	7.75	17	14,770	17	999	6.00	-849	2,849
May 10, 2007	1	–	–	–	–	–	24	23,020	24	2,000	6.00	-2,000	
$	1	–	–	–	–	–	19	11,475	19	999	6.00	-999	2,999
May 11, 2007	3	–	–	–	–	–	17	19,260	17	1,998	6.00	-1,998	
$	3	–	–	–	–	–	9	5,835	9	1,001	6.00	-1,001	2,999
May 14, 2007	1	7	2,650	7	2,650	7.75	–	–	–	–	–	2,650	
$	1	29	13,845	29	13,845	7.75	1	25	1	25	6.00	13,820	-16,470
May 15, 2007	1	16	11,120	16	11,120	7.75	–	–	–	–	–	11,120	
$	1	24	12,995	24	12,995	7.75	1	10	1	10	6.00	12,985	-24,105
May 16, 2007	1	15	9,825	15	9,825	7.75	1	10	1	10	6.00	9,815	
$	1	23	11,780	23	11,780	7.75	1	25	1	25	6.00	11,755	-21,570
May 17, 2007	1	17	10,525	17	10,525	7.75	–	–	–	–	–	10,525	
$	1	17	14,025	17	14,025	7.75	1	15	1	15	6.00	14,010	-24,535
May 18, 2007	3	22	14,150	22	14,150	7.75	–	–	–	–	–	14,150	
$	3	10	5,530	10	5,530	7.75	1	10	1	10	6.00	5,520	-19,670
May 21, 2007	1	8	2,530	8	2,530	7.75	–	–	–	–	–	2,530	
$	1	18	9,480	18	9,480	7.75	2	295	2	295	6.00	9,185	-11,715
May 22, 2007	1	1	225	1	225	7.75	–	–	–	–	–	225	
$	1	12	5,055	12	5,055	7.75	2	95	2	95	6.00	4,960	-5,185
May 23, 2007	1	–	–	–	–	–	–	–	–	–	–	–	
$	1	5	5,775	5	5,775	7.75	1	10	1	10	6.00	5,765	-5,765
May 24, 2007	1	2	300	2	300	7.75	–	–	–	–	–	300	
$	1	8	6,455	8	6,455	7.75	1	25	1	25	6.00	6,430	-6,730
May 25, 2007	3	6	1,595	6	1,595	7.75	–	–	–	–	–	1,595	
$	3	7	3,415	7	3,415	7.75	3	320	3	320	6.00	3,095	-4,690
May 28, 2007	1	–	–	–	–	–	8	9,955	8	2,000	6.00	-2,000	
$	1	–	–	–	–	–	12	7,535	12	999	6.00	-999	2,999
May 29, 2007	1	–	–	–	–	–	20	18,275	20	2,000	6.00	-2,000	
$	1	–	–	–	–	–	20	14,995	20	994	6.00	-994	2,994
May 30, 2007	1	–	–	–	–	–	28	30,805	28	1,999	6.00	-1,999	
$	1	–	–	–	–	–	25	18,530	25	997	6.00	-997	2,996
May 31, 2007	1	–	–	–	–	–	32	37,020	32	1,995	6.00	-1,995	
$	1	–	–	–	–	–	35	35,270	35	997	6.00	-997	2,992

@ : Net of overnight repo.

$: Second LAF auction introduced with effect from November 28, 2005.

Note : With effect from March 5, 2007 daily reverse repo absorptions have been limited to a maximum of Rs. 3,000 crore each day comprising Rs. 2,000 crore in the first LAF & Rs. 1,000 crore in the second LAF.

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
2005-06							
April	2005	–	263.33	-263.33	–	–	–
May	2005	–	686.46	-686.46	–	–	–
June	2005	–	832.91	-832.91	–	–	–
July	2005	–	323.66	-323.66	–	–	–
August	2005	–	121.19	-121.19	–	–	–
September	2005	–	255.85	-255.85	–	–	–
October	2005	–	123.68	-123.68	–	–	–
November	2005	–	107.92	-107.92	–	–	–
December	2005	–	29.51	-29.51	–	–	–
January	2006	–	674.41	-674.41	–	–	–
February	2006	215.00	522.56	-307.56	–	–	–
March	2006	525.00	711.23	-186.23	–	–	–
2006-07							
April	2006	405.00	516.80	-111.80	–	–	–
May	2006	85.00	1,386.74	-1,301.74	–	–	–
June	2006	55.00	809.88	-754.88	–	–	–
July	2006	25.00	374.36	-349.36	–	–	–
August	2006	80.00	127.64	-47.64	–	–	–
September	2006	40.00	237.24	-197.24	–	–	–
October	2006	–	191.10	-191.10	–	–	–
November	2006	10.00	140.20	-130.20	–	–	–
December	2006	15.00	36.41	-21.41	–	–	–
January	2007	–	571.36	-571.36	–	–	–
February	2007	–	118.09	-118.09	–	–	–
March	2007	5.00	1,335,56	-1,330.56	–	–	–

Year / Month	Government of India Dated Securities - Face Value					Treasury bills				
	Purchase		Sale		Net purchase (+)/net sale (-)	Purchase		Sale		Net purchase (+)/net sale (-)
	Market	SG	Market	SG		Market	SG	Market	SG	
1	2	3	4	5	6	7	8	9	10	11
2007-08										
April	10	–	–	332.24	-322.24	–	–	–	–	–
May	–	–	–	742.8	-742.8	–	–	–	–	–

***** : 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)

Week ended	Government of India Dated Securities – Maturing in the year										State Govt. Securities
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-15	2015-16	2016-17	Beyond 2017	
1	2	3	4	5	6	7	8	9	10	11	12
I. May 4, 2007											
a. Amount	30.00	460.00	635.20	15.00	38.50	55.00	1,120.27	2,995.95	12.95	2,523.51	130.17
b. YTM *											
Min.	7.8407	7.9930	8.0363	8.1148	8.1196	8.0543	8.0637	8.0475	–	8.2496	7.2910
Max.	–	8.6000	8.1896	8.1377	8.1513	8.1424	8.1969	8.1882	–	8.6975	8.3479
II. May 11, 2007											
a. Amount	–	448.20	1,196.48	935.50	546.90	395.00	1,751.89	4,942.52	7.35	3,032.75	222.68
b. YTM *											
Min.	–	7.8701	7.9708	7.9943	8.0660	8.0933	8.0758	8.0717	8.2705	8.2611	7.2571
Max.	–	8.5703	8.1722	8.1869	8.1375	8.2004	8.3160	8.2134	8.2705	8.8317	8.4048
III. May 18, 2007											
a. Amount	–	554.61	456.00	479.05	1,244.40	180.50	1,051.60	4,165.53	10,280.17	1,643.67	117.36
b. YTM *											
Min.	–	7.8000	8.0064	8.0471	8.0939	8.1053	8.1017	8.0768	8.1086	8.1793	8.3038
Max.	–	7.9201	8.5251	8.1571	8.1624	8.2207	8.6096	8.1895	8.3952	8.7814	8.4001
IV. May 25, 2007											
a. Amount	20.00	600.46	1,355.99	260.83	405.00	459.05	639.02	4,132.58	7,257.71	1,030.35	770.45
b. YTM *											
Min.	7.7500	7.7310	7.9814	7.9943	8.0765	8.0407	8.1094	8.0834	8.1121	8.2565	7.2069
Max.	7.7500	8.5992	8.5600	8.0482	8.1600	8.6507	8.2698	8.2150	8.2167	8.7315	8.4815

* : 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

(Amount in Rs. crore, YTM in per cent per annum)

Week ended	Treasury Bills Residual Maturity in Days			
	up to 14 days	15 - 91 days	92 - 182 days	183 - 364 days
1	2	3	4	5
I. May 4, 2007				
a. Amount	55.00	661.53	51.00	221.70
b. YTM *				
Min.	8.0000	7.2496	7.4600	7.7300
Max.	–	7.4002	7.5002	7.7601
II. May 11, 2007				
a. Amount	57.00	722.71	455.99	238.15
b. YTM *				
Min.	6.5000	7.1001	7.4998	7.5100
Max.	6.6991	7.5500	7.7001	7.7501
III. May 18, 2007				
a. Amount	40.00	651.32	125.10	280.00
b. YTM *				
Min.	6.6996	7.0997	7.5001	7.7000
Max.	7.4988	7.6435	7.7487	7.7700
IV. May 25, 2007				
a. Amount	10.00	1,632.34	223.00	496.40
b. YTM *				
Min.	7.4994	7.0504	7.4801	7.6399
Max.	7.4994	7.6435	7.6751	7.7801

* Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than Rs.5 crore).

No. 27 C: Month-end Yield to Maturity of SGL Transactions in Central Government Dated Securities for Various Residual Maturities

(Per cent)

Term to Maturity (in years)	2006							2007				
	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1	2	3	4	5	6	7	8	9	10	11	12	13
1	7.0219	6.9534	6.9631	6.6855	7.0961	6.9959	7.4422	7.5263	7.6383	7.8941	7.9308	7.8277
2	7.2061	7.2154	7.0881	6.8841	7.1893	7.0759	7.4627	7.6326	7.7950	7.9851	8.0842	7.8559
3	7.3903	7.4774	7.3073	7.0828	7.2826	7.1554	7.4832	7.7382	7.9024	7.9755	8.1280	7.8864
4	7.6079	7.7103	7.4896	7.2815	7.3759	7.2349	7.5037	7.7075	7.9158	7.9645	8.1213	7.9610
5	7.6589	7.8301	7.5811	7.4422	7.4512	7.2681	7.5242	7.6349	7.9120	7.9700	8.1120	8.0125
6	7.7806	7.9431	7.6543	7.4921	7.4900	7.2708	7.5447	7.6751	7.9182	7.9812	8.1027	8.0619
7	7.9563	8.0561	7.7275	7.5538	7.5288	7.2999	7.5652	7.7767	7.9286	7.9923	8.0939	8.1052
8	8.0108	8.1293	7.7951	7.6011	7.5676	7.3743	7.5867	7.8784	7.9237	7.9698	8.1010	8.1059
9	8.0653	8.1981	7.8535	7.6310	7.6064	7.4518	7.6088	7.9085	7.9164	7.9457	8.1137	8.1117
10	8.1318	8.2809	7.9304	7.6776	7.6417	7.4061	7.6071	7.7739	7.9454	7.9360	8.1316	8.1225
11	8.2238	8.3629	7.9624	7.7348	7.6801	7.4283	7.6149	7.8322	7.9725	7.9809	8.1550	8.1557
12	8.2944	8.4154	7.9943	7.7882	7.7200	7.4559	7.6236	7.8904	7.9927	8.0259	8.1784	8.1889
13	8.3651	8.4680	8.0263	7.8416	7.7600	7.4835	7.6323	7.9486	8.0129	8.0709	8.2017	8.2220
14	8.4357	8.5205	8.0582	7.8950	7.7999	7.5111	7.6410	8.0068	8.0332	8.1159	8.2251	8.2552
15	8.5064	8.5678	8.0902	7.9382	7.8498	7.5272	7.6496	8.0305	8.0439	8.1340	8.2485	8.2873
16	–	8.5908	8.1221	7.9621	7.9126	7.5325	7.6583	8.0383	8.0517	8.1474	8.2616	8.2993
17	–	8.6138	8.1541	7.9860	7.9482	7.5378	7.6670	8.0462	8.0595	8.1608	8.2743	8.3112
18	–	8.6368	8.1860	8.0099	7.9626	7.5432	7.6757	8.0540	8.0673	8.1743	8.2869	8.3231
19	–	8.6599	8.2180	8.0338	7.9769	7.5485	7.6844	8.0619	8.0751	8.1877	8.2995	8.3351
20	–	8.6829	8.2499	8.0578	7.9912	7.5539	7.6931	8.0697	8.0829	8.2011	8.3121	8.3470
21	–	8.7059	8.2819	8.0817	8.0055	7.5592	7.7017	8.0776	8.0907	8.2145	8.3248	8.3589
22	–	8.7289	8.3138	8.1056	8.0199	7.5646	7.7104	8.0854	8.0985	8.2280	8.3374	8.3708
23	–	8.7519	8.3458	8.1295	8.0342	7.5699	7.7191	8.0933	8.1063	8.2414	8.3500	8.3828
24	–	8.7750	8.3778	8.1534	8.0485	7.5753	7.7278	8.1011	8.1141	8.2548	8.3626	8.3947
25	–	8.7980	8.4097	8.1773	8.0628	7.5806	7.7365	8.1090	8.1219	8.2682	8.3752	8.4066
26	–	8.8210	8.4417	8.2012	8.0772	7.5859	7.7452	8.1168	8.1297	8.2816	8.3879	8.4185
27	–	8.8440	8.4736	8.2251	8.0915	7.5913	7.7538	8.1247	8.1375	8.2951	8.4005	8.4305
28	–	8.8670	8.5039	8.2475	8.1030	7.6029	7.7634	8.1325	8.1479	8.3085	8.4131	8.4424
29	–	8.8901	8.5068	8.2604	8.1045	7.6166	7.7742	8.1404	8.1604	8.3219	8.4257	8.4543
30	–	–	8.5098	8.2732	8.1061	7.5889	7.7851	8.1482	8.1730	8.3353	8.4384	8.4662

No. 28: Redemption Yield on Government of India Securities Based on SGL Transactions*

(Per cent per annum)

Sr. No.	Nomenclature of the loan	2004-05	2005-06	2006-07	2006		2007			
					Apr.	May	Feb.	Mar.	Apr.	May
1	2	3	4	5	6	7	8	9	10	11
A)	**Terminable Under 5 years**									
1	6.75% 2007	6.05	6.49	6.73	6.23	6.95	..	7.30	..	..
2	11.50% 2007	6.05	6.45	7.11	6.23	6.45	11.04	7.72	..	..
3	6.00% 2008	..	..	..	..	..	..	..	..	..
4	9.50% 2008	6.19	6.59	7.14	6.55	6.69	..	7.37	..	7.76
5	10.80% 2008	5.79	6.56	6.65	6.32	..	..	..	..	..
6	11.40% 2008	5.73	6.40	7.22	6.46	6.67	7.77	7.90	8.02	7.92
7	11.50% 2008	5.89	6.38	7.08	6.44	6.72	7.72	7.65	..	7.90
8	12.00% 2008	6.03	6.41	7.04	6.43	6.62	7.57	7.65	7.82	7.82
9	12.10% 2008	5.87	6.62	7.54	..	6.70	..	7.86	..	7.81
10	12.15% 2008	5.10	6.32	7.75	..	6.73	8.77	..	..	..
11	12.22% 2008	5.99	6.35	6.86	..	6.74	..	..	..	..
12	12.25% 2008	5.89	6.55	7.07	6.50	6.66	8.73	7.73	..	8.99
13	5.48% 2009	5.57	6.87	6.88	6.66	6.92	..	..	..	..
14	6.65% 2009	6.18	6.54	7.51	6.68	7.51	..	7.93	8.04	8.01
15	6.99% 2009	..	..	..	..	..	..	..	..	..
16	07.00% 2009	6.34	6.73	7.50	6.65	6.95	7.95	8.63	..	8.38
17	11.50% 2009	5.98	6.71	7.52	7.05	6.84	8.24	7.86	..	..
18	11.99% 2009	5.80	6.59	7.25	6.73	6.81	..	7.83	8.06	8.03
19	5.87% 2010	5.61	6.57	..	..	..	..	..	..	..
20	6.00% 2010	..	..	..	..	..	..	..	..	..
21	6.20% 2010	..	..	..	..	..	..	..	..	..
22	7.50% 2010	6.04	6.89	7.77	..	7.26	8.16	..	..	..
23	7.55% 2010	6.02	6.69	7.42	6.93	6.97	7.69	7.83	8.09	8.05
24	8.75% 2010	5.92	6.95	7.98	..	7.09	..	9.25	..	..
25	11.30% 2010	5.86	6.85	7.39	6.98	7.11	7.83	..	8.19	..
26	11.50% 2010	6.32	6.85	7.43	6.97	7.08	7.71	..	8.11	..
27	12.25% 2010	5.87	6.86	7.45	6.97	7.11	..	..	..	8.15
28	12.29% 2010	6.09	6.85	7.50	6.97	7.12	7.98	7.95	8.11	8.12
29	5.03% 2011	..	..	..	..	..	..	..	..	..
30	8.00% 2011	6.54	7.10	7.86	..	7.29	8.09	8.12	..	..
31	9.39% 2011	6.17	6.86	7.52	7.09	7.12	7.83	7.99	8.14	8.09
32	10.95% 2011	6.26	6.96	7.33	7.12	7.19	..	..	..	8.15
33	11.50% 2011	5.90	6.98	7.43	..	7.08	..	..	..	8.03
34	12.00% 2011	6.71	7.03	7.97	..	..	8.12	8.02	8.00	8.15
35	12.32% 2011	6.38	6.89	7.59	7.41	7.33	8.34	8.02	10.55	..
B)	**Between 5 and 10 years**									
36	6.72% 2007/2012@	6.09	6.51	6.93	6.61	..	7.86	7.04	..	..
37	6.85% 2012	6.00	6.86	7.58	7.09	7.09	..	8.08	8.14	..
38	7.40% 2012	6.21	6.95	7.55	7.07	7.43	7.76	7.91	8.08	8.10
39	9.40% 2012	6.18	6.96	7.60	7.38	..	..	8.33	..	..
40	10.25% 2012	6.75	7.06	7.88	..	7.30	8.18	8.39	8.54	..
41	11.03% 2012	6.16	7.02	7.81	7.30	..	8.37	8.05	9.00	8.21
42	7.27% 2013	6.05	6.98	7.58	7.23	7.30	7.65	8.00	8.02	..
43	9.00% 2013	6.57	7.06	7.86	7.97	7.60	8.04	8.49	..	..
44	9.81% 2013	6.02	7.11	7.85	7.50	7.65	8.08	8.14	..	..
45	12.40% 2013	6.65	7.17	7.93	7.44	7.37	8.17	7.99	8.61	..
46	6.72% 2014	5.52	7.05	8.05	..	..	..	..	..	..
47	7.37% 2014	6.14	7.04	7.74	7.36	7.41	7.90	8.20	8.10	8.13
48	10.00% 2014	6.71	7.22	7.71	7.48	7.56	7.91	7.93	8.55	..

No. 28: Redemption Yield on Government of India Securities Based on SGL Transactions**(Concld.)*

(Per cent per annum)

Sr. No.	Nomenclature of the loan	2004-05	2005-06	2006-07	2006		2007			
					Mar.	Apr.	Feb.	Mar.	Apr.	May
1	2	3	4	5	6	7	8	9	10	11
49	10.50% 2014	6.74	7.28	7.83	7.30	7.47	..	8.51	8.32	..
50	11.83% 2014	6.48	7.17	7.84	7.31	7.58	7.95	8.15	8.14	8.26
51	7.38% 2015	6.26	7.06	7.70	7.36	7.55	..	8.08	8.11	8.15
52	9.85% 2015	6.18	7.24	7.76	7.75	7.46	7.70	8.25	8.25	8.20
53	10.47% 2015	6.40	7.22	7.59	7.40	7.37	..	..	..	8.32
54	10.79% 2015	6.87	7.22	7.65	..	7.33	..	7.95	..	..
55	11.43% 2015	6.42	7.19	7.92	7.28	7.50	7.89	..	8.29	8.32
56	11.50% 2015	6.71	7.27	7.91	..	7.81	7.86	8.46	8.41	8.35
57	5.59% 2016	6.40	7.17	7.66	7.60	..	..	..	..	..
58	7.59% 2016	–	–	7.79	7.42	7.57	7.87	7.97	8.10	8.17
59	10.71% 2016	6.36	7.26	7.95	..	7.68	..	..	..	..
60	12.30% 2016	6.63	7.26	8.21	7.40	7.41	7.83	8.15	10.37	..
C)	**Between 10 and 15 years**									
61	7.46% 2017	6.47	7.25	7.81	7.45	7.53	7.95	7.97	8.18	8.21
62	7.49% 2017	6.35	7.25	7.82	7.47	7.57	7.80	8.06	..	8.17
63	8.07% 2017	6.40	7.22	7.80	7.50	7.64	7.87	7.98	8.08	8.12
64	5.69% 2018	6.39	7.29	7.95	7.61	7.70	7.88	8.17	8.32	8.37
65	6.25% 2018	6.46	7.23	7.91	7.63	7.73	7.93	8.14	8.23	8.34
66	10.45% 2018	6.44	7.34	8.05	..	7.69	8.11	8.04	..	8.43
67	12.60% 2018	..	7.61	7.91	..	..	..	..	..	..
68	5.64% 2019	6.27	7.27	8.12	7.73	7.83	7.79	8.11	8.28	8.37
69	6.05% 2019	6.45	7.27	7.91	7.64	7.72	8.07	8.16	8.21	8.26
70	10.03% 2019	6.68	7.38	7.83	..	7.71	7.82	8.01	..	8.27
71	6.35% 2020	6.52	7.33	7.95	7.68	7.76	7.95	8.18	8.31	8.25
72	10.70% 2020	6.85	7.46	8.00	..	7.71	8.01	8.09	8.27	..
73	11.60% 2020	6.78	7.36	7.73	7.55	..	..	..	..	..
74	7.94% 2021	–	–	8.07	–	7.95	8.01	8.12	8.22	8.25
75	10.25% 2021	6.78	7.46	8.07	7.64	7.73	8.20	8.23	8.03	8.34
D)	**Over 15 years**									
76	5.87% 2022	5.88	7.51	8.02	..	..	8.05	..	8.21	..
77	8.35% 2022	6.70	7.41	8.02	7.69	7.74	8.03	8.23	8.25	8.30
78	6.17% 2023	6.60	7.38	8.01	7.62	7.78	7.95	8.23	8.25	8.38
79	6.30% 2023	6.52	7.36	8.01	..	8.05	8.04	8.29	8.34	..
80	10.18% 2026	6.94	7.49	7.86	7.81	7.80	7.98	8.25	8.52	8.22
81	8.24% 2027	–	–	8.19	–	–	8.19	8.18	..	..
82	6.01% 2028	6.66	7.38	8.02	7.89	7.94	8.06	8.36	8.38	8.45
83	6.13% 2028	6.63	7.42	8.02	7.77	8.02	8.10	8.20	..	8.51
84	7.95% 2032	6.97	7.57	8.07	7.99	8.06	8.19	8.16	8.39	8.30
85	7.5% 2034	7.25	7.54	8.19	7.92	8.13	8.07	8.36	8.46	8.73
86	7.40% 2035	–	7.55	8.14	7.85	8.06	8.25	8.31	8.39	..
87	8.33% 2036	–	–	8.13	–	–	8.13	8.29	8.48	8.50

* : 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.

@ : GOI Securities issued with call and put options exercisable on or after 5 years from the date of issue.

– : Indicates that the relevant security was not available for trading.

