

## ***Developments in India's Balance of Payments during Third Quarter (October-December) of 2010-11: Trade, Invisibles and Capital Account\****

The data on India's Balance of Payments (BoP) are compiled and published by the Reserve Bank on a quarterly basis with a lag of one quarter. Accordingly, the preliminary data on India's BoP for the third quarter (Q3), *i.e.*, October-December 2010 of the financial year 2010-11 along with the partially revised data for the first two quarters (Q1 & Q2), *i.e.*, April-June 2010 and July-September 2010 were released by the Reserve Bank on March 31, 2011. This article covers the analysis of major developments in India's BoP up to the third quarter of 2010-11.

The disaggregated data on invisibles for the (i) third quarter of 2010-11 (October-December 2010), (ii) the first two quarters of 2010-11, *viz.*, April-June 2010 and July-September 2010, and (iii) for the years 2007-08, 2008-09 and 2009-10 are also published as part of this article (Attachment I).

### **Major Highlights of BoP during October-December (Q3) of 2010-11**

- (i) On a BoP basis, exports recorded a growth of 39.8 per cent during Q3 of 2010-11 as compared with an increase of 19.6 per cent in the corresponding quarter of the preceding year. Imports also registered a growth of 24.9 per cent during Q3 of 2010-11 as compared with an increase of 4.9 per cent in the corresponding quarter of the preceding year.
- (ii) With higher growth in exports relative to imports, the trade deficit in absolute terms at USD 31.6 billion continues to be almost of the same order as in the corresponding quarter of the preceding year.

\*Prepared in the Division of International Trade and Finance, Department of Economic and Policy Research, Reserve Bank of India. This article sets out the developments in India's Balance of Payments during the third quarter of 2010-11 (October-December 2010) and also incorporates revision in data for first quarter (April-June 2010) and second quarter (July-September 2010) of 2010-11.

- (iii) Net services recorded a growth of 49.3 per cent resulting from strong growth in receipts of travel, transportation, software, business and financial services as against a decline of 46.0 per cent a year ago.
- (iv) Private transfer receipts remained buoyant at USD 14.1 billion during the quarter.
- (v) Consequently, net invisibles balance showed an increase of 17.0 per cent (as against a decline of 19.0 per cent a year ago).
- (vi) The current account deficit (CAD) during Q3 of 2010-11 moderated to USD 9.7 billion as compared to the corresponding quarter of the preceding year mainly due to recovery in the invisibles surplus.
- (vii) The capital account surplus increased marginally over the corresponding quarter of the previous year mainly due to higher net inflows under FII investments, external assistance, external commercial borrowings (ECBs) and banking capital.
- (viii) With capital account surplus being higher than the current account deficit, there was a net accretion to foreign exchange reserves of USD 4.0 billion during the quarter (excluding valuation).

### **Major Highlights of BoP during April-December 2010-11**

- (i) The current account deficit widened during April-December 2010 mainly due to higher trade deficit as compared to the corresponding period of the preceding year, despite improvement in net invisibles surplus. At this level, the CAD works out to 3.1 per cent of GDP during April-December 2010.

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- (ii) Net capital inflows increased significantly driven by higher net inflows under FII investments, external assistance, short-term trade credit, ECBs and banking capital.
- (iii) Although net capital inflows increased significantly, accretion to reserves during April-December 2010 was marginally lower mainly due to widening of the current account deficit.

### 1. Balance of Payments for October-December (Q3) of 2010-11

The developments in the major items of the BoP for the third quarter (Q3) of 2010-11 are set out below in Table 1.

#### Merchandise Trade

- (i) India's exports growth continued to maintain its momentum during the third quarter of 2010-11. On a BoP basis, merchandise exports recorded a growth of 39.8 per cent, year-on-year, during Q3 of 2010-11 as compared with an increase of 19.6 per cent in the same quarter of the preceding year.
- (ii) On a BoP basis, import payments registered a growth of 24.9 per cent in Q3 of 2010-11 as compared with an increase of 4.9 per cent during the corresponding period of preceding year.
- (iii) According to the data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), oil imports and non-oil imports recorded growth of (-)1.0 per cent and 12.3 per cent, respectively, during Q3 of 2010-11. Oil imports accounted for about 27.9 per cent of total

imports during Q3 of 2010-11 (30.5 per cent in Q3 of 2009-10). The continuance of sizeable share of oil imports in total imports reflect rising crude oil prices apart from the quantum of oil imports (Chart 1).

#### Trade Deficit

- (i) Higher growth in exports relative to imports led the trade deficit in absolute terms to stay at USD 31.6 billion, almost the same level as in the corresponding quarter of the preceding year (USD 30.9 billion) (Chart 2).

#### Invisibles

- (i) Invisibles receipts (comprising services, current transfers and income) recorded a sharp growth of 33.8 per cent, year-on-year during Q3 of 2010-11 (as against a decline of 4.6 per cent in the same period of previous year) facilitated by services exports.
- (