.. : Indicates that trading in the relevant security was nil/negligible during the month.

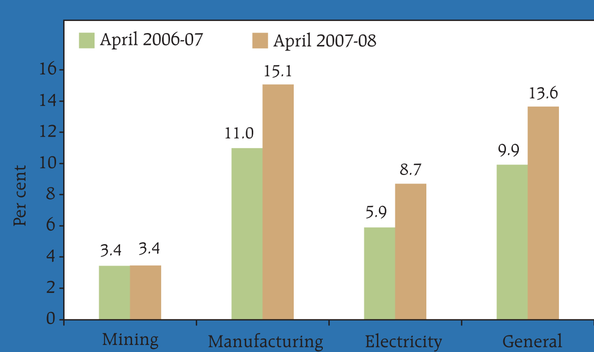
Production

No. 29: Group-wise Index Number of Industrial Production

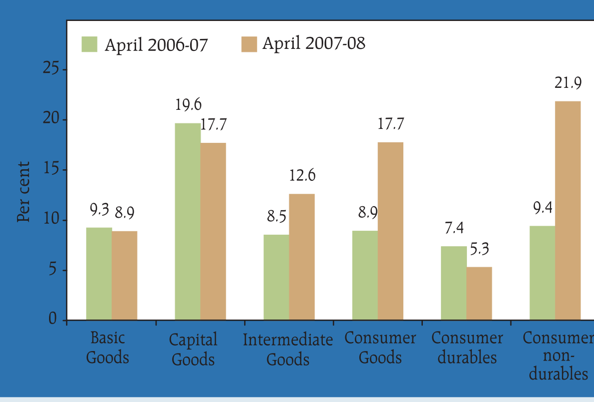
Industry Group	Industry	Weight	Annual			Monthly			
			2004-05	2005-06	2006-07 (P)	March		April	
						2006	2007	2006	2007
1	2	3	4	5	6	7	8	9	10
	General Index	**100.00**	**204.8**	**221.5**	**247.0**	**251.9**	**288.5**	**225.2**	**255.9**
I.	**Sectoral Classification**								
1	Mining and quarrying	**10.47**	153.4	154.9	163.1	181.6	194.9	157.1	162.5
2	Manufacturing	**79.36**	214.6	234.2	263.5	267.4	309.8	237.7	273.5
3	Electricity	**10.17**	181.5	190.9	204.7	203.0	219.1	198.0	215.2
II.	**Use-Based Classification**								
1	Basic Goods	**35.57**	177.9	189.8	209.3	213.1	238.0	195.9	213.3
2	Capital Goods	**9.26**	229.6	265.8	314.4	382.6	452.1	251.0	295.4
3	Intermediate Goods	**26.51**	211.1	216.4	242.1	231.0	264.1	225.3	253.7
4	Consumer Goods	**28.66**	224.4	251.4	276.9	277.3	321.6	253.7	298.7
4(a)	Consumer Durables	**5.36**	303.5	349.9	381.7	401.8	415.0	333.8	351.5
4(b)	Consumer Non-Durables	**23.30**	206.2	228.8	252.8	248.6	300.1	235.2	286.6

Source : Central Statistical Organisation, Government of India.

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification

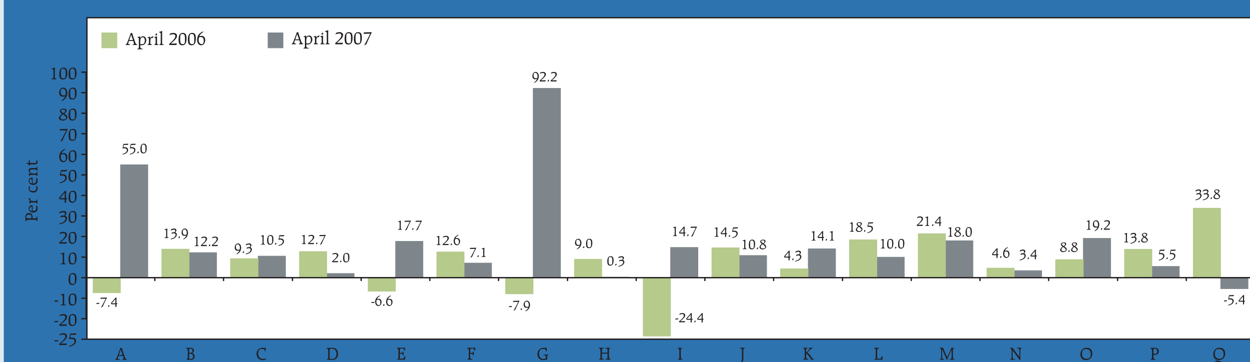


No. 30: IIP – Seventeen Major Industry Groups of Manufacturing Sector (Base : 1993-94 = 100)

Industry Group	Industry	Weight	Annual			Monthly			
			2004-05	2005-06	2006-07 (P)	March		April	
						2006	2007	2006	2007
1	2	3	4	5	6	7	8	9	10
	Manufacturing Index	**79.36**	**214.6**	**234.2**	**263.5**	**267.4**	**309.8**	**237.7**	**273.5**
20-21	Food products	9.08	167.3	170.6	185.4	215.1	276.2	147.7	228.9
22	Beverages, tobacco and related products	2.38	345.9	400.3	445.7	442.7	466.1	434.6	487.7
23	Cotton textiles	5.52	126.3	137.0	157.3	136.5	164.7	145.2	160.4
24	Wool, silk and man-made fibre textiles	2.26	249.0	248.9	269.1	254.6	291.8	253.6	258.7
25	Jute and other vegetable fibre textiles (except cotton)	0.59	107.2	107.7	90.7	212.5	75.7	104.2	122.6
26	Textile products (including wearing apparel)	2.54	219.6	255.5	285.0	266.7	308.7	275.0	294.6
27	Wood and wood products, furniture and fixtures	2.70	74.8	70.5	91.0	67.4	144.3	67.6	129.9
28	Paper and paper products and printing, publishing and allied industires	2.65	230.7	228.6	247.7	235.1	248.2	241.4	242.1
29	Leather and leather & fur products	1.14	156.9	149.3	149.9	156.3	140.7	120.3	138.0
30	Basic chemicals and chemical products (except products of petroleum and coal)	14.00	238.6	258.5	282.8	258.7	298.0	277.3	307.2
31	Rubber, plastic, petroleum and coal products	5.73	192.2	200.5	226.0	212.7	247.9	202.3	230.8
32	Non-metallic mineral products	4.40	244.3	271.1	306.0	322.2	355.1	293.9	323.2
33	Basic metal and alloy industries	7.45	196.1	227.0	278.9	271.3	355.0	246.2	290.4
34	Metal products and parts, except machinery and equipment	2.81	166.3	164.4	183.2	181.8	268.5	142.3	147.2
35-36	Machinery and equipment other than transport equipment	9.57	279.4	312.8	357.1	401.3	454.5	296.8	353.7
37	Transport equipment and parts	3.98	283.7	319.7	367.7	378.4	429.7	318.3	335.7
38	Other manufacturing industries	2.56	221.2	276.9	298.3	397.3	351.3	281.1	266.0

Source : Central Statistical Organisation, Government of India.

Growth Performance of Manufacturing Industries



A Food products
B Beverages, tobacco and related products
C Cotton textiles
D Wool,silk and man-made fibre textiles
E Jute and other vegetable fibre textiles (except Cotton)
F Textile products (including wearing apparel)
G Wood and wood products, furniture & fixtures
H Paper and Paper products and printing Publishing and Allied Activities
I Leather and Leather & fur products
J Chemicals and chemical products except Products of Petroleum & coal
K Rubber, plastic, petroleum and coal products
L Non-metallic mineral products
M Basic metal and alloy Industries
N Metal products and parts (except machinery and Equipment)
O Machinery and Equipment other than Transport Equipment
P Transport equipment and parts
Q Other Manufacturing industries

Capital Market

No. 31: New Capital Issues by Non-Government Public Limited Companies

(Amount in Rs. crore)

Security & Type of Issue	2005-06 (April-March)		2006-07 (April-March)		2006 (April)		2007 (April)	
	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)	128 (118)	20,899.3 (18,793.0)	115 (110)	30,753.0 (20,612.8)	13 (12)	9,133.0 (1,028.8)	4 (4)	693.0 (613.2)
a) Prospectus	92 (89)	16,801.4 (15,354.5)	82 (82)	28,172.0 (18,519.5)	7 (7)	9,034.0 (965.3)	4 (4)	693.0 (613.2)
b) Rights	36 (29)	4,097.9 (3,438.5)	33 (28)	2,581.0 (2,093.3)	6 (5)	99.0 (63.5)	– (–)	– (–)
2) Preference Shares (a+b)	1	10.0	–	–	–	–	–	–
a) Prospectus	1	10.0	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
3) Debentures (a+b)	2	245.1	3	847.0	–	–	–	–
a) Prospectus	1	127.0	–	–	–	–	–	–
b) Rights	1	118.1	3	847.0	–	–	–	–
of which:								
I) Convertible (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
II) Non-Convertible (a+b)	2	245.1	3	847.0	–	–	–	–
a) Prospectus	1	127.0	–	–	–	–	–	–
b) Rights	1	118.1	3	847.0	–	–	–	–
4) Bonds (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) Total (1+2+3+4)	**131**	**21,154.4**	**118**	**31,600.0**	**13**	**9,133.0**	**4**	**693.0**
a) Prospectus	94	16,938.4	82	28,172.0	7	9,034.0	4	693.0
b) Rights	37	4,216.0	36	3,428.0	6	99.0	–	–

Note : Figures in brackets indicate data in respect of premium on capital issues which are included in the respective totals.

Source : Data are compiled from prospectus/circulars/advertisements issued by companies, replies given by the companies to the Reserve Bank's questionnaire, information received from stock exchanges, press reports, *etc.*

Also see 'Notes on Tables'.

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 : November 3, 1995 = 1000)		
		Average	High	Low	Average	High	Low	Average	High	Low
1		2	3	4	5	6	7	8	9	10
2002-03		3206.29	3512.55	2834.41	1597.82	1752.97	1413.64	1037.23	1146.50	922.70
2003-04		4492.19	6194.11	2924.03	2315.70	3297.19	1452.40	1427.50	1982.15	924.30
2004-05		5740.99	6915.09	4505.16	3076.35	3732.81	2381.53	1805.26	2168.95	1388.75
2005-06		8280.08	11307.04	6134.86	4393.54	5904.17	3310.14	2513.44	3418.95	1902.50
2006-07		12277.33	14652.09	8929.44	6242.73	7413.22	4535.00	3572.44	4224.25	2632.80
May	2006	11599.16	12612.38	10398.61	6006.66	6554.71	5382.22	3437.41	3754.25	3071.05
June	2006	9934.75	10609.25	8929.44	5064.83	5383.53	4535.00	2914.91	3128.20	2632.80
July	2006	10557.15	10930.09	10007.34	5333.57	5525.49	5046.52	3092.11	3197.10	2932.75
August	2006	11305.04	11723.92	10751.66	5732.14	5959.87	5418.86	3305.58	3430.35	3147.80
September	2006	12035.69	12454.42	11550.69	6119.42	6328.33	5882.52	3492.13	3588.40	3366.15
October	2006	12637.25	13024.26	12204.01	6432.94	6628.20	6223.29	3649.43	3769.10	3515.35
November	2006	13415.79	13773.59	13033.04	6812.65	6983.42	6639.14	3868.61	3968.90	3767.05
December	2006	13628.30	13972.03	12995.02	6883.73	7066.55	6542.39	3910.18	4015.95	3716.90
January	2007	13984.00	14282.72	13362.16	7091.62	7249.98	6779.00	4037.06	4147.70	3850.30
February	2007	14142.70	14652.09	12938.09	7124.77	7413.22	6527.12	4083.74	4224.25	3745.30
March	2007	12857.74	13308.03	12415.04	6465.26	6686.15	6223.12	3731.13	3875.90	3576.50
April	2007	13477.79	14228.88	12455.37	6800.70	7171.33	6287.69	3947.28	4177.85	3633.60
May	2007	14156.47	14544.46	13765.46	7244.49	7468.70	7015.37	4184.39	4295.80	4066.80

* : NSE - 50, *i.e.*, Nifty has been rechristened as ‘ S & P CNX Nifty with effect from July 28, 1998.

Sources : 1. Bombay Stock Exchange Ltd.
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
2003 - 04	**7,816.38**
2004 - 05	**17,521.27**
2005 - 06	**10,619.36**
2006 - 07	**6,639.78**
2006-07	
April 2006	298.82
May 2006	994.09
June 2006	377.56
July 2006	311.61
August 2006	596.69
September 2006	371.20
October 2006	222.22
November 2006	493.40
December 2006	389.42
January 2007	718.14
February 2007	796.76
March 2007	1,069.87
2007-08	
April 2007	550.52
May 2007	716.98
Week ended	
April 5, 2007	0.00
April 13, 2007	355.99
April 20, 2007	74.88
April 27, 2007	79.86
May 4, 2007	89.90
May 11, 2007	334.27
May 18, 2007	26.29
May 25, 2007	235.46

* : Excluding trade in commercial papers.

Source : National Stock Exchange of India Ltd.

No. 34: Assistance Sanctioned and Disbursed by All - India Financial Institutions

(Rs. crore)

	April-September		April-March	
	2003-04	2004-05	2002-03	2003-04
1	2	3	4	5
Sanctions				
All-India Development Banks	**9,831.9**	**12,860.0**	**22,318.1**	**23,444.3**
1. IDBI	2,860.2	6,314.4	5,898.2	5,630.8
2. IFCI	132.1	–	2,005.8	1,451.9
3. SIDBI	2,607.9	2,991.8	10,903.7	8,223.7
4. IIBI	1,392.8	0.9	1,206.4	2,411.9
5. IDFC	2,838.9	3,552.9	2,304.0	5,726.0
Investment Institutions	**13,025.1**	**7,805.5**	**5,666.5**	**29,479.2**
6. LIC	12,291.1	7,135.3	4,341.5	27,748.0
7. GIC	324.3	93.0	369.3	674.0
8. National Ins. Co. Ltd.	115.6	87.3	200.0	373.0
9. New India Ass.Co Ltd.	84.1	179.3	138.0	199.1
10. Oriental Ins. Co. Ltd.	93.3	28.2	123.9	134.8
11. United India Ins. Co. Ltd.	116.7	282.4	493.8	350.3
Total	**22,857.0**	**20,665.5**	**27,984.6**	**52,923.5**
Disbursements				
All India Development Banks	**5,750.2**	**5,027.1**	**17,225.2**	**14,056.6**
1. IDBI	1,637.2	2,085.1	6,614.9	4,409.1
2. IFCI	176.3	43.8	1,779.9	279.0
3. SIDBI	1,742.2	1,358.3	6,789.5	4,412.7
4. IIBI	1,216.5	7.6	1,091.9	2,251.8
5. IDFC	978.0	1,532.3	949.0	2,704.0
Investment Institutions	**4,615.6**	**5,421.3**	**7,487.6**	**17,400.2**
6. LIC	3,829.2	4,871.0	6,205.7	15,781.6
7. GIC	328.4	108.0	328.4	657.7
8. National Ins. Co. Ltd.	118.4	17.3	177.6	224.4
9. New India Ass.Co Ltd.	85.6	115.2	78.0	195.6
10. Oriental Ins.Co. Ltd.	135.0	27.4	241.5	187.1
11. United India Ins. Co. Ltd.	119.0	282.4	456.4	353.8
Total	**10,365.8**	**10,448.4**	**24,712.8**	**31,456.8**

Note : Data are provisional. Monthly data are not adjusted for inter-institutional flows.

Source : Industrial Development Bank of India.

Prices

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
1998-99		4,270	4,250	7,675	7,670
1999-00		4,400	4,380	7,900	7,900
2000-01		4,230	4,225	7,270	7,270
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
March	2001	4,230	4,225	7,270	7,270
April	2001	4,305	4,320	7,410	7,435
May	2001	4,540	4,560	7,620	7,640
Week Ended					
June 1,	2001	4,350	4,350	7,495	7,500
June 8,	2001	4,360	4,350	7,400	7,400
June 15,	2001	4,445	4,430	7,515	7,490

Note : Information on bullion prices for the period subsequent to June 15, 2001 is not reported in this Table as the Bombay Bullion Association Ltd. has discontinued the release of these data.

Source : Bombay Bullion Association Ltd.

Also see 'Notes on Tables'.

No. 36: Consumer Price Index Numbers for Industrial Workers - All India and Selected Centres

(Base : 1982 = 100 upto December 2005 and 2001 = 100 for data from January 2006 onwards)

Centre	New Linking Factor (1)	1990-91	2004-05	2005-06	2006		2007				
					Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.
1	2	3	4	5	6	7	8	9	10	11	12
All India (2)	**4.63**	**193**	**540**	**125**	**127**	**127**	**127**	**128**	**127**	**128**	**129**
Ahmedabad	4.62	196	522	123	126	124	126	126	127	127	127
Alwaye(Ernakulam)	4.52	176	545	127	127	128	127	129	127	127	128
Asansol	4.37	189	515	128	129	130	131	132	133	136	135
Bangalore	4.51	183	538	128	129	132	133	134	132	133	134
Bhavnagar	4.76	198	540	122	124	123	123	125	125	126	127
Bhopal	4.83	196	566	130	133	132	132	132	132	132	133
Chandigarh	5.26	189	620	127	128	128	130	130	129	130	130
Chennai	4.95	189	567	119	121	121	122	122	121	122	123
Coimbatore	4.49	178	508	121	122	122	123	126	125	125	126
Delhi	5.6	201	652	124	125	125	124	125	125	128	128
Faridabad	4.79	187	550	124	125	125	126	126	127	127	128
Guwahati	4.8	195	541	117	118	118	118	119	118	119	118
Howrah	5.42	212	627	124	126	125	124	125	126	127	127
Hyderabad	4.79	182	536	118	119	120	121	121	120	121	122
Jaipur	4.25	190	498	130	132	131	131	131	132	132	132
Jamshedpur	4.23	187	514	128	131	130	129	130	129	130	130
Kolkata	5.12	203	593	123	126	125	125	126	128	130	130
Ludhiana	4.12	193	508	131	135	132	134	133	132	133	134
Madurai	4.51	192	512	117	120	120	119	118	119	118	121
Monghyr-Jamalpur	4.3	189	516	128	132	131	128	128	130	130	128
Mumbai	5.18	201	608	128	130	130	131	131	130	132	132
Mundakayam	4.37	184	516	126	126	126	127	129	127	128	130
Nagpur	4.68	201	556	134	135	135	137	138	136	136	137
Pondicherry	4.88	204	582	125	126	126	128	128	127	127	128
Rourkela	4.03	179	478	127	130	129	130	129	130	131	135
Saharanpur(Kanpur)	4.50 *	195	510	127	130	128	129	130	129	130	130
Solapur	4.73	197	540	127	129	129	133	133	130	137	137
Srinagar	5.62	184	634	120	121	122	122	123	125	125	124

@ Represents average for Nine Months (April-December 2005).

* Data for Saharanpur has been replaced by data for Kanpur from January 2006 onwards.

Note : New series of Consumer Price Index for Industrial Workers with base 2001 = 100 was released in January 2006 by Labour Bureau, Shimla. Linking Factors betwen old and new series as published by the Labour Bureau are reproduced in column 2.

For (1) and (2) See 'Notes on Tables'.

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	2005-06	2006-07	2006			2007				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1	2	3	4	5	6	7	8	9	10	11	12
All India (1)	**161**	**456**	**486**	**471**	**494**	**493**	**496**	**497**	**498**	**501**	**503**
Mumbai	154	450	478	462	485	488	489	489	490	491	493
Delhi	156	472	499	483	506	499	504	506	508	510	511
Kolkata	164	416	439	428	444	443	444	444	449	455	461
Chennai	168	543	569	557	571	572	586	588	585	590	595
Hyderabad	164	488	526	507	536	537	542	545	541	545	551
Bangalore	161	480	513	499	516	519	525	528	527	527	529
Lucknow	158	438	465	450	473	464	467	469	471	473	476
Ahmedabad	153	400	426	410	433	432	432	435	435	436	437
Jaipur	165	443	477	459	487	483	483	485	491	495	494
Patna	167	418	451	430	462	464	463	465	466	464	461
Srinagar	150	449	475	459	482	484	485	488	496	497	497
Thiruvananthapuram	152	479	507	495	509	513	518	515	512	516	517
Cuttack	154	447	479	459	487	487	489	489	492	495	497
Bhopal	166	417	458	443	466	461	459	460	461	462	465
Chandigarh	176	605	637	618	644	645	649	649	649	651	651
Shillong	179	466	499	484	499	504	514	518	528	539	544
Shimla	163	462	490	475	495	494	499	502	506	508	510
Jammu	161	453	480	463	484	484	489	492	492	500	498
Amritsar	152	381	402	389	409	406	408	411	412	412	413
Kozhikode (Calicut)	150	430	447	444	449	453	454	452	452	453	453
Kanpur	165	418	450	430	462	457	453	459	462	466	469
Indore	170	452	485	470	492	494	491	492	490	491	493
Pune	162	471	509	490	517	520	521	520	517	531	533
Jabalpur	164	404	437	418	442	441	451	455	452	452	453
Jodhpur	168	435	465	450	474	471	471	472	476	478	476

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)	2004-05	2005-06	2006		2007				
					May	Dec.	Jan.	Feb.	Mar.	Apr.	May
1	2	3	4	5	6	7	8	9	10	11	12
All India	**830**	**5.89**	**342**	**358**	**365**	**390**	**391**	**392**	**392**	**394**	**395**
Andhra Pradesh	657	4.84	357	371	376	403	404	407	405	406	408
Assam	854	(3)	347	362	368	386	385	388	395	391	395
Bihar	858	6.22	324	347	353	388	387	388	394	391	385
Gujarat	742	5.34	350	369	376	404	403	405	408	412	413
Haryana		(5)	359	376	381	404	403	404	406	410	413
Himachal Pradesh		(5)	325	343	351	369	370	373	370	373	372
Jammu & Kashmir	843	5.98	348	359	368	392	393	395	399	400	402
Karnataka	807	5.81	340	341	346	367	370	373	373	377	383
Kerala	939	6.56	351	356	363	376	378	379	376	376	380
Madhya Pradesh	862	6.04	330	352	363	391	390	391	390	391	392
Maharashtra	801	5.85	350	368	378	403	406	407	405	407	411
Manipur		(5)	310	328	330	335	333	332	334	343	348
Meghalaya		(5)	360	382	393	410	411	413	412	415	418
Orissa	830	6.05	320	334	335	367	367	365	366	372	370
Punjab	930	(4)	355	380	392	421	421	423	421	426	423
Rajasthan	885	6.15	346	377	388	411	416	422	423	426	424
Tamil Nadu	784	5.67	347	355	362	371	375	378	375	379	382
Tripura		(5)	337	351	361	380	377	380	386	387	389
Uttar Pradesh	960	6.60	343	371	382	412	413	412	415	417	416
West Bengal	842	5.73	333	342	346	368	364	362	365	366	370

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)	2004-05	2005-06	2006			2007				
				May	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
1	2	3	4	5	6	7	8	9	10	11	12
All India	**240**	**344**	**360**	**367**	**391**	**391**	**391**	**393**	**393**	**395**	**396**
Andhra Pradesh	244	357	371	377	401	403	403	407	404	406	408
Assam	243	348	364	370	392	389	388	390	397	394	399
Bihar	223	326	348	355	390	388	387	388	394	391	386
Gujarat	241	351	371	377	403	404	403	406	409	412	413
Haryana	237	361	378	384	406	405	404	405	408	410	413
Himachal Pradesh	221	331	350	358	381	379	377	380	380	384	383
Jammu & Kashmir	225	345	359	367	394	396	396	397	400	402	403
Karnataka	250	340	341	346	364	366	370	372	373	377	383
Kerala	260	352	359	367	377	380	381	382	379	380	384
Madhya Pradesh	239	335	358	369	396	395	394	395	394	395	396
Maharashtra	247	350	368	377	399	401	404	404	403	405	409
Manipur	245	311	328	331	334	335	334	332	335	344	349
Meghalaya	250	358	379	390	406	408	408	411	410	413	416
Orissa	236	320	335	336	371	367	367	366	367	372	371
Punjab	247	358	384	395	420	422	422	424	422	427	425
Rajasthan	239	345	375	386	409	411	415	420	422	425	422
Tamil Nadu	244	348	355	362	367	371	374	377	374	377	380
Tripura	219	330	344	353	375	370	367	370	374	376	378
Uttar Pradesh	231	346	372	383	416	412	413	412	415	417	417
West Bengal	232	336	346	349	373	371	367	365	368	369	373

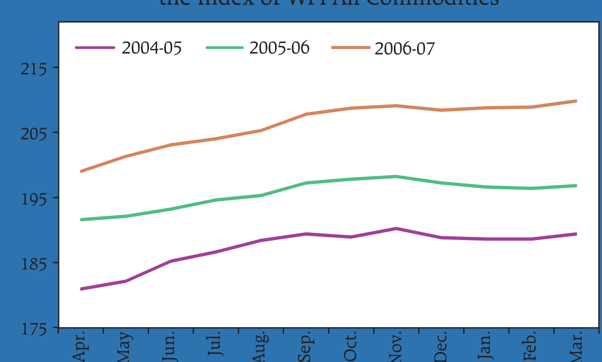
Source: Labour Bureau, Ministry of Labour, Government of India.

No. 39: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups (Averages)

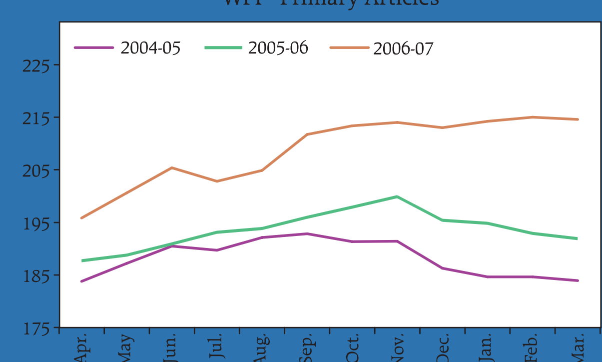
(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	2005-06	2006-07	2006				2007		
		April-March			Mar	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12
ALL COMMODITIES	**100.000**	**112.6**	**195.6**	**206.1**	**196.8**	**208.7**	**209.1**	**208.4**	**208.8**	**208.9**	**209.8**
I. Primary Articles	**22.025**	**115.8**	**193.6**	**208.6**	**191.9**	**213.4**	**214.0**	**213.0**	**214.2**	**215.0**	**214.6**
(A) Food Articles	**15.402**	**112.8**	**195.3**	**210.3**	**194.1**	**216.9**	**217.4**	**215.0**	**215.2**	**214.9**	**214.0**
a. Foodgrains (Cereals+Pulses)	5.009	114.7	186.9	205.9	194.8	210.6	212.4	214.1	213.6	213.8	211.1
a1. Cereals	4.406	113.6	185.8	199.3	191.7	201.5	204.4	206.7	207.0	207.3	205.8
a2. Pulses	0.603	122.2	194.6	253.8	217.2	277.0	271.5	268.1	261.0	261.3	250.4
b. Fruits & Vegetables	2.917	108.0	219.3	227.9	192.8	251.7	246.0	232.6	228.7	221.0	222.3
b1. Vegetables	1.459	110.4	191.6	197.9	142.3	227.4	216.4	191.4	183.1	168.3	178.0
b2. Fruits	1.458	105.7	247.0	258.0	243.4	276.1	275.7	273.7	274.3	273.8	266.6
c. Milk	4.367	110.3	184.3	195.8	187.0	199.8	198.3	196.1	197.9	200.5	201.2
d. Eggs,meat & fish	2.208	116.1	217.2	226.9	216.5	219.3	225.7	227.5	233.2	236.2	236.6
e. Condiments & spices	0.662	126.2	176.9	227.9	188.5	236.8	246.2	245.1	246.7	245.1	232.5
f. Other food articles	0.239	111.6	129.9	154.3	134.6	160.5	161.9	161.9	152.1	149.8	149.0
(B) Non-Food Articles	**6.138**	**124.2**	**179.1**	**188.2**	**174.2**	**187.5**	**188.4**	**191.6**	**195.6**	**199.0**	**200.0**
a. Fibres	1.523	150.0	149.7	155.9	148.0	158.5	157.7	154.4	151.4	155.0	160.8
b. Oil seeds	2.666	118.5	167.1	175.7	153.7	171.2	176.2	185.1	194.5	199.6	199.7
c. Other non-food articles	1.949	112.0	218.5	230.6	222.7	232.2	229.2	229.6	231.7	232.6	231.0
(C) Minerals	**0.485**	**104.9**	**322.8**	**413.2**	**346.4**	**427.8**	**428.5**	**420.0**	**417.6**	**418.8**	**420.0**
a. Metallic minerals	0.297	103.8	453.1	598.7	491.1	622.9	623.8	609.4	604.9	606.2	608.1
b. Other minerals	0.188	106.7	117.0	120.4	118.0	119.8	120.0	120.9	121.9	122.7	123.0
II. Fuel, Power, Light & Lubricants	**14.226**	**108.9**	**306.8**	**324.9**	**315.5**	**328.9**	**326.7**	**322.3**	**322.1**	**319.8**	**319.8**
a. Coal mining	1.753	105.1	231.6	231.6	231.6	231.6	231.6	231.6	231.6	231.6	231.6
b. Minerals oils	6.990	106.1	359.8	388.1	375.2	393.6	389.2	381.2	381.8	378.6	379.1
c. Electricity	5.484	113.6	263.4	271.7	266.3	277.6	277.5	276.4	274.7	273.0	272.4

Monthly Movement of the Index of WPI-All Commodities



Monthly Movement in the Index of WPI - Primary Articles

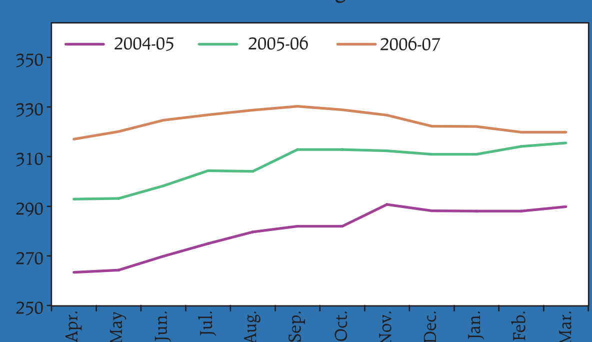


No. 39: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups (Averages) *(Contd.)*

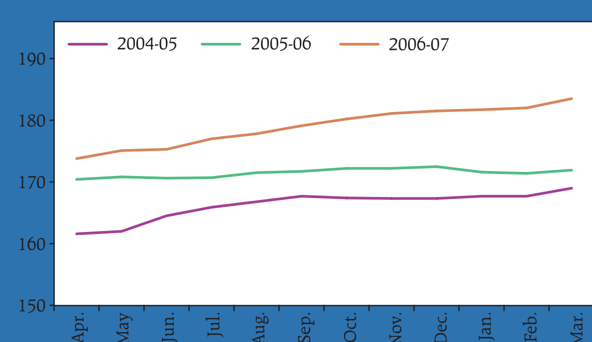
(Base : 1993-94 = 100)

Average of months/ Average of weeks ended Saturday	Weight	1994-95	2005-06	2006-07	2006				2007		
		April-March			Mar	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12
III. Manufactured Products	**63.749**	**112.3**	**171.5**	**179.0**	**171.9**	**180.2**	**181.1**	**181.5**	**181.7**	**182.0**	**183.5**
(A) Food Products	**11.538**	**114.1**	**176.9**	**182.5**	**176.3**	**183.1**	**186.9**	**186.3**	**185.1**	**184.6**	**185.2**
a. Dairy products	0.687	117.0	206.5	217.3	208.2	220.4	220.5	219.3	219.2	219.8	219.9
b. Canning, preserving & processing of fish	0.047	100.0	273.1	283.7	279.0	283.1	283.1	283.1	283.1	283.1	289.5
c. Grain mill products	1.033	103.7	187.8	219.6	201.1	227.7	239.8	238.4	236.5	237.3	230.9
d. Bakery products	0.441	107.7	175.8	184.3	174.6	186.4	186.4	186.4	186.4	186.4	192.2
e. Sugar, khandsari & gur	3.929	119.1	178.8	179.8	186.3	181.7	179.9	176.6	170.4	167.4	164.3
f. Manufacture of common salts	0.021	104.8	235.1	223.0	222.7	211.8	211.1	218.6	218.6	219.3	220.0
g. Cocoa, chocolate, sugar & confectionery	0.087	118.3	177.2	183.1	181.6	183.0	183.0	183.0	183.0	183.0	188.1
h. Edible oils	2.775	110.9	146.1	154.6	143.7	154.8	157.3	160.8	163.8	164.6	163.6
i. Oil cakes	1.416	121.6	189.8	196.6	178.4	186.5	201.7	201.1	204.3	207.6	224.3
j. Tea & coffee proccessing	0.967	104.4	197.3	178.9	168.0	181.2	191.7	190.7	190.7	187.4	188.6
k. Other food products n.e.c.	0.154	111.6	190.1	198.1	190.6	198.7	198.7	198.7	198.7	198.7	201.4
(B) Beverages, Tobacco & Tobacco Products	**1.339**	**118.3**	**226.8**	**243.5**	**233.6**	**245.5**	**248.0**	**250.4**	**205.4**	**250.4**	**256.3**
a. Wine Industries	0.269	150.2	246.1	288.7	265.4	301.9	306.9	306.9	306.9	306.9	306.9
b. Malt liquor	0.043	109.1	195.9	204.1	196.1	202.7	202.7	202.7	202.7	202.7	202.7
c. Soft drinks & carbonated water	0.053	109.1	164.8	176.3	171.0	170.9	170.9	186.7	186.7	186.7	186.7
d. Manufacture of bidi, cigarettes, tobacco & zarda	0.975	110.4	226.2	236.4	229.8	235.8	237.8	240.3	240.3	240.3	248.4

Monthly Movement of the Index of the WPI-Fuel, Power, Light & Lubricants



Monthly Movement in the Index of WPI-Manufactured Products



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	2005-06	2006-07	2006				2007		
		April-March			Mar	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12
(C) Textiles	**9.800**	**118.2**	**129.5**	**132.3**	**130.6**	**134.4**	**133.3**	**132.1**	**133.0**	**133.1**	**133.2**
a. Cotton textiles	4.215	132.7	154.3	159.1	158.6	159.8	158.8	158.5	160.4	160.1	159.9
a1. Cotton yarn	3.312	136.2	150.0	156.4	155.6	157.2	155.8	155.5	157.9	157.6	157.3
a2. Cotton cloth (Mills)	0.903	119.9	170.2	169.4	169.7	169.4	169.4	169.4	169.4	169.4	169.4
b. Man made textiles	4.719	105.9	94.7	96.2	92.6	100.0	98.3	96.2	95.8	95.7	96.1
b1. Man made fibre	4.406	105.6	91.6	93.4	89.4	97.4	95.6	93.3	92.9	92.8	93.2
b2. Man made cloth	0.313	109.9	138.6	136.2	136.7	136.3	136.3	136.3	136.3	136.3	136.3
c. Woolen textiles	0.190	132.6	181.4	174.1	184.7	170.4	170.3	170.3	170.3	170.3	170.3
d. Jute, hemp & mesta textiles	0.376	110.3	206.4	217.3	220.4	217.5	220.7	219.3	227.2	240.4	239.4
e. Other misc. textiles	0.300	109.0	199.6	189.8	189.9	191.0	192.3	192.1	190.7	184.9	184.8
(D) Wood & Wood Products	**0.173**	**110.9**	**194.6**	**206.4**	**207.9**	**203.6**	**201.5**	**212.4**	**209.4**	**217.3**	**215.6**
(E) Paper & Paper Products	**2.044**	**106.1**	**178.4**	**190.7**	**186.2**	**191.4**	**192.1**	**192.2**	**192.9**	**192.8**	**192.6**
a. Paper & pulp	1.229	108.7	157.5	170.2	163.6	171.0	172.0	172.2	173.7	173.3	172.9
b. Manufacture of boards	0.237	110.9	135.3	165.6	166.2	166.9	166.9	166.9	163.8	163.8	163.4
c. Printing & publishing of newspapers,periodicals *etc.*	0.578	98.5	240.6	244.6	242.4	245.0	245.2	245.2	245.8	246.3	246.3
(F) Leather & Leather Products	**1.019**	**109.7**	**166.8**	**159.4**	**160.7**	**159.3**	**159.3**	**163.0**	**165.5**	**165.5**	**164.9**
(G) Rubber & Plastic Products	**2.388**	**106.4**	**139.1**	**148.2**	**140.1**	**152.4**	**152.5**	**151.8**	**151.4**	**151.4**	**152.8**
a. Tyres & tubes	1.286	104.1	131.1	141.5	131.5	144.4	144.4	143.9	143.9	143.9	146.3
a1. Tyres	1.144	103.4	122.5	130.4	120.6	132.1	132.1	132.1	132.1	132.1	133.2
a2. Tubes	0.142	110.0	201.0	231.4	219.2	243.1	243.7	239.4	239.4	239.4	251.9
b. Plastic products	0.937	106.8	139.1	146.7	139.1	152.8	153.1	152.9	152.5	152.4	152.7
c. Other rubber & plastic products	0.165	121.0	201.5	209.8	212.4	212.4	212.4	207.2	203.8	203.8	203.8
(H) Chemicals & Chemical Products	**11.931**	**116.6**	**188.3**	**193.9**	**192.1**	**193.6**	**193.7**	**193.8**	**194.0**	**194.7**	**198.4**
a. Basic heavy inorganic chemicals	1.446	112.2	174.4	171.0	172.7	170.0	170.6	170.0	169.8	167.3	166.3
b. Basic heavy organic chemicals	0.455	118.7	164.2	180.2	161.3	184.0	184.6	182.0	190.2	184.6	182.3
c. Fertilisers & pesticides	4.164	117.7	171.6	171.6	172.4	171.7	171.5	171.2	171.3	171.4	171.3
c1. Fertilisers	3.689	115.8	174.9	177.2	175.2	178.6	178.4	178.1	178.1	178.2	178.1
c2. Pesticides	0.475	132.5	145.9	127.9	150.8	117.9	117.9	117.9	118.1	118.2	118.2
d. Paints, varnishes & lacquers	0.496	101.3	124.0	128.1	126.7	128.5	128.5	128.4	128.3	128.3	129.7
e. Dyestuffs & indigo	0.175	108.4	110.8	105.8	111.9	105.2	105.2	105.2	105.2	105.2	105.2
f. Drugs & medicines	2.532	129.4	278.1	293.1	290.6	292.9	291.1	291.0	290.5	294.9	308.8
g. Perfumes, cosmetics, toiletries *etc.*	0.978	118.0	204.9	223.6	220.7	221.1	222.2	225.6	225.6	225.6	235.4
h. Turpentine, synthetic resins, plastic materials *etc.*	0.746	107.6	131.8	133.4	127.1	128.7	135.1	137.2	137.3	137.7	138.6
i. Matches, explosives & other chemicals n.e.c.	0.940	98.3	128.8	136.0	130.8	137.4	137.7	137.8	136.7	138.9	141.1

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	2005-06	2006-07	2006				2007		
		April-March			Mar	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12
(I) Non-Metallic Mineral Products	**2.516**	**110.9**	**170.0**	**191.8**	**180.3**	**191.1**	**192.5**	**193.5**	**193.5**	**194.9**	**201.9**
a. Structural clay products	0.230	100.0	189.7	195.2	192.2	195.8	195.8	196.0	197.3	196.8	197.1
b. Glass, earthernware, chinaware & their products	0.237	113.3	159.4	160.7	156.6	156.6	156.6	168.6	168.6	168.6	168.6
c. Cement	1.731	112.4	166.7	197.3	181.8	196.8	198.8	198.6	198.4	200.5	210.7
d. Cement, slate & graphite products	0.319	108.8	181.6	182.9	181.4	182.3	182.3	182.3	182.3	182.3	182.3
(J) Basic Metals Alloys & Metals Products	**8.342**	**108.4**	**218.7**	**233.3**	**207.6**	**237.4**	**238.6**	**240.4**	**241.5**	**241.0**	**241.9**
a. Basic Metals & Alloys	6.206	107.0	232.4	236.3	213.1	240.0	240.5	240.7	241.3	241.6	242.8
a1. Iron & Steel	3.637	106.0	250.7	254.4	226.5	259.2	259.4	259.4	260.0	260.4	261.9
a2. Foundries for Casting, Forging & Structurals	0.896	106.7	231.8	228.5	217.8	232.1	232.4	235.8	236.0	236.0	236.5
a3. Pipes, Wires Drawing & Others	1.589	109.5	193.1	204.1	182.3	205.3	206.7	205.7	206.3	206.6	207.4
a4. Ferro Alloys	0.085	104.5	186.2	148.5	165.4	150.7	150.7	150.7	150.7	150.7	150.7
b. Non-Ferrous Metals	1.466	115.9	194.7	258.3	212.6	266.0	270.3	279.6	282.4	278.3	278.8
b1. Aluminium	0.853	114.7	210.9	253.6	221.6	251.5	252.2	262.2	269.5	269.5	269.5
b2. Other Non-Ferrous Metals	0.613	117.7	172.2	264.8	200.0	286.1	295.4	303.8	300.2	290.6	291.7
c. Metal Products	0.669	105.0	144.1	149.8	146.4	150.2	151.6	151.8	153.8	153.8	153.8
(K) Machinery & Machine Tools	**8.363**	**106.0**	**147.5**	**155.6**	**149.5**	**156.1**	**156.7**	**158.4**	**159.6**	**161.1**	**161.9**
a. Non-electrical machinery & parts	3.379	108.6	188.3	194.8	188.7	195.7	196.1	196.1	196.5	197.0	196.6
a1. Heavy machinery & parts	1.822	111.0	199.2	201.8	197.1	203.1	203.0	202.8	204.0	204.8	203.7
a2. Industrial machinery for textiles, etc.	0.568	108.5	245.6	255.2	253.4	255.2	255.2	255.2	255.2	255.2	256.5
a3. Refrigeration & other non-electrical machinery	0.989	104.3	135.2	147.3	136.0	148.0	149.5	149.7	149.1	149.1	149.1
b. Electrical machinery	4.985	104.2	119.6	129.0	123.0	129.3	130.0	132.9	134.6	136.8	138.4
b1. Electrical industrial machinery	1.811	105.2	142.4	150.4	146.1	152.3	152.3	152.4	153.0	153.5	153.8
b2. Wires & cables	1.076	109.0	145.7	179.0	160.8	177.9	181.3	194.5	199.4	207.9	215.1
b3. Dry & wet batteries	0.275	105.8	130.5	148.5	132.4	149.1	149.1	149.1	155.3	159.7	159.8
b4. Electrical apparatus & appliances	1.823	100.1	80.0	75.3	76.3	74.6	74.6	74.7	74.8	74.8	74.7
(L) Transport Equipment & Parts	**4.295**	**107.4**	**159.9**	**162.4**	**160.5**	**163.2**	**163.3**	**162.9**	**163.0**	**163.1**	**163.5**
a. Locomotives, railway wagons & parts	0.318	105.3	124.8	125.2	126.2	127.5	126.2	122.2	122.2	122.2	122.2
b. Motor vehicles,motorcycles, scooters, bicycles & parts	3.977	107.6	162.7	165.4	163.2	166.0	166.2	166.1	166.3	166.4	166.8

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	2005-06	2006-07	2006		2007				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
ALL COMMODITIES	**100.000**	**117.1**	**195.8**	**206.6**	**201.9**	**208.7**	**209.0**	**209.0**	**210.4**	**210.9**	**211.7**
I. Primary Articles	**22.025**	**120.8**	**194.0**	**209.6**	**203.0**	**213.8**	**215.2**	**214.9**	**215.9**	**218.8**	**220.5**
(A) Food Articles	**15.402**	**114.9**	**195.7**	**211.1**	**205.5**	**215.2**	**216.0**	**214.6**	**214.2**	**218.3**	**220.5**
a. Foodgrains (Cereals+Pulses)	5.009	118.9	187.8	206.5	197.6	213.8	213.6	213.4	211.3	211.0	210.5
a1. Cereals	4.406	118.2	186.4	199.8	191.5	206.8	206.8	207.4	205.6	205.4	205.2
a2. Pulses	0.603	123.9	197.5	255.2	242.0	265.2	263.2	257.1	253.2	252.1	248.9
b. Fruits & Vegetables	2.917	103.1	218.6	228.6	233.7	231.2	228.4	222.2	221.5	237.1	244.9
b1. Vegetables	1.459	95.0	191.8	199.1	182.0	187.3	184.1	168.5	180.0	211.1	224.2
b2. Fruits	1.458	111.2	245.5	258.2	265.4	275.1	272.8	276.0	263.3	263.2	265.6
c. Milk	4.367	111.3	184.4	196.5	194.5	196.1	199.5	200.8	202.7	204.0	206.1
d. Eggs,meat & fish	2.208	122.1	218.1	227.6	224.0	231.8	234.9	235.4	236.3	240.7	245.1
e. Condiments & spices	0.662	131.6	177.6	230.0	215.0	244.8	249.5	236.4	229.7	235.5	227.4
f. Other food articles	0.239	127.4	130.4	154.8	154.7	161.9	151.5	148.8	149.0	149.0	149.0
(B) Non-Food Articles	**6.138**	**136.9**	**179.1**	**189.6**	**181.0**	**194.3**	**197.0**	**199.6**	**203.9**	**204.2**	**204.6**
a. Fibres	1.523	168.7	149.5	157.0	147.6	151.0	152.0	156.0	171.4	170.0	169.8
b. Oil seeds	2.666	127.8	167.0	178.0	162.2	192.9	197.4	200.6	201.9	205.1	204.6
c. Other non-food articles	1.949	124.4	218.8	231.0	232.7	230.1	231.7	232.2	232.2	229.8	231.8
(C) Minerals	**0.485**	**104.2**	**329.5**	**416.9**	**402.8**	**416.8**	**418.4**	**419.8**	**420.3**	**419.8**	**420.3**
a. Metallic minerals	0.297	102.5	464.0	604.7	582.6	604.1	605.6	608.1	608.1	608.1	608.1
b. Other minerals	0.188	107.0	117.1	120.4	118.8	121.0	122.8	122.5	123.8	122.5	123.7
II. Fuel, Power, Light & Lubricants	**14.226**	**109.1**	**307.4**	**324.0**	**320.4**	**321.9**	**321.8**	**318.9**	**320.1**	**320.5**	**322.0**
a. Coal mining	1.753	106.2	231.6	231.6	231.6	231.6	231.6	231.6	231.6	231.6	231.6
b. Minerals oils	6.990	106.2	361.0	388.3	385.2	381.5	381.3	376.8	379.7	380.6	383.4
c. Electricity	5.484	113.6	263.4	271.6	266.3	274.7	247.7	273.0	272.4	272.4	272.7
III. Manufactured Products	**63.749**	**117.6**	**171.5**	**179.3**	**175.1**	**181.7**	**181.7**	**182.4**	**184.0**	**183.7**	**184.1**
(A) Food Products	**11.538**	**113.2**	**176.9**	**182.9**	**178.9**	**186.2**	**185.1**	**1834.0**	**186.1**	**187.0**	**183.0**
a. Dairy products	0.687	129.0	206.7	217.7	213.8	219.2	219.3	220.0	219.8	220.6	220.8
b. Canning, preserving & processing of fish	0.047	100.0	273.4	284.0	283.1	283.1	283.1	283.1	293.8	283.1	293.8

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	2005-06	2006-07	2006		2007				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
c. Grain mill products	1.033	109.0	188.0	219.6	197.5	238.4	236.5	237.3	228.0	253.3	219.2
d. Bakery products	0.441	111.0	175.6	184.8	174.7	186.4	186.4	186.4	192.2	192.2	192.2
e. Sugar, khandsari & gur	3.929	109.5	179.0	179.2	187.6	174.4	169.3	165.5	163.9	162.9	158.2
f. Manufacture of common salts	0.021	114.1	236.9	222.8	240.3	218.6	218.6	219.3	220.0	215.9	218.0
g. Cocoa, chocolate, sugar & confectionery	0.087	124.1	177.5	183.1	181.6	183.0	183.0	183.0	188.1	188.1	188.1
h. Edible oils	2.775	118.4	145.9	155.1	146.4	162.4	164.2	163.7	163.5	165.6	165.7
i. Oil cakes	1.416	118.3	189.8	199.8	188.5	202.8	206.6	211.8	235.8	235.7	226.3
j. Tea & coffee proccessing	0.967	99.5	197.7	179.6	168.9	190.7	190.7	177.5	187.8	189.5	187.8
k. Other food products n.e.c.	0.154	117.3	190.1	198.4	199.4	198.7	198.7	198.0	201.4	201.4	214.7
(B) Beverages, Tobacco & Tobacco Products	**1.339**	**124.3**	**227.2**	**243.9**	**235.2**	**250.4**	**250.4**	**250.4**	**256.3**	**256.3**	**259.2**
a. Wine Industries	0.269	163.5	247.5	289.8	265.4	306.9	306.9	306.9	306.9	306.9	306.9
b. Malt liquor	0.043	125.5	195.8	204.0	205.8	202.7	202.7	202.7	202.7	202.7	202.7
c. Soft drinks & carbonated water	0.053	109.1	164.8	176.2	171.0	186.7	186.7	186.7	186.7	186.7	186.7
d. Manufacture of bidi, cigarettes, tobacco & zarda	0.975	114.2	226.4	236.6	231.6	240.3	240.3	240.3	248.4	248.4	252.5
(C) Textiles	**9.800**	**128.1**	**129.6**	**132.3**	**130.9**	**132.1**	**132.9**	**133.0**	**133.5**	**132.5**	**132.1**
a. Cotton textiles	4.215	148.3	154.5	159.1	161.0	158.4	160.4	160.0	159.9	159.9	160.1
a1. Cotton yarn	3.312	152.1	150.2	156.3	158.7	155.4	157.9	157.5	157.3	157.3	157.5
a2. Cotton cloth (Mills)	0.903	134.4	169.6	169.4	169.3	169.4	169.4	169.4	169.4	169.4	169.8
b. Man made textiles	4.719	110.9	94.6	96.2	92.3	96.2	95.7	95.5	96.1	96.2	96.1
b1. Man made fibre	4.406	110.6	91.5	93.3	89.2	93.3	92.8	92.6	93.2	93.3	93.3
b2. Man made cloth	0.313	114.7	138.4	136.2	135.9	136.3	136.3	136.3	136.2	136.3	136.2
c. Woolen textiles	0.190	139.9	181.1	173.4	181.3	170.3	170.3	170.3	170.3	170.3	170.3
d. Jute, hemp & mesta textiles	0.376	120.5	207.0	218.4	205.2	221.4	231.3	240.5	247.1	220.5	207.6
e. Other misc. textiles	0.300	117.9	199.5	189.3	190.1	192.1	185.4	184.9	184.8	184.8	184.7
(D) Wood & Wood Products	**0.173**	**113.3**	**196.3**	**205.9**	**201.5**	**215.1**	**203.7**	**217.3**	**215.9**	**215.9**	**215.9**
(E) Paper & Paper Products	**2.044**	**117.0**	**178.5**	**190.9**	**188.6**	**192.3**	**192.9**	**192.8**	**192.5**	**192.6**	**193.0**
a. Paper & pulp	1.229	122.9	157.6	170.4	167.6	172.3	173.4	173.3	172.8	172.9	173.6
b. Manufacture of board	0.237	113.0	135.4	165.6	165.4	166.9	163.8	163.8	163.2	163.8	163.2
c. Printing & publishing of newspapers, periodicals *etc.*	0.578	106.2	240.7	244.7	242.6	245.2	246.3	246.3	246.3	246.3	246.3

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	2005-06	2006-07	2006		2007				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
(F) Leather & Leather Products	**1.019**	**117.8**	**166.5**	**159.7**	**156.0**	**165.5**	**165.5**	**165.5**	**164.7**	**165.5**	**164.7**
(G) Rubber & Plastic Products	**2.388**	**117.0**	**139.2**	**148.8**	**142.0**	**151.5**	**151.4**	**151.4**	**154.9**	**151.4**	**155.0**
a. Tyres & tubes	1.286	119.6	131.3	142.3	135.2	143.9	143.9	143.9	150.0	143.9	150.2
a1. Tyres	1.144	120.3	122.6	131.0	124.8	132.1	132.1	132.1	136.6	132.1	136.8
a2. Tubes	0.142	114.1	201.7	233.6	219.2	239.4	239.4	239.4	258.0	239.4	258.0
b. Plastic products	0.937	108.8	139.1	147.0	139.0	152.6	152.4	152.4	153.0	152.4	153.0
c. Other rubber & plastic products	0.165	143.9	201.5	209.5	212.4	203.8	203.8	203.8	203.8	203.8	203.8
(H) Chemicals & Chemical Products	**11.931**	**121.6**	**188.7**	**194.1**	**192.3**	**193.7**	**194.0**	**194.7**	**199.0**	**197.5**	**199.8**
a. Basic heavy inorganic chemicals	1.446	125.6	174.5	170.8	170.7	169.9	199.9	167.3	166.3	166.3	166.3
b. Basic heavy organic chemicals	0.455	131.4	164.9	180.1	158.2	182.0	190.5	184.6	179.1	190.5	180.8
c. Fertilisers & pesticides	4.164	123.0	171.7	171.5	173.2	171.2	171.3	171.3	171.3	171.4	173.2
c1. Fertilisers	3.689	121.8	174.9	177.3	176.1	178.1	178.1	178.2	178.1	178.2	180.2
c2. Pesticides	0.475	132.5	146.4	126.2	150.9	117.9	118.2	118.2	118.2	118.2	118.6
d. Paints, varnishes & lacquers	0.496	101.4	124.3	128.3	127.5	128.3	128.3	128.3	131.8	128.3	131.6
e. Dyestuffs & indigo	0.175	115.0	110.9	105.6	105.2	105.2	105.2	105.2	105.2	105.2	105.2
f. Drugs & medicines	2.532	132.9	279.0	294.1	290.6	291.0	290.5	307.6	310.5	307.6	310.0
g. Perfumes, cosmetics, toiletries, *etc.*	0.978	119.0	206.0	224.0	220.8	225.6	225.6	225.6	237.9	225.6	237.9
h. Turpentine, synthetic resins, plastic materials etc.	0.746	111.9	132.0	132.9	129.7	137.2	137.0	137.7	137.5	138.6	140.5
i. Matches, explosives & other chemicals n.e.c.	0.940	96.3	128.9	136.1	132.7	137.8	136.7	139.3	142.3	139.1	142.6
(I) Non-Metallic Mineral Products	**2.516**	**122.4**	**170.5**	**192.0**	**186.6**	**193.6**	**193.4**	**195.5**	**201.7**	**203.7**	**204.3**
a. Structural clay products	0.230	101.4	189.8	195.3	194.3	196.9	197.3	196.2	197.3	210.8	210.8
b. Glass, earthernware, chinaware & their products	0.237	126.3	159.2	160.6	156.6	168.6	168.6	168.6	168.6	168.6	168.6
c. Cement	1.731	126.9	167.4	197.6	193.5	198.6	198.3	201.5	210.4	211.5	212.4
d. Cement, slate & graphite products	0.319	110.3	181.6	183.0	181.9	182.3	182.3	182.3	182.3	182.3	182.3

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	2005-06	2006-07	2006		2007				
		April-March			May	Dec.	Jan.	Feb.	Mar.	Apr. (P)	May (P)
1	2	3	4	5	6	7	8	9	10	11	12
(J) Basic Metals Alloys & Metals Products	**8.342**	**115.6**	**218.1**	**233.8**	**222.4**	**241.3**	**241.4**	**241.1**	**242.3**	**242.7**	**245.2**
a. Basic metals & alloys	6.206	112.7	231.4	236.8	227.7	240.8	241.3	241.7	243.4	243.8	247.6
a1. Iron & steel	3.637	112.6	249.6	255.0	243.6	259.5	260.1	260.6	262.9	262.8	268.6
a2. Foundries for casting, forging & structurals	0.896	113.5	230.5	228.6	217.3	236.0	236.0	236.0	236.9	236.0	238.3
a3. Pipes, wires drawing & others	1.589	112.9	192.9	204.3	201.7	205.5	206.0	206.7	207.4	209.5	209.7
a4. Ferro alloys	0.085	102.9	184.5	148.5	144.2	150.7	150.7	150.7	150.7	154.1	154.1
b. Non-ferrous metals	1.466	130.8	195.8	259.5	235.4	284.5	281.8	278.3	277.8	278.4	276.5
b1. Aluminium	0.853	132.4	211.8	254.3	248.5	267.0	269.5	269.5	269.5	269.4	260.6
b2. Other non-ferrous metals	0.613	128.6	173.5	266.7	217.1	308.8	298.9	290.6	289.4	291.0	298.6
c. Metal Products	0.669	108.7	144.4	150.0	245.2	151.8	153.8	153.8	153.8	153.8	153.8
(K) Machinery & Machine Tools	**8.363**	**109.0**	**147.4**	**155.9**	**151.4**	**159.1**	**159.9**	**161.4**	**162.3**	**162.2**	**163.5**
a. Non-electrical machinery & parts	3.379	111.1	188.2	195.1	192.5	196.1	196.9	197.0	196.9	197.2	197.7
a1. Heavy machinery & parts	1.822	114.8	198.8	202.0	197.6	202.9	204.7	204.9	204.2	204.6	204.6
a2. Industrial machinery for textiles, etc.	0.568	108.4	246.1	255.3	254.9	255.2	255.2	255.2	257.5	255.3	259.9
a3. Refrigeration & other non-electrical machinery	0.989	106.0	135.2	147.6	147.2	149.7	149.1	149.1	148.7	150.1	149.3
b. Electrical machinery	4.985	107.5	119.8	129.4	123.6	134.0	134.9	137.3	138.9	138.4	140.4
b1. Electrical industrial machinery	1.811	108.8	142.8	150.5	146.7	152.5	153.2	153.6	154.1	154.1	154.6
b2. Wires & cables	1.076	119.0	146.4	180.8	160.8	199.4	199.4	210.1	216.9	214.5	221.8
b3. Dry & wet batteries	0.275	109.7	130.4	148.9	140.1	149.1	159.7	159.7	159.9	159.9	161.6
b4. Electrical apparatus & appliances & parts	1.823	99.2	79.7	75.3	76.3	74.7	74.8	74.8	74.7	74.7	75.1
(L) Transport Equipment & Parts	**4.295**	**110.6**	**160.0**	**162.5**	**161.1**	**162.9**	**163.0**	**163.1**	**163.4**	**163.5**	**163.6**
a. Locomotives, railway wagons & parts	0.318	105.4	125.1	125.0	126.2	122.2	122.2	122.2	122.2	122.2	122.2
b. Motor vehicles, motorcycles, scooters, bicycles & parts	3.977	111.0	162.7	165.5	163.9	166.1	166.3	166.4	166.7	166.8	166.9

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

Trade and Balance of Payments

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
2000-01	2,03,571	2,30,873	-27,302	44,560	50,536	-5,976	34,187	38,772	-4,585
2001-02	2,09,018	2,45,200	-36,182	43,827	51,413	-7,587	34,712	40,721	-6,009
2002-03	2,55,137	2,97,206	-42,069	52,719	61,412	-8,693	39,785	46,345	-6,560
2003-04	2,93,367	3,59,108	-65,741	63,843	78,149	-14,307	44,663	54,672	-10,009
2004-05	3,75,340	5,01,065	-1,25,725	83,536	111,517	-27,981	56,081	74,866	-18,785
2005-06	4,56,418	6,60,409	-2,03,991	103,091	149,166	-46,075	70,774	102,405	-31,631
2006-07	5,63,800	8,20,568	-2,56,768	124,598	181,343	-56,745	83,832	122,011	-38,179
2005-06 R									
April	33,595	49,586	-15,991	7,680	11,336	-3,656	5,086	7,507	-2,421
May	34,689	57,545	-22,856	7,977	13,232	-5,255	5,325	8,833	-3,508
June	34,402	51,440	-17,039	7,893	11,803	-3,909	5,379	8,043	-2,664
July	32,619	50,107	-17,488	7,492	11,509	-4,017	5,167	7,938	-2,770
August	37,392	55,665	-18,273	8,571	12,760	-4,189	5,844	8,700	-2,856
September	37,138	56,632	-19,494	8,457	12,896	-4,439	5,768	8,795	-3,027
October	38,643	53,256	-14,612	8,622	11,883	-3,260	5,964	8,219	-2,255
November	33,348	51,789	-18,441	7,293	11,326	-4,033	5,111	7,937	-2,826
December	42,151	56,547	-14,396	9,235	12,390	-3,154	6,453	8,657	-2,204
January	40,822	57,245	-16,424	9,195	12,894	-3,699	6,356	8,913	-2,557
February	40,193	56,924	-16,731	9,067	12,841	-3,774	6,316	8,945	-2,629
March	51,426	63,672	-12,246	11,561	14,314	-2,753	8,036	9,950	-1,914
2006-07 R									
April	38,627	56,342	-17,715	8,594	12,535	-3,941	5,917	8,630	-2,713
May	45,616	64,963	-19,347	10,046	14,307	-4,261	6,745	9,606	-2,861
June	47,922	64,683	-16,761	10,405	14,044	-3,639	7,040	9,502	-2,462
July	49,047	67,558	-18,511	10,558	14,542	-3,985	7,145	9,841	-2,697
August	49,649	68,658	-19,009	10,669	14,753	-4,085	7,173	9,920	-2,746
September	49,486	77,611	-28,125	10,730	16,829	-6,098	7,242	11,358	-4,116
October	44,589	76,048	-31,459	9,807	16,726	-6,919	6,655	11,350	-4,695
November	44,111	71,203	-27,092	9,835	15,876	-6,040	6,605	10,662	-4,057
December	46,468	69,546	-23,079	10,411	15,581	-5,171	6,904	10,333	-3,429
January	47,544	68,405	-20,861	10,725	15,430	-4,706	7,171	10,318	-3,146
February	45,340	63,423	-18,083	10,268	14,363	-4,095	6,857	9,592	-2,735
March	55,400	72,128	-16,727	12,584	16,383	-3,799	8,349	10,870	-2,521
2007-08 P									
April	44,572	74,330	-29,758	10,575	17,635	-7,060	6,948	11,586	-4,639

R : Revised.

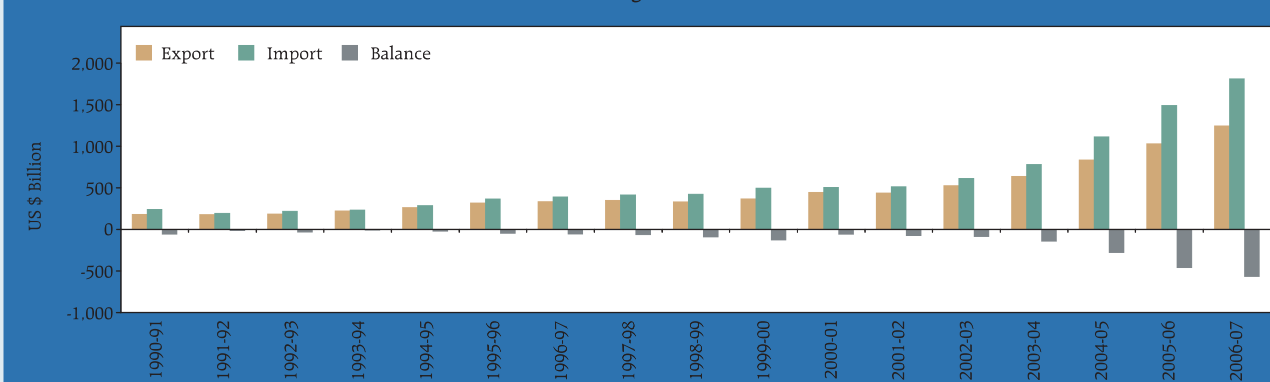
Source : DGCI & S & Ministry of Commerce and Industry.

Notes : 1. Data conversion has been done using period average exchange rates.

2. Monthly data may not add up to the annual data on account of revision in monthly figures.

Also see 'Notes on Tables'.

Foreign Trade



No. 42: India's Overall Balance of Payments

(Rs. crore)

Items	2006-07 PR			2005-06 R		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. Merchandise	**574917**	**868675**	**-293758**	**465705**	**695131**	**-229426**
II. Invisibles (a+b+c)	**537769**	**288334**	**249435**	**409200**	**220496**	**188704**
a) Services	367111	219307	147804	272220	166601	105619
i) Travel	42477	32726	9751	34871	28673	6198
ii) Transportation	36481	40029	-3548	27874	34746	-6872
iii) Insurance	5425	2898	2527	4641	4572	69
iv) G.n.i.e.	1235	1888	-653	1374	2243	-869
v) Miscellaneous	281493	141766	139727	203460	96367	107093
of which						
Software Services	141356	11266	130090	104632	5954	98678
Business Services	105895	90960	14935	57124	46630	10494
Financial Services	14413	8234	6179	7551	5799	1752
Communication Services	9332	3252	6080	9695	3610	6085
b) Transfers	130159	6537	123622	111856	4183	107673
i) Official	2877	1890	987	2965	2152	813
ii) Private	127282	4647	122635	108891	2031	106860
c) Income	40499	62490	-21991	25124	49712	-24588
i) Investment Income	38707	58144	-19437	24344	46313	-21969
ii) Compensation of Employees	1792	4346	-2554	780	3399	-2619
Total Current Account (I+II)	**1112686**	**1157009**	**-44323**	**874905**	**915627**	**-40722**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**586584**	**516501**	**70083**	**337301**	**260982**	**76319**
a) Foreign Direct Investment (i+ii)	92092	53899	38193	35213	14251	20962
i) In India	88119	394	87725	34240	273	33967
Equity	72471	394	72077	25822	273	25549
Reinvested Earnings	13284	–	13284	7420	–	7420
Other Capital	2364	–	2364	998	–	998
ii) Abroad	3973	53505	-49532	973	13978	-13005
Equity	3973	46232	-42259	973	9142	-8169
Reinvested Earnings	–	3331	-3331	–	1612	-1612
Other Capital	–	3942	-3942	–	3224	-3224
b) Portfolio Investment	494492	462602	31890	302088	246731	55357
In India	494093	462463	31630	302088	246731	55357
Abroad	399	139	260	–	–	–
2. Loans (a+b+c)	**227511**	**132518**	**94993**	**166208**	**139650**	**26558**
a) External Assistance	16805	8854	7951	16116	8611	7505
i) By India	73	163	-90	89	460	-371
ii) To India	16732	8691	8041	16027	8151	7876
b) Commercial Borrowings (MT & LT)	95675	23468	72207	64387	52925	11462
i) By India	2954	4384	-1430	–	1058	-1058
ii) To India	92721	19084	73637	64387	51867	12520
c) Short Term To India	115031	100196	14835	85705	78114	7591
3. Banking Capital (a+b)	**165495**	**156302**	**9193**	**95988**	**90193**	**5795**
a) Commercial Banks	163657	155945	7712	91200	89569	1631
i) Assets	64972	78080	-13108	3369	17711	-14342
ii) Liabilities	98685	77865	20820	87831	71858	15973
of which: Non-Resident Deposits	87952	70311	17641	79190	66733	12457
b) Others	1838	357	1481	4788	624	4164
4. Rupee Debt Service	**–**	**725**	**-725**	**–**	**2557**	**-2557**
5. Other Capital	**45708**	**17017**	**28691**	**28979**	**32125**	**-3146**
Total Capital Account (1 to 5)	**1025298**	**823063**	**202235**	**628476**	**525507**	**102969**
C. ERRORS & OMISSIONS	**5722**	**–**	**5722**	**3649**	**–**	**3649**
D. OVERALL BALANCE (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**2143706**	**1980072**	**163634**	**1507030**	**1441134**	**65896**
E. MONETARY MOVEMENTS (i+ii)	**–**	**163634**	**-163634**	**–**	**65896**	**-65896**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	163634	-163634	–	65896	-65896

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

Also see 'Notes on Tables'.

No. 42: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Apr-Jun 2006 PR			Jul-Sep 2006 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. Merchandise	**134930**	**211985**	**-77055**	**151631**	**225184**	**-73553**
II. Invisibles (a+b+c)	**112054**	**55764**	**56290**	**118694**	**67538**	**51156**
a) Services	77328	41109	36219	82757	49055	33702
i) Travel	7766	6766	1000	8328	8472	-144
ii) Transportation	7885	9312	-1427	9320	9464	-144
iii) Insurance	1087	582	505	1447	696	751
iv) G.n.i.e.	259	368	-109	311	598	-287
v) Miscellaneous	60331	24081	36250	63351	29825	33526
of which						
Software Services	32007	1992	30015	33020	2054	30966
Business Services	20757	14432	6325	24229	18822	5407
Financial Services	2828	1441	1387	2008	1632	376
Communication Services	2019	491	1528	1938	849	1089
b) Transfers	27246	1364	25882	25981	1748	24233
i) Official	314	409	-95	561	519	42
ii) Private	26932	955	25977	25420	1229	24191
c) Income	7480	13291	-5811	9956	16735	-6779
i) Investment Income	7184	12400	-5216	9608	15636	-6028
ii) Compensation of Employees	296	891	-595	348	1099	-751
Total Current Account (I+II)	**246984**	**267749**	**-20765**	**270325**	**292722**	**-22397**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**152041**	**147898**	**4143**	**100906**	**79678**	**21228**
a) Foreign Direct Investment (i+ii)	11886	5447	6439	17718	6468	11250
i) In India	11586	36	11550	16633	9	16624
Equity	8376	36	8340	12900	9	12891
Reinvested Earnings	3174	–	3174	3459	–	3459
Other Capital	36	–	36	274	–	274
ii) Abroad	300	5411	-5111	1085	6459	-5374
Equity	300	3533	-3233	1085	4836	-3751
Reinvested Earnings	–	837	-837	–	853	-853
Other Capital	–	1041	-1041	–	770	-770
b) Portfolio Investment	140155	142451	-2296	83188	73210	9978
In India	140055	142446	-2391	83137	73205	9932
Abroad	100	5	95	51	5	46
2. Loans (a+b+c)	**48831**	**28710**	**20121**	**45435**	**29904**	**15531**
a) External Assistance	2619	2396	223	3650	2087	1563
i) By India	18	41	-23	19	42	-23
ii) To India	2601	2355	246	3631	2045	1586
b) Commercial Borrowings (MT & LT)	22995	4993	18002	11037	4275	6762
i) By India	414	1014	-600	529	793	-264
ii) To India	22581	3979	18602	10508	3482	7026
c) Short Term To India	23217	21321	1896	30748	23542	7206
3. Banking Capital (a+b)	**44729**	**22040**	**22689**	**26209**	**34685**	**-8476**
a) Commercial Banks	44402	22040	22362	26209	34481	-8272
i) Assets	23904	8535	15369	7271	16475	-9204
ii) Liabilities	20498	13505	6993	18938	18006	932
of which: Non-Resident Deposits	18980	13382	5598	18928	15233	3695
b) Others	327	–	327	–	204	-204
4. Rupee Debt Service	**–**	**305**	**-305**	**–**	**–**	**–**
5. Other Capital	**8121**	**6734**	**1387**	**8323**	**5240**	**3083**
Total Capital Account (1 to 5)	**253722**	**205687**	**48035**	**180873**	**149507**	**31366**
C. ERRORS & OMISSIONS	**1736**	**–**	**1736**	**1557**	**–**	**1557**
D. OVERALL BALANCE (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**502442**	**473436**	**29006**	**452755**	**442229**	**10526**
E. MONETARY MOVEMENTS (i+ii)	**–**	**29006**	**-29006**	**–**	**10526**	**-10526**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	29006	-29006	–	10526	-10526

No. 42: India's Overall Balance of Payments *(Concld.)*

(Rs. crore)

Items	Oct-Dec 2006 PR			Jan.-Mar. 2007 P		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. CURRENT ACCOUNT						
I. Merchandise	**137940**	**213807**	**-75867**	**150416**	**217699**	**-67283**
II. Invisibles (a+b+c)	**142412**	**79028**	**63384**	**164609**	**86004**	**78605**
a) Services	95547	61957	33590	111479	67186	44293
i) Travel	13140	9577	3563	13243	7911	5332
ii) Transportation	9465	10612	-1147	9811	10641	-830
iii) Insurance	1318	904	414	1573	716	857
iv) G.n.i.e.	391	441	-50	274	481	-207
v) Miscellaneous	71233	40423	30810	86578	47437	39141
of which						
Software Services	34197	3320	30877	42132	3900	38232
Business Services	29357	23698	5659	31552	34008	-2456
Financial Services	2443	1336	1107	7134	3825	3309
Communication Services	2650	1165	1485	2725	747	1978
b) Transfers	36833	1547	35286	40099	1878	38221
i) Official	1291	436	855	711	526	185
ii) Private	35542	1111	34431	39388	1352	38036
c) Income	10032	15524	-5492	13031	16940	-3909
i) Investment Income	9573	14467	-4894	12342	15641	-3299
ii) Compensation of Employees	459	1057	-598	689	1299	-610
Total Current Account (I+II)	**280352**	**292835**	**-12483**	**315025**	**303703**	**11322**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**169856**	**142295**	**27561**	**163781**	**146630**	**17151**
a) Foreign Direct Investment (i+ii)	41030	29523	11507	21458	12461	8997
i) In India	40306	31	40275	19594	318	19276
Equity	36433	31	36402	14762	318	14444
Reinvested Earnings	3356	–	3356	3295	–	3295
Other Capital	517	–	517	1537	–	1537
ii) Abroad	724	29492	-28768	1864	12143	-10279
Equity	724	27072	-26348	1864	10791	-8927
Reinvested Earnings	–	828	-828	–	813	-813
Other Capital	–	1592	-1592	–	539	-539
b) Portfolio Investment	128826	112772	16054	142323	134169	8154
In India	128768	112745	16023	142133	134067	8066
Abroad	58	27	31	190	102	88
2. Loans (a+b+c)	**56951**	**37558**	**19393**	**76294**	**36346**	**39948**
a) External Assistance	4935	2087	2848	5601	2284	3317
i) By India	18	40	-22	18	40	-22
ii) To India	4917	2047	2870	5583	2244	3339
b) Commercial Borrowings (MT & LT)	24706	6739	17967	36937	7461	29476
i) By India	2011	1543	468	–	1034	-1034
ii) To India	22695	5196	17499	36937	6427	30510
c) Short Term To India	27310	28732	-1422	33756	26601	7155
3. Banking Capital (a+b)	**31201**	**46226**	**-15025**	**63356**	**53351**	**10005**
a) Commercial Banks	30229	46073	-15844	62817	53351	9466
i) Assets	2501	20378	-17877	31296	32692	-1396
ii) Liabilities	27728	25695	2033	31521	20659	10862
of which: Non-Resident Deposits	27450	21889	5561	22594	19807	2787
b) Others	972	153	819	539	–	539
4. Rupee Debt Service	**–**	**9**	**-9**	**–**	**411**	**-411**
5. Other Capital	**18795**	**3563**	**15232**	**10469**	**1480**	**8989**
Total Capital Account (1 to 5)	**276803**	**229651**	**47152**	**313900**	**238218**	**75682**
C. ERRORS & OMISSIONS	**–**	**908**	**-908**	**3337**	**–**	**3337**
D. OVERALL BALANCE (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**557155**	**523394**	**33761**	**632262**	**541921**	**90341**
E. MONETARY MOVEMENTS (i+ii)	**–**	**33761**	**-33761**	**–**	**90341**	**-90341**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	33761	-33761	–	90341	-90341

No. 43: India's Overall Balance of Payments

(US $ million)

Items	2006-07 P			2005-06 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. Merchandise	**127090**	**191995**	**-64905**	**105152**	**156993**	**-51841**
II. Invisibles (a+b+c)	**119163**	**63867**	**55296**	**92294**	**49639**	**42655**
a) Services	81330	48603	32727	61404	37523	23881
i) Travel	9423	7235	2188	7853	6464	1389
ii) Transportation	8069	8857	-788	6291	7841	-1550
iii) Insurance	1200	641	559	1050	1028	22
iv) G.n.i.e.	273	417	-144	309	506	-197
v) Miscellaneous	62365	31453	30912	45901	21684	24217
of which						
Software Services	31300	2502	28798	23600	1338	22262
Business Services	23459	20200	3259	12858	10496	2362
Financial Services	3213	1832	1381	1704	1308	396
Communication Services	2068	719	1349	2182	808	1374
b) Transfers	28861	1446	27415	25228	944	24284
i) Official	638	418	220	668	486	182
ii) Private	28223	1028	27195	24560	458	24102
c) Income	8972	13818	-4846	5662	11172	-5510
i) Investment Income	8574	12856	-4282	5486	10407	-4921
ii) Compensation of Employees	398	962	-564	176	765	-589
Total Current Account (I+II)	**246253**	**255862**	**-9609**	**197446**	**206632**	**-9186**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**130035**	**114536**	**15499**	**76061**	**58837**	**17224**
a) Foreign Direct Investment (i+ii)	20414	11977	8437	7941	3211	4730
i) In India	19531	89	19442	7722	61	7661
Equity	16065	89	15976	5820	61	5759
Reinvested Earnings	2936	–	2936	1676	–	1676
Other Capital	530	–	530	226	–	226
ii) Abroad	883	11888	-11005	219	3150	-2931
Equity	883	10281	-9398	219	2060	-1841
Reinvested Earnings	–	736	-736	–	364	-364
Other Capital	–	871	-871	–	726	-726
b) Portfolio Investment	109621	102559	7062	68120	55626	12494
In India	109532	102528	7004	68120	55626	12494
Abroad	89	31	58	–	–	–
2. Loans (a+b+c)	**50469**	**29340**	**21129**	**37529**	**31416**	**6113**
a) External Assistance	3728	1958	1770	3627	1945	1682
i) By India	16	36	-20	20	104	-84
ii) To India	3712	1922	1790	3607	1841	1766
b) Commercial Borrowings (MT & LT)	21291	5207	16084	14547	11824	2723
i) By India	652	971	-319	–	240	-240
ii) To India	20639	4236	16403	14547	11584	2963
c) Short Term To India	25450	22175	3275	19355	17647	1708
3. Banking Capital (a+b)	**36768**	**34681**	**2087**	**21658**	**20285**	**1373**
a) Commercial Banks	36358	34603	1755	20586	20144	442
i) Assets	14466	17361	-2895	772	3947	-3175
ii) Liabilities	21892	17242	4650	19814	16197	3617
of which: Non-Resident Deposits	19473	15578	3895	17835	15046	2789
b) Others	410	78	332	1072	141	931
4. Rupee Debt Service	**–**	**162**	**-162**	**–**	**572**	**-572**
5. Other Capital	**10129**	**3738**	**6391**	**6505**	**7243**	**-738**
Total Capital Account (1 to 5)	**227401**	**182457**	**44944**	**141753**	**118353**	**23400**
C. ERRORS & OMISSIONS	**1271**	**–**	**1271**	**838**	**–**	**838**
D. OVERALL BALANCE (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**474925**	**438319**	**36606**	**340037**	**324985**	**15052**
E. MONETARY MOVEMENTS (i+ii)	**–**	**36606**	**-36606**	**–**	**15052**	**-15052**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	36606	-36606	–	15052	-15052

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

Also see 'Notes on Tables'.

No. 43: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	Apr-Jun 2006 PR			Jul-Sep 2006 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. Merchandise	**29674**	**46620**	**-16946**	**32700**	**48562**	**-15862**
II. Invisibles (a+b+c)	**24643**	**12264**	**12379**	**25597**	**14565**	**11032**
a) Services	17006	9041	7965	17847	10579	7268
i) Travel	1708	1488	220	1796	1827	-31
ii) Transportation	1734	2048	-314	2010	2041	-31
iii) Insurance	239	128	111	312	150	162
iv) G.n.i.e.	57	81	-24	67	129	-62
v) Miscellaneous	13268	5296	7972	13662	6432	7230
of which						
Software Services	7039	438	6601	7121	443	6678
Business Services	4565	3174	1391	5225	4059	1166
Financial Services	622	317	305	433	352	81
Communication Services	444	108	336	418	183	235
b) Transfers	5992	300	5692	5603	377	5226
i) Official	69	90	-21	121	112	9
ii) Private	5923	210	5713	5482	265	5217
c) Income	1645	2923	-1278	2147	3609	-1462
i) Investment Income	1580	2727	-1147	2072	3372	-1300
ii) Compensation of Employees	65	196	-131	75	237	-162
Total Current Account (I+II)	**54317**	**58884**	**-4567**	**58297**	**63127**	**-4830**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**33437**	**32526**	**911**	**21761**	**17183**	**4578**
a) Foreign Direct Investment (i+ii)	2614	1198	1416	3821	1395	2426
i) In India	2548	8	2540	3587	2	3585
Equity	1842	8	1834	2782	2	2780
Reinvested Earnings	698	–	698	746	–	746
Other Capital	8	–	8	59	–	59
ii) Abroad	66	1190	-1124	234	1393	-1159
Equity	66	777	-711	234	1043	-809
Reinvested Earnings	–	184	-184	–	184	-184
Other Capital	–	229	-229	–	166	-166
b) Portfolio Investment	30823	31328	-505	17940	15788	2152
In India	30801	31327	-526	17929	15787	2142
Abroad	22	1	21	11	1	10
2. Loans (a+b+c)	**10739**	**6314**	**4425**	**9798**	**6449**	**3349**
a) External Assistance	576	527	49	787	450	337
i) By India	4	9	-5	4	9	-5
ii) To India	572	518	54	783	441	342
b) Commercial Borrowings (MT & LT)	5057	1098	3959	2380	922	1458
i) By India	91	223	-132	114	171	-57
ii) To India	4966	875	4091	2266	751	1515
c) Short Term To India	5106	4689	417	6631	5077	1554
3. Banking Capital (a+b)	**9837**	**4847**	**4990**	**5652**	**7480**	**-1828**
a) Commercial Banks	9765	4847	4918	5652	7436	-1784
i) Assets	5257	1877	3380	1568	3553	-1985
ii) Liabilities	4508	2970	1538	4084	3883	201
of which: Non-Resident Deposits	4174	2943	1231	4082	3285	797
b) Others	72	–	72	–	44	-44
4. Rupee Debt Service	**–**	**67**	**-67**	**–**	**–**	**–**
5. Other Capital	**1786**	**1481**	**305**	**1795**	**1130**	**665**
Total Capital Account (1 to 5)	**55799**	**45235**	**10564**	**39006**	**32242**	**6764**
C. ERRORS & OMISSIONS	**382**	**–**	**382**	**336**	**–**	**336**
D. OVERALL BALANCE (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**110498**	**104119**	**6379**	**97639**	**95369**	**2270**
E. MONETARY MOVEMENTS (i+ii)	**–**	**6379**	**-6379**	**–**	**2270**	**-2270**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	6379	-6379	–	2270	-2270

No. 43: India's Overall Balance of Payments *(Concld.)*

(US $ million)

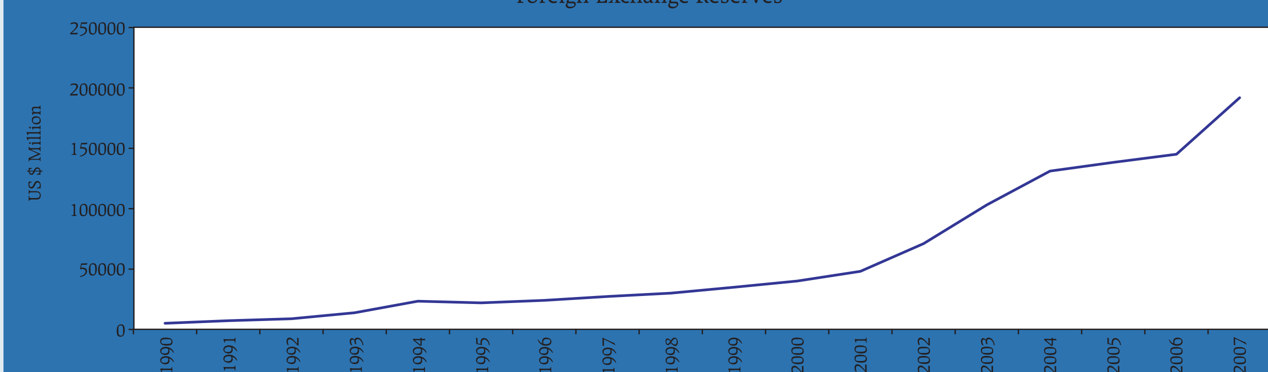
Items	Oct-Dec 2006 PR			Jan-Mar 2007 P		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. CURRENT ACCOUNT						
I. Merchandise	**30664**	**47529**	**-16865**	**34052**	**49284**	**-15232**
II. Invisibles (a+b+c)	**31658**	**17568**	**14090**	**37265**	**19470**	**17795**
a) Services	21240	13773	7467	25237	15210	10027
i) Travel	2921	2129	792	2998	1791	1207
ii) Transportation	2104	2359	-255	2221	2409	-188
iii) Insurance	293	201	92	356	162	194
iv) G.n.i.e.	87	98	-11	62	109	-47
v) Miscellaneous	15835	8986	6849	19600	10739	8861
of which						
Software Services	7602	738	6864	9538	883	8655
Business Services	6526	5268	1258	7143	7699	-556
Financial Services	543	297	246	1615	866	749
Communication Services	589	259	330	617	169	448
b) Transfers	8188	344	7844	9078	425	8653
i) Official	287	97	190	161	119	42
ii) Private	7901	247	7654	8917	306	8611
c) Income	2230	3451	-1221	2950	3835	-885
i) Investment Income	2128	3216	-1088	2794	3541	-747
ii) Compensation of Employees	102	235	-133	156	294	-138
Total Current Account (I+II)	**62322**	**65097**	**-2775**	**71317**	**68754**	**2563**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**37759**	**31632**	**6127**	**37078**	**33195**	**3883**
a) Foreign Direct Investment (i+ii)	9121	6563	2558	4858	2821	2037
i) In India	8960	7	8953	4436	72	4364
Equity	8099	7	8092	3342	72	3270
Reinvested Earnings	746	–	746	746	–	746
Other Capital	115	–	115	348	–	348
ii) Abroad	161	6556	-6395	422	2749	-2327
Equity	161	6018	-5857	422	2443	-2021
Reinvested Earnings	–	184	-184	–	184	-184
Other Capital	–	354	-354	–	122	-122
b) Portfolio Investment	28638	25069	3569	32220	30374	1846
In India	28625	25063	3562	32177	30351	1826
Abroad	13	6	7	43	23	20
2. Loans (a+b+c)	**12660**	**8349**	**4311**	**17272**	**8228**	**9044**
a) External Assistance	1097	464	633	1268	517	751
i) By India	4	9	-5	4	9	-5
ii) To India	1093	455	638	1264	508	756
b) Commercial Borrowings (MT & LT)	5492	1498	3994	8362	1689	6673
i) By India	447	343	104	–	234	-234
ii) To India	5045	1155	3890	8362	1455	6907
c) Short Term To India	6071	6387	-316	7642	6022	1620
3. Banking Capital (a+b)	**6936**	**10276**	**-3340**	**14343**	**12078**	**2265**
a) Commercial Banks	6720	10242	-3522	14221	12078	2143
i) Assets	556	4530	-3974	7085	7401	-316
ii) Liabilities	6164	5712	452	7136	4677	2459
of which: Non-Resident Deposits	6102	4866	1236	5115	4484	631
b) Others	216	34	182	122	–	122
4. Rupee Debt Service	**–**	**2**	**-2**	**–**	**93**	**-93**
5. Other Capital	**4178**	**792**	**3386**	**2370**	**335**	**2035**
Total Capital Account (1 to 5)	**61533**	**51051**	**10482**	**71063**	**53929**	**17134**
C. ERRORS & OMISSIONS	**–**	**202**	**-202**	**755**	**–**	**755**
D. OVERALL BALANCE (Total Capital Account, Current Account and Errors & Omissions (A+B+C))	**123855**	**116350**	**7505**	**143135**	**122683**	**20452**
E. MONETARY MOVEMENTS (i+ii)	**–**	**7505**	**-7505**	**–**	**20452**	**-20452**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	7505	-7505	–	20452	-20452

No. 44: Foreign Exchange Reserves

End of	Foreign Currency Assets		Gold		SDRs			Reserve Tranche Position in IMF		**Total**	
	Rupees crore	In millions of US $	Rupees crore	In millions of US $	In millions of SDRs	Rupees crore	In millions of US $	Rupees crore	In millions of US $	**Rupees crore**	**In millions of US $**
1	2	3	4	5	6	7	8	9	10	**11=(2+4+7+9)**	**12=(3+5+8+10)**
2002-03	3,41,476	71,890	16,785	3,534	3	19	4	3,190	672	**3,61,470**	**76,100**
2003-04	4,66,215	107,448	18,216	4,198	2	10	2	5,688	1,311	**4,90,129**	**112,959**
2004-05	5,93,121	135,571	19,686	4,500	3	20	5	6,289	1,438	**6,19,116**	**141,514**
2005-06	6,47,327	145,108	25,674	5,755	2	12	3	3,374	756	**6,76,387**	**151,622**
2006-07	8,36,597	191,924	29,573	6,784	1	8	2	2,044	469	**8,68,222**	**199,179**
2005-06											
April	5,93,423	135,950	19,393	4,443	3	20	5	6,300	1,443	**6,19,136**	**141,841**
May	5,80,749	132,925	19,119	4,376	3	19	4	6,780	1,552	**6,06,667**	**138,857**
June	5,75,864	132,352	19,375	4,453	3	18	4	6,791	1,561	**6,02,048**	**138,370**
July	5,85,319	134,587	19,116	4,395	3	18	4	6,766	1,556	**6,11,219**	**140,542**
August	6,08,225	138,107	19,971	4,535	3	19	4	6,312	1,433	**6,34,527**	**144,079**
September	6,02,309	136,920	20,727	4,712	3	19	4	6,260	1,423	**6,29,315**	**143,059**
October	6,19,299	137,286	21,943	4,864	3	20	4	6,403	1,419	**6,47,665**	**143,573**
November	6,27,455	136,582	22,626	4,925	3	21	4	6,017	1,310	**6,56,119**	**142,821**
December	5,90,497	131,018	23,770	5,274	3	20	5	4,096	909	**6,18,383**	**137,206**
January	5,89,526	133,770	25,030	5,680	3	20	5	4,051	919	**6,18,627**	**140,374**
February	6,03,925	135,897	25,541	5,747	2	12	3	3,348	753	**6,32,826**	**142,400**
March	6,47,327	145,108	25,674	5,755	2	12	3	3,374	756	**6,76,387**	**151,622**
2006-07											
April	6,90,730	153,598	28,335	6,301	4	25	6	3,473	772	**7,22,563**	**160,677**
May	7,24,648	156,073	32,549	7,010	–	2	–	3,643	785	**7,60,842**	**163,868**
June	7,18,701	155,968	28,479	6,180	–	2	–	3,518	764	**7,50,700**	**162,912**
July	7,31,354	157,247	30,496	6,557	5	33	7	3,562	766	**7,65,445**	**164,577**
August	7,39,857	158,938	30,436	6,538	1	6	1	3,570	767	**7,73,869**	**166,244**
September	7,27,733	158,340	28,506	6,202	1	6	1	3,502	762	**7,59,747**	**165,305**
October	7,23,332	160,669	27,320	6,068	5	33	7	2,918	648	**7,53,603**	**167,392**
November	7,50,168	167,598	29,067	6,494	1	4	1	2,451	548	**7,81,690**	**174,641**
December	7,52,738	170,187	28,824	6,517	1	4	1	2,416	546	**7,83,982**	**177,251**
2007- 08											
January	7,64,501	173,081	28,840	6,529	7	44	10	2,390	541	**7,95,775**	**180,161**
February	8,29,533	187,211	30,499	6,883	1	8	2	2,070	467	**8,62,110**	**194,563**
March	8,36,597	191,924	29,573	6,784	1	8	2	2,044	469	**8,68,222**	**1,99,179**
April	8,12,995	196,899	29,051	7,036	7	45	11	1,910	463	**8,44,001**	**204,409**
May	8,17,440	200,697	28,147	6,911	1	6	1	1,870	459	**8,47,463**	**208,068**
May 4, 2007	8,03,684	196,500	29,051	7,036	7	44	11	1,888	462	**8,34,667**	**204,009**
May 11, 2007	8,12,302	196,493	29,051	7,036	1	6	1	1,907	461	**8,43,266**	**203,991**
May 18, 2007	8,03,625	196,485	29,051	7,036	1	6	1	1,881	460	**8,34,563**	**203,982**
May 25, 2007	8,01,600	197,438	29,051	7,036	1	6	1	1,865	459	**8,32,522**	**204,934**
June 1, 2007	8,14,862	201,002	28,147	6,911	1	6	1	1,862	459	**8,44,877**	**208,373**
June 8, 2007	8,28,522	202,177	28,147	6,911	1	6	1	1,876	458	**8,58,551**	**209,547**

– : Negligible. See 'Notes on tables'.

Foreign Exchange Reserves



No.: 45 NRI Deposits- Outstanding and Inflows (+) /Outflows (-) @

(As at End March) (US $ million)

Scheme	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. FCNR(A)	7,051	4,255	2,306	1	*	*	*	*	*	*	*	*	*
2. FCNR(B)	3,063	5,720	7,496	8,467	7,835	8,172	9,076	9,673	10,199	10,961	11,452	13,064	15,129
3. NR(E)RA	4,556	3,916	4,983	5,637	6,045	6,758	7,147	8,449	14,923	20,559	21,291	22,070	24,495
4. NR(NR)RD	2,486	3,542	5,604	6,262	6,618	6,754	6,849	7,052	3,407	1,746	232	**	**
Total	**17,156**	**17,433**	**20,389**	**20,367**	**20,498**	**21,684**	**23,072**	**25,174**	**28,529**	**33,266**	**32,975**	**35,134**	**39,624**

(US $ million)

Scheme	2006-07 (End Month)											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B)	13,296	13,477	13,560	13,680	13,825	13,906	14,044	14,245	14,656	14,746	14,841	15,129
2. NR(E)RA	21,905	21,780	22,091	22,005	22,117	22,609	22,981	23,532	23,976	24,117	24,057	24,495
Total	**35,201**	**35,257**	**35,651**	**35,685**	**35,942**	**36,515**	**37,025**	**37,777**	**38,632**	**38,863**	**38,898**	**39,624**

(US $ million)

Scheme	2007-08 (P) (End Month)
	Apr.
1	2
1. FCNR(B)	15,249
2. NR(E)RA	25,600
Total	**40,849**

Inflow (+) /Outflow (–) During the Month (US $ million)

Scheme	2006-07												
	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
1. FCNR(B)	232	181	83	120	145	81	139	200	411	89	96	288	2,065
	(87)	(-155)	(13)	(-51)	(165)	(-34)	(79)	(-136)	(400)	(732)	(119)	(393)	(1,612)
2. NR(E)RA @@	21	294	420	139	99	213	-1	375	112	135	-36	59	1,830
	(33)	(-83)	(-3)	(37)	(-10)	(234)	(-14)	(314)	(238)	(-165)	(226)	(370)	(1,177)
Total	**253**	**475**	**503**	**259**	**244**	**294**	**138**	**575**	**523**	**224**	**60**	**347**	**3,895**
	(120)	**(-238)**	**(10)**	**(-14)**	**(155)**	**(200)**	**(65)**	**(178)**	**(638)**	**(567)**	**(345)**	**(763)**	**(2,789)**

Inflow (+)/Outflow (–) During the Month

(US $ million)

Scheme	2007-08 (P)
	Apr.
1	2
1. FCNR(B)	120
	(232)
2. NR(E)RA @@	-394
	(21)
Total	**-274**
	(253)

@ : All figures are inclusive of accrued interest.
@@ : The inflows into NR(E)RA deposits from 2002-03 onwards may partly be due to crediting of maturity proceeds of the NR(NR)R deposits which were discontinued with effect from April 1, 2002.
* : withdrawn effective August 1994.
** : Discontinued effective April 2002.

Notes :
1. FCNR(A) : Foreign Currency Non-Resident (Accounts).
2. FCNR(B) : Foreign Currency Non-Resident (Banks).
3. NR(E)RA : Non-Resident (External) Rupee Accounts.
4. NR(NR)RD : Non-Resident (Non-Repatriable) Rupee Deposits.
5. Figures in the brackets represent inflows(+)/outflows (-) during the corresponding month/period of the previous year.

Inflows /Outflows have been calculated by taking the monthly variation in rupee denominated deposits and converting those by monthly average exchange rate. All figures are inclusive of interest and valuation changes arising on account of fluctuation in non-dollar currencies against US Dollar.

No. 46: Foreign Investment Inflows

(US $ million)

Item	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06(P)	2006-07(P)
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Direct Investment (I+II+III)	**2,144**	**2,821**	**3,557**	**2,462**	**2,155**	**4,029**	**6,130**	**5,035**	**4,322**	**6,051**	**7,722**	**19,531**
I. Equity (a+b+c+d+e)	2,144	2,821	3,557	2,462	2,155	2,400	4,095	2,764	2,229	3,778	5,820	16,065
a. Government (SIA/FIPB)	1,249	1,922	2,754	1,821	1,410	1,456	2,221	919	928	1,062	1,126	2,156
b. RBI	169	135	202	179	171	454	767	739	534	1,258	2,233	7,151
c. NRI	715	639	241	62	84	67	35	–	–	–	–	–
d. Acquisition of shares *	11	125	360	400	490	362	881	916	735	930	2,181	6,278 ‡
e. Equity capital of unincorporated bodies #	..	..	..	..	..	61	191	190	32	528	280	480
II. Reinvested earnings +	..	..	..	..	..	1,350	1,645	1,833	1,460	1,904	1,676	2,936
III. Other capital ++	..	..	..	..	..	279	390	438	633	369	226	530
B. Portfolio Investment (a+b+c)	**2,748**	**3,312**	**1,828**	**-61**	**3,026**	**2,760**	**2,021**	**979**	**11,377**	**9,315**	**12,492**	**7,003**
a. GDRs/ADRs ##	683	1,366	645	270	768	831	477	600	459	613	2,552	3,776
b. FIIs **	2,009	1,926	979	-390	2,135	1,847	1,505	377	10,918	8,686	9,926	3,225
c. Offshore funds and others	56	20	204	59	123	82	39	2	–	16	14	2
Total (A+B)	**4,892**	**6,133**	**5,385**	**2,401**	**5,181**	**6,789**	**8,151**	**6,014**	**15,699**	**15,366**	**20,214**	**26,534**

(US $ million)

Item	2006-07 (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
A. Direct Investment (I+II+III)	**661**	**538**	**523**	**1,127**	**619**	**916**	**1,698**	**1,151**	**5,130**	**1,921**	**698**	**603**
I. Equity (a+b+c+d+e)	661	538	523	1,127	619	916	1,698	1,151	5,130	1,921	698	603
a. Government (SIA/FIPB)	124	162	124	105	41	87	619	60	22	451	301	60
b. RBI	482	355	348	581	436	332	676	1,045	1,956	204	322	414
c. NRI	–	–	–	–	–	–	–	–	–	–	–	–
d. Acquisition of shares *	55	21	51	441	142	497	403	46	3,152 ‡	1,266	75	129
e. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..
B. Portfolio Investment (a+b+c)	**3,711**	**-3,334**	**-903**	**-309**	**1,212**	**1,238**	**1,755**	**2,236**	**-429**	**1,602**	**2,630**	**-2,406**
a. GDRs/ADRs ##	435	572	254	286	–	174	52	77	78	1,578	245	25
b. FIIs **	3,276	-3,906	-1,157	-595	1,212	1,064	1,703	2,159	-507	24	2,385	-2,433
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	2
Total (A+B)	**4,372**	**-2,796**	**-380**	**818**	**1,831**	**2,154**	**3,453**	**3,387**	**4,701**	**3,523**	**3,328**	**-1,803**

(US $ million)

Item	2007-08 (P)
	Apr.
1	2
A. Direct Investment (I+II+III)	**1,551**
I. Equity (a+b+c+d+e)	1,551
a. Government (SIA/FIPB)	76
b. RBI	607
c. NRI	–
d. Acquisition of shares *	868
e. Equity capital of unincorporated bodies #	..
II. Reinvested earnings+	..
III. Other capital++	..
B. Portfolio Investment (a+b+c)	**1,974**
a. GDRs/ADRs ##	11
b. FIIs **	1,963
c. Offshore funds and others	–
Total (A+B)	**3,525**

* : Relates to acquisition of shares of Indian companies by non-residents under Section 6 of FEMA, 1999. Data on such acquisitions have been included as part of FDI since January 1996.

** : Represents inflow of funds (net) by Foreign Institutional Investors (FIIs).

\# : Figures for equity capital of unincorporated bodies for 2005-06 and 2006-07 are estimates.

\## : Represents the amount raised by Indian Corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

\+ : Data for 2005-06 and 2006-07 are estimated as average of previous two years. ++ : Data pertain to inter company debt transactions of FDI entities.

‡ : Include Swap of shares of US $ 3.1 billion.

Notes : 1. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices.

2. These data, therefore, are not comparable with FDI data for previous years.Also see 'Notes on Tables 'of Table No 42&43.

3. Monthly data on components of FDI as per expanded coverage are not available.

No. 47: Daily Foreign Exchange Spot Rates

(Rupees per Unit of Foreign Currency)

Date	RBI's Reference Rate Rs. Per Foreign Currency		FEDAI Indicative Rates							
	US Dollar	Euro	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	11
May 1, 2007 +										
May 2, 2007 +										
May 3, 2007	41.1800	56.0700	41.1850	41.1950	82.0525	82.0775	56.0775	56.0950	34.2925	34.3075
May 4, 2007	40.9000	55.4700	40.8900	40.9000	81.2450	81.2675	55.4550	55.4775	33.9950	34.0100
May 7, 2007	40.5700	55.1900	40.5800	40.5900	81.0225	81.0625	55.2225	55.2425	33.8475	33.8675
May 8, 2007	40.7800	55.5300	40.7800	40.7900	81.3525	81.3850	55.5050	55.5275	33.9925	34.0150
May 9, 2007	40.9100	55.4200	40.8850	40.8950	81.3975	81.4300	55.3700	55.3875	34.1100	34.1300
May 10, 2007	41.0000	55.5800	40.9850	40.9950	81.7975	81.8375	55.5675	55.5850	34.1400	34.1625
May 11, 2007	41.3400	55.7400	41.3300	41.3400	81.7675	81.8025	55.7300	55.7550	34.4800	34.4950
May 14, 2007	40.9300	55.4200	40.9300	40.9400	81.2125	81.2450	55.4150	55.4325	34.0325	34.0575
May 15, 2007	40.8700	55.3900	40.8600	40.8700	80.9725	81.0050	55.3775	55.4000	33.9625	33.9800
May 16, 2007	40.8400	55.5600	40.8400	40.8500	81.1175	81.1400	55.5350	55.5525	33.9600	33.9725
May 17, 2007	40.8400	55.2300	40.8300	40.8400	80.7000	80.7325	55.2225	55.2400	33.7700	33.7900
May 18, 2007	40.9000	55.1800	40.8900	40.9000	80.7575	80.7900	55.1600	55.1875	33.7200	33.7350
May 21, 2007	40.6000	54.8700	40.6000	40.6100	80.1275	80.1600	54.8675	54.8925	33.4800	33.4925
May 22, 2007	40.6400	54.7400	40.6300	40.6400	80.1275	80.1575	54.7250	54.7425	33.4800	33.5025
May 23, 2007	40.5500	54.5800	40.5600	40.5700	80.1100	80.1425	54.5775	54.6025	33.3400	33.3550
May 24, 2007	40.5700	54.5700	40.5600	40.5700	80.6125	80.6450	54.5525	54.5750	33.3750	33.3975
May 25, 2007	40.6000	54.5500	40.6100	40.6200	80.6800	80.7050	54.5475	54.5725	33.4575	33.4700
May 28, 2007	40.5300	54.5200	40.5500	40.5600	80.4600	80.4950	54.5525	54.5775	33.3250	33.3450
May 29, 2007	40.4500	53.3700	40.4500	40.4600	80.3025	80.3325	54.3600	54.3825	33.3175	33.3350
May 30, 2007	40.6400	54.6500	40.6300	40.6400	80.4600	80.4950	54.6225	54.6525	33.4175	33.4350
May 31, 2007	40.7300	54.7400	40.7300	40.7400	80.4250	80.4650	54.7325	54.7575	33.4725	33.4900

\+ : Market closed.

FEDAI : Foreign Exchange Dealers' Association of India.

Note : Euro Reference rate was announced by RBI with effect from January 1, 2002.

Source : FEDAI for FEDAI rates.

No. 48: Sale/Purchase of U.S. Dollar by The Reserve Bank of India

Month		Foreign Currency (US $ million)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end-April 2006)		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
2006-07								
April	2006	4,305.00	–	(+) 4,305.00	(+) 19,277.25	(+) 4,305.00	(+) 19,277.25	–
May	2006	504.00	–	(+) 504.00	(+) 2,268.05	(+) 4,809.00	(+) 21,545.31	–
June	2006	–	–	–	–	(+) 4,809.00	(+) 21,545.31	–
July	2006	–	–	–	–	(+) 4,809.00	(+) 21,545.31	–
August	2006	–	–	–	–	(+) 4,809.00	(+) 21,545.31	–
September	2006	–	–	–	–	(+) 4,809.00	(+) 21,545.31	–
October	2006	–	–	–	–	(+) 4,809.00	(+) 21,545.31	–
November	2006	3,198.00	–	(+) 3,198.00	(+) 14,355.56	(+) 8,007.00	(+) 35,900.87	–
December	2006	1,818.00	–	(+) 1,818.00	(+) 8,105.13	(+) 9,825.00	(+) 44,006.00	–
January	2007	2,830.00	–	(+) 2,830.00	(+) 12,537.05	(+)12,655.00	(+) 56,543.05	–
February	2007	11,862.00	–	(+)11,862.00	(+) 52,343.00	(+)24,517.00	(+)1,08,886.05	–
March	2007	2,307.00	–	(+) 2,307.00	(+) 10,108.41	(+)26,824.00	(+)1,18,994.46	–

Month		Foreign Currency (US $ million)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end-April 2007)		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
2007-08								
April	2007	2,055.00	–	(+) 2,055.00	(+) 8,835.47	(+) 2,055.00	(+) 8,835.47	–
May	2007	4,426.00	–	(+) 4,426.00	(+) 17,959.97	(+) 6,481.00	(+) 26,795.44	–

(+) : Implies Purchase including purchase leg under swaps and outright forwards.
(–) : Implies Sales including sale leg under swaps and outright forwards.
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												
May 1, 2007	8	–	–	–	–	–	3	–	–	1	–	–
May 2, 2007	48	16	10	–	–	–	34	–	–	85	122	3
May 3, 2007	2,141	879	763	1,238	551	359	2,738	4,797	617	5,098	1,230	433
May 4, 2007	1,394	615	316	939	458	171	2,351	3,920	260	2,244	736	291
May 7, 2007	1,737	957	359	1,379	441	294	3,916	4,680	260	2,850	1,174	220
May 8, 2007	1,465	539	401	1,032	424	265	2,825	5,193	148	2,916	858	68
May 9, 2007	3,048	613	306	773	737	273	3,081	3,906	516	2,216	1,442	43
May 10, 2007	1,441	1,017	330	1,167	691	431	3,184	4,466	278	4,182	915	265
May 11, 2007	1,282	679	288	1,302	467	622	3,353	5,425	836	3,710	1,631	109
May 14, 2007	1,756	647	148	542	708	407	3,729	4,558	416	3,733	1,172	116
May 15, 2007	1,608	652	316	774	918	319	3,288	4,645	142	3,653	1,608	78
May 16, 2007	1,929	726	541	684	587	239	3,902	5,508	302	3,555	1,276	320
May 17, 2007	1,936	849	605	1,012	618	384	3,269	6,122	288	4,676	1,259	105
May 18, 2007	1,805	496	261	1,462	794	470	3,611	4,987	287	4,303	1,294	100
May 21, 2007	1,812	1,093	512	1,268	882	624	3,938	3,783	186	3,759	1,348	255
May 22, 2007	1,676	839	424	528	913	698	3,717	4,158	166	2,776	1,203	69
May 23, 2007	1,696	824	117	506	598	724	3,154	3,896	147	4,221	989	60
May 24, 2007	1,226	650	243	905	604	600	2,348	2,850	383	3,713	1,305	105
May 25, 2007	2,160	437	363	794	195	190	2,796	4,412	370	3,302	693	122
May 28, 2007	1,321	1,654	751	1,258	183	981	4,579	4,500	550	1,624	349	41
May 29, 2007	1,814	1,283	1,015	1,357	969	1,326	3,736	5,581	283	5,126	2,154	69
May 30, 2007	2,041	1,203	742	1,919	387	1,428	4,560	5,388	317	5,280	1,963	217
May 31, 2007	1,954	1,089	777	1,240	576	1,323	3,807	5,725	572	3,000	2,260	166
Sales												
May 1, 2007	7	–	–	–	–	–	1	–	1	1	–	–
May 2, 2007	47	12	2	–	–	–	30	–	–	85	118	3
May 3, 2007	2,103	1,120	292	1,227	522	434	2,834	4,811	457	5,050	1,371	362
May 4, 2007	1,368	680	421	1,041	549	197	2,367	3,907	430	2,252	690	203
May 7, 2007	1,879	855	325	1,319	432	306	3,919	4,668	237	2,775	1,247	131
May 8, 2007	1,345	655	214	1,002	412	259	2,971	5,089	253	2,943	910	86
May 9, 2007	1,419	577	325	842	619	304	3,119	3,515	459	2,167	1,501	86
May 10, 2007	1,283	762	356	1,045	669	562	3,129	4,917	394	4,781	1,034	207
May 11, 2007	1,097	780	292	1,263	419	653	3,588	5,555	1,435	3,558	1,554	97
May 14, 2007	1,742	774	332	590	565	563	4,053	4,630	531	3,149	1,242	139
May 15, 2007	1,517	731	303	849	880	325	3,287	4,599	78	3,594	1,527	129
May 16, 2007	1,558	1,073	382	665	571	324	3,760	5,992	311	3,602	1,314	276
May 17, 2007	1,588	673	361	963	548	405	3,516	5,925	301	4,678	1,281	164
May 18, 2007	1,570	578	181	1,357	714	464	3,761	4,864	542	4,252	1,504	100
May 21, 2007	1,759	964	290	1,122	864	767	4,207	3,914	157	3,651	1,536	236
May 22, 2007	1,649	567	373	581	739	853	4,233	3,942	162	2,760	1,146	48
May 23, 2007	1,441	455	201	384	739	557	3,189	3,960	262	4,324	1,037	49
May 24, 2007	1,114	295	511	707	533	670	2,408	2,872	437	3,634	1,198	136
May 25, 2007	1,626	546	314	768	188	198	3,130	4,208	474	3,294	712	149
May 28, 2007	1,282	772	455	1,188	185	1,201	6,320	3,788	526	1,593	421	24
May 29, 2007	1,957	1,162	960	1,585	565	1,037	3,818	5,653	373	5,747	1,810	51
May 30, 2007	1,813	971	671	2,059	414	1,343	4,633	5,451	290	4,836	1,412	52
May 31, 2007	1,830	1,042	968	1,218	941	1,524	4,038	5,561	613	2,894	1,460	212

FCY : Foreign Currency. INR : Indian Rupees.

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

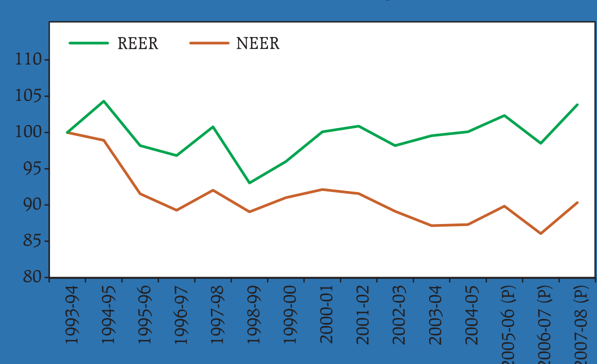
(36-Currency Export and Trade Based Weights)
(Base: 1993-94 = 100)*

Year	Trade Based Weights		Export Based Weights	
	REER	NEER	REER	NEER
1	2	3	4	5
1993-94	100.00	100.00	100.00	100.00
1994-95	104.32	98.91	104.88	98.18
1995-96	98.19	91.54	100.10	90.94
1996-97	96.83	89.27	98.95	89.03
1997-98	100.77	92.04	103.07	91.97
1998-99	93.04	89.05	94.34	90.34
1999-00	95.99	91.02	95.28	90.42
2000-01	100.09	92.12	98.67	90.12
2001-02	100.86	91.58	98.59	89.08
2002-03	98.18	89.12	95.99	87.01
2003-04	99.56	87.14	99.07	87.89
2004-05	100.09	87.31	98.30	88.41
2005-06 (P)	102.34	89.84	100.53	91.16
2006-07 (P)	98.50	86.04	97.51	87.45
2007-08 (P)	103.83	90.32	103.05	92.09

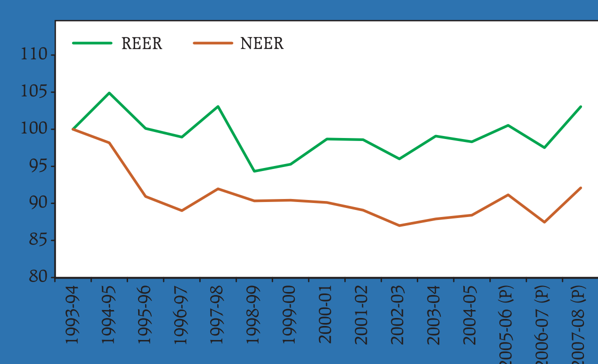
Year		Trade Based Weights		Export Based Weights	
		REER	NEER	REER	NEER
1		2	3	4	5
2005-06 (P)	April	100.52	88.92	99.09	90.58
	May	102.15	90.10	100.57	91.66
	June	103.63	91.17	101.78	92.51
	July	104.96	92.02	102.91	93.19
	August	103.92	90.87	102.11	92.25
	September	103.98	90.45	102.06	91.79
	October	102.52	89.41	100.53	90.55
	November	101.44	88.36	99.42	89.38
	December	100.49	87.97	98.58	89.08
	January	101.46	89.41	99.77	90.80
	February	101.73	89.88	100.00	91.21
	March	101.25	89.52	99.52	90.87
2006-07 (P)	April	98.12	87.89	97.17	89.17
	May	96.36	85.59	95.66	87.12
	June	96.49	85.27	95.56	86.60
	July	95.65	84.38	94.76	85.73
	August	95.55	83.77	94.62	85.13
	September	97.92	84.80	96.74	86.05
	October	99.89	86.33	98.61	87.53
	November	100.31	86.66	99.30	88.12
	December	99.20	86.05	98.34	87.67
	January	100.88	87.20	99.80	88.71
	February	100.75	87.29	99.67	88.76
	March	100.94	87.27	99.90	88.85
2007-08 (P)	April	103.83	90.32	103.05	92.09

* : For “Note on Methodology” and time series data on the indices presented here, please see December 2005 issue of this Bulletin.

Indices of REER and NEER of the Indian Rupee
(Trade Based Weights)



Indices of REER and NEER of the Indian Rupee
(Export Based Weights)



No. 51: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(6-Currency Trade Based Weights)

Year/Month/Day		Base: 1993-94 (April-March) = 100		Base: 2005-2006 (April-March) = 100	
		NEER	REER	NEER	REER
1993-94		100.00	100.00	138.40	93.24
1994-95		96.96	105.82	134.13	98.62
1995-96		88.56	101.27	122.52	94.38
1996-97		86.85	101.11	120.15	94.24
1997-98		87.94	104.41	121.66	97.31
1998-99		77.49	96.14	107.20	89.61
1999-00		77.16	97.69	106.75	91.04
2000-01		77.43	102.82	107.11	95.83
2001-02		76.04	102.71	105.20	95.72
2002-03		71.27	97.68	98.60	91.04
2003-04		69.97	99.17	96.79	92.43
2004-05		69.58	101.78	96.26	94.86
2005-06		72.28	107.30	100.00	100.00
2006-07 (P)		68.93	105.47	95.36	98.30
2005-06	April	71.16	104.38	98.44	97.28
	May	72.11	106.28	99.76	99.05
	June	73.29	108.20	101.40	100.84
	July	73.94	109.43	102.29	101.99
	August	72.95	108.33	100.93	100.96
	September	72.45	108.19	100.22	100.83
	October	71.75	107.20	99.26	99.91
	November	71.09	106.85	98.34	99.58
	December	71.03	106.36	98.27	99.13
	January	72.31	107.05	100.04	99.77
	February	72.88	107.91	100.82	100.57
	March	72.45	107.41	100.24	100.10
2006-07	April	71.04	105.75	98.28	98.56
	May	68.79	103.48	95.16	96.44
	June	68.21	103.06	94.36	96.05
	July	67.59	102.25	93.50	95.30
	August	67.08	102.14	92.81	95.19
	September	67.84	104.75	93.85	97.62
	October	69.11	107.25	95.61	99.96
	November (P)	69.34	107.82	95.93	100.49
	December (P)	68.82	106.39	95.21	99.15
	January (P)	69.77	107.70	96.52	100.38
	February (P)	69.88	107.71	96.68	100.39
	March (P)	69.70	107.41	96.42	100.10
2007-08 (P)	April	72.18	111.28	99.86	103.71
	May	74.64	115.39	103.26	107.54
	As on				
	May 18, 2007 (P)	74.51	115.19	103.08	107.35
	May 25, 2007 (P)	75.12	116.25	103.93	108.34
	June 1, 2007 (P)	75.20	116.26	104.04	108.35
	June 8, 2007 (P)	74.45	115.20	102.99	107.37
	June 15, 2007 (P)	74.72	115.63	103.37	107.76

Notes : 1. Rise in indices indicate appreciation of rupee and vice versa.
2. For "Note on Methodology" on the indices presented here, please see December 2005 issue of this Bulletin.
3. Base year 2005-06 is a moving one, which gets updated every year.

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, Kolkata and New Delhi only.

(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 are 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) Monthly data are averages of the weeks and annual data are averages of the months.

(12) Figures relate to the end of the month / year.

(13) Data relate to January – December.

(14) 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.15 crore and (iv) National Housing Credit (Long-Term Operations) Fund of Rs.189 crore from the week ended June 29, 2007.

(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 regard.

(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) Data reflect redemption of India Millennium Deposits (IMDs) on December 29, 2005.

(6) Other than from the Reserve 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 enable 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. CLF was withdrawn completely effective October 5, 2002.

(3) Special Liquidity Support Facility which was introduced effective September 17, 1998 was available upto March 31, 1999.

(4) 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 includes cheque clearing for both i.e. clearing houses managed by Reserve Bank of India and clearing houses managed by other banks. Paper based inter-bank clearing has been discontinued at all the centres, the last June 2005. The other MICR Centres are Agra, Allahabad, Amritsar, Aurangabad, Baroda, Bhilwara, Coimbatore, Dehradun, Ernakulam, Erode, Gorakhpur, Gwalior, Hubli, Indore, Jabalpur, Jalandhar, Jameshedpur, Jammu, Jodhpur, Kolhapur, Kozhokode, Lucknow, Ladhiana, Madurai, Mangalore, Mysore, Nasik, Panaji, Pondicherry, Pune, Raipur, Rajkot, Ranchi, Salem, Solapur, Surat, Thrissur, Tiruchirapalli, Tirupur, Udaipur, Varanasi, Vijaywada and VIshakhapatnam.

Table No. 9A

The data pertains to retail electronic payment.

Table No. 9B

The data pertains to Large Value Payment Systems. The figures for CCIL the operations pertains to selected services, which are taken from the CCIL published data.

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) Scheduled commercial banks' time deposits reflect redemption of Resurgent India Bonds (RIBs), since October 1, 2003 and of India Millennium Deposits (IMDs) since December 29, 2005.

(e) Data are provisional.

  (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.

(f) Revised in line with the new accounting standards and consistent 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.

(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 No. 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 exclude 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 No. 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 comprises 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 No. 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 "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 No. 27C

(a) Month-end yields for different integer valued residual maturities are estimated using interpolation technique on weighted average yields of select indicative securities derived from SGL transactions data on government securities observed during a select month-end day. Yield corresponding to each transaction in a security is calculated from the following Yield to Maturity (YTM) and price relationship.

$$P + bpi = \sum_{i=1}^{n} \frac{c/v}{(1+ {}^{y}/_{v})^{vt_i}} + \frac{F}{(1+ {}^{y}/_{v})^{vt_n}}$$

Where,

P = price of the bond

bpi = broken period interest

c = annual coupon payment

y = yield to maturity

v = number of coupon payments in a year

n = number of coupon payments till maturity

F = Redemption payment of the bond

t_i = time period in year till i^{th} coupon payment

(b) The weighted average yield corresponding to each traded security on that particular day is calculated from the yields of all transactions on that security using amount (Face Value) traded as the weights.

(c) Broken period (number of days) is based on day count convention of 30 days a month and 360 days a year.

Table Nos. 29 & 30

Table 29 presents Index Numbers of Industrial Production (Sectoral and 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 30 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 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, has been lifted with effect from April 1, 2003.

(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 2001=100 was introduced from January 2006 and with that the compilation of the index numbers with the base year 1982 was discontinued. The linking factor can be used to work out the index numbers with the base year 2001 for data from January 2006 onwards.

(2) Based on indices relating to 78 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 :

$$I^A_O = 5.89\ [\ (0.8126 \text{ X } I^A_N) + (0.0491 \text{ X } I^{Ma}_N) + (0.0645 \text{ X } I^{Me}_N) + (0.0738 \text{ X } I^T_N)]$$

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 :

$$I^P_O = 6.36\ [(0.6123 \text{ X } I^P_N) + (0.3677 \text{ X } I^{Ha}_N) + (0.0200 \text{ X } I^{Hi}_N)]$$

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 Nos. 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. Exports are on f.o.b. basis and imports are on c.i.f. basis. Exports include re-exports of foreign merchandise previously imported to India and imports relate to foreign merchandise whether intended for home consumption, bonding or re-exportation. Direct transit trade, transshipment trade, passengers baggage, ship's stores, defence goods and transactions in treasure i.e. gold and current coins and notes, diplomatic goods, "proscribed substances" under Atomic Energy Act, 1962, are excluded from the trade data, while indirect transit trade, transactions in silver (other than current coins) and in notes and coins not yet in circulation or withdrawn from circulation are included.

(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.

Table 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 (5th 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 the 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 import payments with contra entry under Private Transfer Receipts since 1992-93.

(7) In accordance with the IMF's Balance of Payments Manual (5th 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.

Explanatory Notes

Balance of payments is a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.

Merchandise credit relate to export of goods while ***merchandise debit*** represent import of goods.

Travel covers expenditure incurred by non-resident travellers during their stay in the country and expenditure incurred by resident travellers abroad.

Transportation covers receipts and payments on account of international transportation services.

Insurance comprises receipts and payments relating to all types of insurance services as well as reinsurance.

Government not included elsewhere (G.n.i.e.) relates to receipts and payments on government account not included elsewhere as well as receipts and payments on account of maintenance of embassies and diplomatic missions and offices of international institutions.

Miscellaneous covers receipts and payments in respect of all other services such as communication services, construction services, software services, technical know-how, royalties etc.

Transfers (official, private) represent receipts and payments without a quid pro quo.

Investment Income transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. Investment income receipts comprise interest received on loans to non-residents, dividend/profit received by Indians on foreign investment, reinvested earnings of Indian FDI companies abroad, interest received on debentures, floating rate notes (FRNs), Commercial Papers (CPs), fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds, payment of taxes by non-residents/refunds of taxes by foreign governments, interest/discount earnings on RBI investment etc. Investment income payments comprise payment of interest on non-resident deposits, payment of interest on loans from non-residents, payment of dividend/profit to non-resident share holders, reinvested earnings of the FDI companies, payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities, charges on Special Drawing Rights (SDRs) etc.

Foreign investment has two components, namely, foreign direct investment and portfolio investment.

Foreign direct investment (FDI) to and by India up to 1999-2000 comprise mainly equity capital. In line with international best practices, the coverage of FDI has been expanded since 2000-01 to include, besides equity capital reinvested earnings (retained earnings of FDI companies) and 'other direct capital' (inter-corporate debt transactions between related entities). Data on equity capital include equity of unincorporated entities (mainly foreign bank branches in India and Indian bank branches operating abroad) besides equity of incorporated bodies. Data on reinvested earnings for the latest year are estimated as average of the previous two years as these data are available with a time lag of one year. In view of the above revision, FDI data are not comparable with similar data for the previous years. In terms of standard practice of BoP compilation, the above revision of FDI data would not affect India's overall BoP position as the accretion to the foreign exchange reserves would not undergo any change. The composition of BoP, however, would undergo changes. These changes relate to investment income, external commercial borrowings and errors and omissions. In case of reinvested earnings, there would be a contra entry (debit) of equal magnitude under investment income in the current account. 'Other Capital' reported as part of FDI inflow has been carved out from the figure reported under external commercial borrowings by the same amount. 'Other Capital' by Indian companies abroad and equity capital of unincorporated entities have been adjusted against the errors and omissions for 2000-01 and 2001-02.

Portfolio investment mainly includes FIIs' investment, funds raised through ADRs/GDRs by Indian companies and through offshore funds. Data on investment abroad, hitherto reported, have been split into equity capital and portfolio investment since 2000-01.

External assistance by India denotes aid extended by India to other foreign Governments under various agreements and repayment of such loans. External Assistance to India denotes multilateral and bilateral loans received under the agreements between Government of India and other Governments/International institutions and repayments of such loans by India, except loan repayment to erstwhile "Rupee area" countries that are covered under the Rupee Debt Service.

Commercial borrowings covers all medium/long term loans. Commercial Borrowings by India denote loans extended by the Export Import Bank of India (EXIM bank) to various countries and repayment of such loans. Commercial Borrowings to India denote drawals/repayment of loans including buyers' credit, suppliers' credit, floating rate notes (FRNs), commercial paper (CP), bonds, foreign currency convertible bonds (FCCBs) issued abroad by the Indian corporate etc. It also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs).

Short term loans denotes drawals in respect of loans, utilized and repayments with a maturity of less than one year.

Banking capital comprises of three components : a) foreign assets of commercial banks (ADs), b) foreign liabilities of commercial banks (ADs), and c) others. 'Foreign assets' of commercial banks consist of (i) foreign currency holdings, and (ii) rupee overdrafts to non-resident banks. 'Foreign liabilities' of commercial banks consists of (i) Non-resident deposits, which comprises receipt and redemption of various non-resident deposit schemes, and (ii) liabilities other than non-resident deposits which comprises rupee and foreign currency liabilities to non-resident banks and official and semi-official institutions. 'Others' under banking capital include movement in balances of foreign central banks and international institutions like IBRD, IDA, ADB, IFC, IFAD etc. maintained with RBI as well as movement in balances held abroad by the embassies of India in London and Tokyo.

Rupee debt service includes principal repayments on account of civilian and non-civilian debt in respect of Rupee Payment Area (RPA) and interest payment thereof.

Other capital comprises mainly the leads and lags in export receipts (difference between the custom data and the banking channel data). Besides this, other items included are funds held abroad, India's subscription to international institutions, quota payments to IMF, remittances towards recouping the losses of branches/subsidiaries and residual item of other capital transactions not included elsewhere.

Movement in reserves comprises changes in the foreign currency assets held by the RBI and SDR balances held by the Government of India. These are recorded after excluding changes on account of valuation. Valuation changes arise because foreign currency assets are expressed in US dollar terms and they include the effect of appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen) held in reserves.

Table No. 44

1. Gold is valued at average London market price during the month.
2. Conversion of SDRs into US dollars is done at exchange rates released by the International Monetary Fund (IMF).
3. 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.
4. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI Holding rates.
5. Reserve Tranche Position (RTP) in IMF has been included in foreign exchange reserves from April 2, 2004 to match the international best practices. Foreign exchange reserves figures have accordingly been revised for 2002-03 and 2003-04 to include RTP position in the IMF.

Table No. 51

The 5-country indices of REER/NEER were replaced with new 6-currency indices in December 2005. The RBI Bulletin December 2005 carried a detailed article on the rationale and methodology for the replacement. A revision has now been undertaken in the construction of the 6-currency REER indices. This revision was necessitated by a sudden spurt in Chinese inflation indices during April-May, 2006. It may be mentioned that Chinese inflation indices are not readily available in the public domain. The National Bureau of Statistics provides only point-to-point inflation rates on a monthly basis in the public domain. In view of this, inflation indices were constructed taking into account the inflation rates with 1993-94 as the base year. It may be further mentioned that the period from January 1993 to December 1995 was marked by continuous double digit inflation rates in China. This lent an upward bias to the Chinese inflation indices (base: 1993-94 = 100) leading to a sharp fall in the value of 6-currency REER in April 2006. In order to remove the distortion in REER on account of sudden spurt in Chinese inflation numbers, a new series of Chinese inflation indices has been constructed taking 1990 as the base year (a year with much less volatility in inflation rates). Subsequently, the base year of the new series of Chinese inflation indices has been changed from 1990 to 1993-94 through splicing to facilitate the construction of the 6-currency REER (base 1993-94 = 100).

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6.	Handbook of Statistics on State Government Finances 2004 (on CD-ROM)	do	2004	120 140 * 90 **	15 ☐ 10 *	
	B. Banking Statistics					
1.	Basic Statistical Returns of Scheduled Commercial Banks in India (Formerly Banking Statistics (BSR) till March 1999 Vol. 28 issue)	DESACS				
	i) Dec. 76-77 - Vol. 7		1981	65 * £		
	ii) June 79 to Dec. 79 Vol. 9		1984	150 * £		
	iii) June 80 to June 81 Vol. 10		1986	125 * £		
	iv) March 1990 - Vol. 19		1992	210	65	
	v) March 1994 - Vol. 23		1997	220 *	70	
	vi) March 1995 - Vol. 24		1997	220 *	70	
	vii) March 1996 - Vol. 25		1998	220 *	70	
	viii) March 1997 - Vol. 26		1999	220 *	70	
	ix) March 1998 - Vol. 27		1999	220 *	70	
	x) March 1998 - Vol. 27 (Hindi Edition)		1999	220 *		
	xi) March 1999 - Vol. 28		2000	220 *	70	
	xii) March 2000 - Vo. 29 (English Hindi)		2000	220 *	70	
	xiii) March 2001 - Vol. 30 (Hindi English)		2002	220 *	70	
	xiv) March 2002 - Vol. 31 (Print Version) (a) CD-ROM	do	2003 2003	225 * 225 *	70 70	
	xv) March 2003 - Vol. 32 (Print Version)	do	2004	210 250 *	55 ☐ 20 *	
	(a) CD-ROM			210 250 *	55 ☐ 20 *	
	xvi) March 2004 - Vol. 33 (Print Version)		2005	180 220 *	55 ☐ 20 *	
	(a) CD-ROM			180 220 *	55 ☐ 20 *	
	xvii) March 2005 - Vol. 34 (Print Version)		2006	180 220 *	55 ☐ 20 *	
	(a) CD-ROM			180 220 *	55 ☐ 20 *	

Reserve Bank of India Publications

	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.
	1	2	3	4	5	6
2.	Basic Statistical Return 1 & 2	DESACS				
	i) Handbook of Instructions (English)		1996	20 * £		
	ii) Handbook of Instructions (Hindi)		1996	20 * £		
	iii) Basic Statistical Returns 1 and 2 Handbook of Instructions		2002	35 *		
3.	i) Form A-1 (Revised)	do	1996	2 £		13
	ii) Form A-2 (Revised)		1996	3 £		38
	iii) BSR-1 A forms (1 pad contains 25 sheets)		1996	14 £		200 19
	iv) BSR-1 B forms (1 pad contains 25 sheets) (Revised)		1996	14 £		
	v) BSR-2 forms (1 pad contains 25 Sheets) (Revised)		1996	14		200 19
	(The Regional Rural Banks from Western region may please contact DESACS, RBI, B.K. Complex, Bandra (E), Mumbai 400 051 for BSR-1A, BSR-1B & BSR-2 forms.)					
4.	Banking Statistics Basic Statistical Returns 1 & 2 Vol. 1 to 31, 1972 to 2002 DISC 1 & 2	do	2004	420 475 *	59 □ 27 *	
5.	Banking Statistics-Summary Tables,	do				
	i) March 1995		1997	25 *		
	ii) March 1996		1998	25 *		
	iii) March 1997		1999	25 *		
	iv) March 1998		1999	25 *		
	v) March 1999		2000	25 *		
	vi) March 2000		2001	25 *		
6.	Banking Statistics - Quarterly Handout #	do				
	i) 1990 (4 Issues)		1990	40 * £		
	ii) March 1991		1991	10 * £		
	iii) June 1991		1991	12 * £		
	iv) September 1991		1991	15 * £		
	v) December 1991		1991	12 * £		
	vi) 1992 (3 Issues)		1992	75 *		
	vii) 1993 (4 Issues)		1993	120 *		
	viii) 1994 (4 Issues)		1994	120 *		
	ix) 1995 (4 Issues)		1995	120 *		
	x) 1996 (4 Issues)		1996	120 *		
	xi) 1997 (4 Issues)		1997	100 *		
	xii) 1998 (4 Issues)		1998	100 *		
	xiii) 1999 (4 Issues)		1999	100 *		
	xiv) 2000 (4 Issues)		2000	100 *		
	xv) 2001 (4 Issues)		2001	100 *		
	xvi) 2002 (4 Issues)		2002	100 *		
	xvii) 2003 (4 Issues)		2003	100 *		
	xviii) 2004 (4 Issues)		2004	100 *		
	xix) 2005 (4 Issues)		2005	100 *		
	Name changed w.e.f. Sept. 2003 issue as Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks.					

Reserve Bank of India Publications

	Title of the Publication		Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.
	1		2	3	4	5	6
7.	Banking Statistics - Bank Credit		DESACS				
	i) June 1987			1989	20 * £		
	ii) December 1987 - June 1988			1989	40 * £		
	iii) December 1988			1989	20 * £		
	iv) June 1989			1989	25 * £		
8.	Banking Statistics 1972-95		do	1998	120 *		
9.	Branch Banking Statistics - Vol. 1 March 1999		do	1999	130 *	40	
10.	Branch Banking Statistics - Vol. 2 March 2001		do	2001	130 * 50 **	40	
11.	Branch Banking Statistics - Vol. 3 March 2002 (On CD-ROM)		do	2003	300 *	40	
12.	Branch Banking Statistics - Vol. 3 March 2002		do	2003	185 *	40	
13.	Statistical Tables Relating to Banks in India		do				
	i) 1988-89			1993	106 £ 123 *	12	
	ii) 1990-91			1999	130 180 *	50	
	iii) 1992-93			1998	135 200 *	50	
	iv) 1994-95			1997	125 185 *	45	
	v) 1995-96			1998	125 185 *	45	
	vi) 1996-97			1999	130 180 *	50	
	vii) 1997-98			1999	130 180 *	50	
	viii) 1998-99			1999	130 180 *	50	
	ix) 1999-00			2000	175 225 *	50	
	x) 2000-01	(a) Print version		2001	150 200 *	50	
		(b) CD-ROM		2001	150 225 *	50	
	xi) 2001-02	(a) Print version		2002	150 200 *	50	
		(b) CD-ROM		2002	100 150 *	50	
	xii) 2002-03	(a) Print version		2003	200 250 *	50 *	
		(b) CD-ROM		2003	200 250 *	50 *	
	xiii) 2003-04	(a) Print Version		2004	230 280 *	25 ☐ 15 *	
		(b) CD-ROM		2004	175 225 *	25 ☐ 15 *	
	xiv) 2004-05	(a) Print Version		2005	190 240*	55 ☐ 20*	
		(b) CD-ROM			200 250*	55 ☐ 20*	

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.
	1	2	3	4	5	6
14.	Selected Banking Indicators, 1947-1997 (Print Version)	DESACS	1998	45 105 *	15	
	(a) CD		1998	50		
15.	Selected Banking Indicators 1981 to 2002	do	2003	320 460 *	75	
16.	Selected Banking Indicators 1981 to 2002 (On CD-ROM)	do	2003	250 300 *	75	
17.	Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks 1981-2003 (on CD-ROM)	do	2004	185 240 *	55 □ 20 *	
18.	Annual Accounts of Scheduled Commercial Banks (Including Regional Rural Banks) 1989-90 to 2000-01 (on CD-ROM)	do	2002	200 £ 250 *	50	
19.	Directory of Commercial Bank Offices in India Vol. 1-0 December 2000 (on CD-ROM)	do	2000	500 * £	100	
20.	Directory of Commercial Bank offices in India Vol. 2 September 2003 (On CD-ROM)	do	2003	200 * £	40 *	
21.	All-India Debt and Investment Survey 1981-82	do				
	i) Assets and liabilities of households as on 30th June 1981		1987	75 85 * 60 **	15	
	ii) Statistical tables relating to capital expenditure and capital formation of households during the year ended 30th June 1982		1987	125 £ 135 * 100 **	25	
	iii) Statistical tables relating to cash borrowings and repayments of households during July 1981 to June 1982 and cash dues outstanding as on 30th June 1982		1990	100 £ 110 * 80 **	32	
22.	A Profile of Banks 2004-05	do	2005	100 130 *	20 *	
	C. Public/Private Limited Companies					
1.	Selected Financial Statistics Public Ltd. Companies 1974-75 To 1999-2000. (Selected Industries) on CD-ROM	do	2001	350 *	70	
2.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries)	do				
	1974-75 To 1982-1983 Vol.I		2001			1700
	1982-83 To 1990-1991 Vol.II		2001	700 *	140	1500
	1990-91 To 1999-2000 Vol.III		2001			2000
3.	Selected financial and other ratios-public limited companies	do				
	1980-81 to 1987-88 Vol.I		1990	45 £	15	
	Vol.II		1990	60 £	20	
	1988-89 to 1990-91 (Part I)		1996	90 £	50	
4.	Selected financial & other ratios-private limited companies 1988-89 to 1990-91 (Part II)	do	1996	80	45	
5.	Private Corporate Business Sector in India Selected Financial Statistics from 1950-51 to 1997-98 (All-Industries) (Print Version)	do	2000	300 *	60	
	(a) CD-ROM			500 *	100	

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5		6
	D. Reports of Committees/Working Groups						
1.	Study group on deployment of resources by State and Central co-operative banks (Hate committee report)	UBD	1982	25 * £			
2.	Capital formation and savings in India 1950-51 to 1979-80 Report of the working group on savings (Raj committee report)	DEAP	1982	18 £		400	21
3.	Report of the working group to consider feasibility of introducing MICR/OCR technology for cheque processing (Damle committee report)	DBOD	1983	7 £ (Amt. rounded off)		200	19
4.	Report of the committee to review the working of the monetary system (Sukhamoy Chakravarty committee report)	DEAP	1985	35 £ 25 **	10		
5.	Report of the committee to consider final accounts of banks (Ghosh committee report)	DBOD	1985	56 £		500	22
6.	Report of the committee on agricultural productivity in Eastern India	DEAP					
	(Sen Committee Report) Vol. I		1985	70 * £	15		
	(Hard Bound) Vol. II		1985	85 * £	20		
7.	Report of the working group on the money market (Vaghul committee report)	CPC	1987	15 *			
8.	Report of the committee to review the working of credit authorisation scheme (Marathe committee report)	IECD	1988	10 *	10		
9.	Co-ordination between term lending institutions and commercial banks (Bucher committee report)	IECD	1988	10 *	1		
10.	Report of the working group to review the system of cash credit (Chore committee report)	do	1988	12 * £			
11.	Report of the study group to frame guidelines for follow-up of bank credit (Tandon committee report)	do	1988	16 * £			
12.	Report of the study group for examining introduction of factoring services in India (Kalyansundaram committee report)	do	1989	30 *			
13.	Report of the committee on computerization in banks (Rangarajan committee report)	DESACS	1989	40 £		500	22
14.	Report of the Committee on Financial System (Narasimham Committee Report)	DBOD	1991 (Reprint)	60 £		170	19
15.	Report of the working group on financial companies (Shah committee report)	DFC	1992	30 £		300	20
16.	Report of the task force on money market mutual funds (Basu committee report)	CPC	1992	10 * £	5		
17.	Report of the committee on the licensing of new urban co-operative banks (Marathe committee report) (Hindi Edition)	UBD	1992	40		400	21
18.	Report of the committee to examine the legal and other difficulties faced by banks and financial institutions in rehabilitation of sick industrial undertakings and suggestremedial measures including changes in the law (Tiwari committee report)	IECD	1993 (Reprint)	90 £		500	22
19.	Report of the committee on structure of export credit (Sundaram committee report) (English & Hindi Edition)	do	1993	36	25	200	19

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5	6	
20.	Report of the committee to review the system of lending under consortium arrangement (Shetty committee report)	IECD	1993	50 £			
21.	Report of the committee to examine the adequacy of institutional credit to the SSI sector & related aspects (Nayak committee report)	RPCD	1993 (Reprint)	55	9	300	20
22.	Review of the agricultural credit system in India (Khusro committee report)	do	1993 (Reprint)	270 315 *	80		
23.	Report of the committee to enquire into securities transactions of banks and financial institutions (Jankiraman committee report)	PRD	1994	85 £ 100 *			
24.	Committee on technology issues relating to payments system, cheque clearing and securities settlement in the banking industry (Saraf committee report) (Hindi Edition)	DIT	1994	50 *£	20		
25.	Report of the committee to study the problems of sick/weak units in leather industry and to suggest measures to overcome them (Balsubramanian committee report)	IECD	1994	69 £			
26.	Report of the working group for examining the schemes and incentives available to NRIs for investment in India (Sodhani Committee Report)	FED	1995	50 *£	10		
27.	Report of the expert group for designing a supervisory framework for non-banking financial companies (Khanna Committee Report)	DBOD	1996	35		307	21
28.	Report of the committee for proposing legislation on electronic funds transfer and other electronic payments (Shere Committee Report)	DIT	1996	150	15	333	21
29.	Report of the Committee on Capital Account Convertibility (Tarapore Committee Report)	DEIO	1997	100 *	35		
30.	Money Supply : Analystics and Methodology of Compilation- Report of the working group (Reddy Committee Report)	DEAP	1998	35 £	20		
31.	Report of the high level Committee on agricultural credit through commercial banks(Gupta Committee Report)	RPCD	1998	30 £		200	19
32.	Report of the high level Committee on credit to SSI (Kapur Committee Report)	do	1998	50 £	10	277	20
33.	Report of the Technical Committee on external debt (Nair Committee Report)	DEAP	1998	20 * £	15		
34.	Report of the Committee on Banking Sector Reforms (Narasimham Committee Report)	DBOD	1998	32		244	20
35.	Report of the Working Group on Euro (Subramanyam Committee Report)	DEIO	1998	100 £	30		
36.	Report of the Committee on Hedging through International Commodity Exchange (Gupta Committee Report)	FED	1998	100 *	50		
37.	Report of the Committee on Tecnnology Upgradation in the Banking Sector (Vasudevan Committee Report)	DIT	1999	100 *	25		
38.	Report of the High Power Committee on Urban Co-operative Banks (Madhava Rao Committee Report)	UBD	1999	80		490	22

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.
	1	2	3	4	5	6
39.	Report of the Advisory Group on Payment and Settlement System Part (I) June 2000	MPD	2000	40 * 30 **	15	
40.	Report of the Advisory Group on Payment and Settlement System (Part II)	do	2000	20 * 15 **	10	
41.	Report of the Advisory Group on Payment and Settlement System (Part III)	do	2001	20 * 15 **	10	
42.	Report of the Advisory Group on “Transparency in Monetary and Financial Policies”.	do	2001	45 * 35 **	20	
43.	Report of the Advisory Group on Corporate Governance	do	2001	40 * 30 **	15	
44.	Report of the Advisory Group on Fiscal Transperency	do	2001	30 * 20 **	15	
45.	Report of the Advisory Group on Data Dissemination	do	2001	35 * 25 **	20	
46.	Report of the Advisory Group on Banking Supervision	do	2001	90 * 60 **	40	
47.	Report of the Advisory Group on Securities Market Regulation	do	2001	25 * 20 **	10	
48.	Report of the Advisory group on Bankruptcy Laws (Volume-I & II)	do	2001	90 * 75 **	45	
49 .	Report of the Advisory Group on Insurance Regulation	do	2001	35 * 25 **	20	
50.	Report of the Advisory group on Accounting & Auditing	do	2001	40 *	20	
51.	Report of the Technical Group on Market Integrity	do	2002	65 * 50 **	20	
52.	Standing Committee on International Financial Standards and Codes on CD-ROM	do	2002	200 *	60 150 **	
53.	Report of the Standing Committee on International Financial Standards and Codes	do	2002	65 * 50 **	20	
54.	The Standing Advisory Committee for Urban Co-operative Banks	UBD				
	i) First meeting		1983	5		200 19
	ii) Second meeting		1984	6 £		200 19
	iii) Third meeting		1985	6		200 19
	iv) Fourth meeting		1985	9		300 20
	v) Fifth meeting		1986	9 £		200 19
	vi) Sixth meeting		1988	12 £		200 19
	vii) Seventh meeting		1989	12		200 19
	viii) Eighth meeting		1990	21		300 20
	ix) Ninth meeting (Bilingual edition)		1992	24		200 19
	x) Tenth meeting		1994	95		300 20
	xi) Eleventh meeting		1995	90		300 20
	xii) Twelfth meeting		1996	52		100 19

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5	6	
E. Manuals							
1.	Manual for urban co-operative banks	UBD	1984	15 £		400	21
2.	Manual on costing exercise in commercial banks	MSD	1987	5 £		200	19
3.	Manual on costing exercises in private sector and urban banks (Reprint)	do	1989	27 £		200	19
4.	RBI-Exchange Control Manual- (Reprint of 1993 edition) (Vol.I & II) (updated upto July, 1998)	FED	1998	400 £		2200	39
	i) RBI - Exchange Control Manual on floppy Disc - size 3.5 (Upadated upto June, 1999)		1999	400 £			
	ii) RBI - Exchange Control Manual - on C.D. Rom (updated upto 31st May, 2000)		1999	400 £			
F. Compendium of Circulars							
1.	i) Compendium of A.D. (M.A. Series) circulars No. 1	do	1997	75 £			
	ii) Compendium of A.D. (M.A. Series) circulars No. 2		1998	120 £			
	iii) Compendium of A.D. (M.A. Series) circulars No. 3		1999	200			
2.	A. D. (M.A. Series) Circular No. 11 Foreign Exchange Management Act 1999	do	2000	185		900	26
3.	CPC / MPD Circulars						
	i) August 1970 to December 1981 - Vol. I	MPD	1989	75 *			
	ii) January 1982 to March 1989 - Vol.II		1989	75 *			
	iii) April 1989 to April 1995 Vol.III		1996	200		1530	33
4.	i) Circulars on Monetary and Credit Policy Vol. 4 (From May 1995 to April 1997)	do	2002	165 * 130 **	50		
	ii) Circular on Monetary and Credit Policy Vol. No. 5 (From May 1997 to March 1999)		2002	235 422 * 372 ** 185 ***	70		
	iii) Circulars on Monetary and Credit Policy Vol. No. 6. Part I & II (from April 1999 to March 2003) (English & Hindi) A set of four books		2003	900 1300 * 1100 ** 700 ***	170		
	iv) Circulars on Monetary and Credit Policy Vol. No. 6 (from April 1999 to March 2003) On CD-Rom		2003	400 * 300 **	80		
	v) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (English & Hindi)		2004	250 275 * 200 **	25 □ 20 *		
	vi) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (On CD-Rom)		2004	180 200 * 140 **	15 □ 12 *		
	vii) Circulars on Monetary and Credit Policy Vol. No. 8 (from April 2004 to March 2005)		2005				
	(a) Print Version (Billingual)			375 400 * 280 **	30 *		
	(b) CD-ROM			180 200 * 140 **	15 *		
	viii) Compendium of MPD Circulars - Vol. 9 (April 2005 - March 2006) (Billingual)		2006	480 500 * 375 **	35 *		

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5	6	
5.	IECD circulars	IECD					
	i) July 1978 to June 1986 bilingual (Vol.I & II)		1993	250	10	2114	39
	ii) 1986-89		1990	70		1325	31
	iii) 1989-94 (Vol. I&II)		1995	250 £		2295	40
	iv) 1994-95		1995	80		700	24
	v) 1995-96		1996	55		380	21
	vi) 1996-97		1997	65		445	22
6.	Rural Planning and Credit Department (RPCD) Circulars (Bilingual edition)	RPCD					
	i) July 1994 to June 1995 (Vol. X)		1998	180 200 *			
	ii) July 1995 to June 1996 (Vol. XI)			180 £ 200 *			
	iii) July 1996 to June 1997 (Vol. XII)		1999	180 200 *			
	iv) July 1997 to June 1998 (Vol. XIII)		1999	180 200 *			
	v) July 1998 to June 1999 (Vol. XIV)		2000	180 200 *			
	vii) July 1999 to June 2000 (Vo. XV)		2001	210 240 *			
7.	Compendium of Circulars on Small Scale Industries	do	2000	120 150 *	25		
8.	RPCD Circular (on CD-ROM) (1st July 1982 to 31 March 2004)	do	2004	120 150 *			
9.	RPCD Circulars on Small Scale Industries (upto 30-09-2004) on CD-ROM	do	2004	120 150 *			
10.	UBD circulars	UBD					
	i) June 1985		1986	115		274	20
	ii) 1985-1992 (Vol.I & II)		1995	250		3195	49
	iii) 1992-1994		1995	165		1792	35
	iv) 1995-96		1997	55		735	25
11.	i) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (July 1996-December 1997)	do	2000	85		742	25
	ii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 1998-December 1999)		2003	100 £		1032	68
	iii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 2000-December 2001)		2003	120 £		1300	68

G. Memorandum

	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
1.	Memorandum of Exchange Control Manual, 1993 containing detailed procedural instructions	FED					
	a) Relating to general insurance in India (GIM)		1994	20		70	19
	b) Relating to channeling transactions through Asian Clearing Union (ACM)		1996	20		70	19
	c) Relating to co-operative/commercial banks (other than authorised dealers) authorised to maintain non-resident rupee accounts (ABM)		1994	20 £			

Reserve Bank of India Publications

	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5	6	
	d) Memorandum of Instructions to full-fledged money changers (FLM)	FED	1999	30 £		110	19
	e) Memorandum of Instructions to restricted money changers (RLM)		1999	30 £		90	19
	f) Memorandum of Instruction on project & service exports (PEM)		1997	40 £		280	20
2.	Memorandum of Exchange Control Regulations Relating to general insurance in India (GIM)	do	2002	30			26
3.	Memorandum of instructions to Authorised Money Changers (AMC)	do	2002	30			
4.	Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) Memorandum ACM	do	2003	30			21
5.	Memorandum of Instructions on Project and Service Exports (PEM)	do	2003	40			
H.	**Reserve Bank of India Occasional Papers (Quarterly)**	DEAP	–				
	i) 1987 to 1989 (Yearly four issues)			30 *@£	10 @		
	ii) 1990 to 1995 (Yearly four issues)			35 *@£	25 @		
	iii) 1996 (Yearly four issues)			35 *@	25 @		
	iv) 1997 (Three issues)			35 *@	25 @		
	v) (Combined issue June-September, 1997)			70 *	50		
	vi) 1998 (Yearly four issues)			40 *@	25 @		
	vii) 1999 (Yearly 3 issues)			50 *@	30 @		
	viii) 2000 (Yearly 2 issues) Summer - Vol. 21 No. 1			80 *@	45 @		
	ix) (Monsoon & Winter Combined Issue) - Vol. 21 No. 2 & 3			80 *@	45 @		
	x) 2001 Vol. 22 Nos. 1, 2 & 3 (Combined Issue)			80 *@	45 @		
	xi) 2003 Vol. 24 Nos. 1 & 2 (Summer & Monsoon Combined Issue)			80 *£	45 *		
	xii) 2003 Vol. 24 No. 3 (Winter)			80 *	45 *		
	xiii) 2004 Vol. 25 No. 1, 2 & 3 (Summer, Monsoon & Winter Combined Issue)			80 *£	45 *		
I.	**Others Important Publications**						
1.	Small Scale Industries-Policy & Guidelines	RPCD	1997	20		200	19
2.	Regulatory Framework for Non-Banking Financial Companies	DNBS	1998	40 £		365	21
3.	Question/Answer New NBFC Policy	do	1998	10		50	19
4.	Payment Systems in India	DIT	1998	60 * 150 *	10		
5.	Mechanised Cheque Processing Using MICR Technology Procedural Guidelines.	do	1999	50 *£			
6.	Mechanised Cheque Processing using MICR Technology Procedural Guidelines. (Second Edition)	do	2002	50 *			
7.	Indian Financial Network Banking Applications Message Formats (INFINET)	do	2000	100 *			
8.	Indian Financial Network (INFINET) Banking Applications Messages Formats Vol. II	do	2002	100 *			
9.	Balance of Payments compilation	DEAP	1987	45 *	30		
10.	New Series on Wholesale Price Index Numbers	do	1990	11 * £			

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5	6	
11.	India's Balance of Payments monograph – 1948-49 to 1988-89	DEAP	1993	90	40		
12.	Centenary Commemorative Volume (C.D. Deshmukh Memorial Lecture series)	do	1996	100	25	400	21
13.	50 years of Central Banking : Governors Speak	do	1997	400		800	25
14.	Indian Economy – Basic Statistics – 1997	do	1997	4			
15.	External Debt-Management : Issues, Lessons and Preventive Measures	do	1999	250 *	20		
16.	Foreign Collaboration in Indian Industry - Sixth Survey Report	do	1999	60 *	20		
17.	Flow of Funds Accounts of the Indian Economy 1951-52 to 1995-96	do	2000	75 *	20		
18.	Exchange facilities for foreign travel	FED	1996	8 £		35	19
19.	Exchange facilities for resident Indians	do	1997	15		32	19
20.	Indian Overseas Investment Handbook of Policies and Procedures	do	1998	100 £ 125 *			
21.	Facilities for Non-resident Indians	do	1999	35 £ 50 *	8		
22.	RBI Remittance Facilities Scheme - 1975	DGBA	1989	3 £		25	
23.	Karyalayeen Shabdavli (English-Hindi)	DAPM	1994	15		166	19
24.	Directory of Bank Offices 1993 (English)	DBOD	1996	485 568 *	 36		
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32.	Reserve Bank of India Functions and working	RBI Staff College, Chennai	2001	120			68
33.	Risk Management (Hindi)	BTC	2003	100 *			
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हस्ताक्षर

तारीख

(कार्यालय के उपयोग हेतु)

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Dear Reader,

With a view to improving the format and content of RBI Bulletin, we approach you with the following questionnaire. We greatly appreciate your sparing time to answer the questionnaire and mail it to the address given below:

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RBI Bulletin,
Division of Reports, Reviews and Publications,
Department of Economic Analysis and Policy,
Reserve Bank of India,
Amar Building, 6th Floor,
P.M. Road, Fort,
Mumbai - 400 001.

Please tick-mark (✓) the appropriate box/boxes.

(1) Please tell us about yourself – your occupation/ your activity - association :

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(2) Please indicate the items in the Bulletin that you find useful:

- Studies/Articles on various aspects of banking, corporate sector, Government finances, etc. ☐
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- RBI Press Release ☐
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Readers' Views on the Monthly Bulletin

(3) Please indicate, with reference to the answer given for (2) above, your suggestions for improvements in regard to items other than the 'Current Statistics' portion of the Bulletin.

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(4) What in your opinion, should be done to improve the get up or coverage of the "Current Statistics" portion ?

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(5) Do you think it would be advisable to separate 'Current Statistics' portion from the rest of the Bulletin and have 'Monthly Statistics' separately brought out ?

Yes ☐ No ☐

(6) If the answer to Q.(5) is Yes, do you think it would be sufficient to have a Quarterly Bulletin of articles, speeches, and policy measures ?

Yes ☐ No ☐

(7) Are you a user of our web site (http://www/rbi.org.in) ? Yes ☐ No ☐

Thank you very much for your cooperation.

Editor

Reserve Bank of India Websites

To facilitate quicker access to RBI documents available on the RBI Website (URL : www.rbi.org.in), frequently accessed documents have been given a special URL. By keying-in the URL which can also be saved in 'Favourites', the visitor can directly reach the desired document on the RBI site.

Advance release calenders relating to data categories pertaining to: (i) analytical accounts of the banking sector, (ii) analytical accounts of the central bank, (iii) share price index, (iv) balance of payments, (v) international reserves, and (vi) exchange rates under the Special Data Dissemination Standards (SDDS) of the IMF are also posted on the RBI Website (http://www.rbi.org.in).

The documents available on special URL are:

- Weekly Statistical Supplement: www.wss.rbi.org.in
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- Y2K: www.y2k.rbi.org.in
- Data base on Indian Economy: https://cdbmsi.reservebank.org.in

– Editor

RBI provides Web based Access to its Database on Indian Economy

The Reserve Bank of India has released a number of long time series data on several aspects of Indian economy covering key macro economic aggregates to the public in user-friendly manner through dynamic web based application.

Objective : The Database on Indian Economy is built for the convenience of researchers, analysts and other users. It is created to provide the public with an access to the published data series, with additional details on some series as available in the Reserve Bank of India's enterprise wide data warehouse.

Coverage : Data available on published time series, can be accessed through a completely browser based software include data on:

- financial sector,
- real sector,
- financial market,
- external sector,
- public finance and
- corporate finance

Features :

- All the data series are accompanied with data definitions, i.e. metadata, which allow the user to view the definitions/concepts of the underlying variables;
- The data definitions provides search feature;
- Extract data through standard reports which allows the users to select and view the preformatted reports or
- Dynamic 'data query', which enables user to define list of data series and allows the user to choose the time period for data extraction.
- Data files can be downloaded in the form of CSV / pdf format.

Access : The data can be accessed from the home page of the RBI website (www.rbi.org.in) through the static headline "Database on Indian Economy" List of data series available on the site is available on the homepage of the site, i.e. Database on Indian Economy.

This list will be proggressively enlarged on the basis of feedback received and availability of relevant data series in the RBI data warehouse. Feedback may please be sent to dbiehelpdesk@rbi.org.in or through the feedback option on the home page of the website.

– Editor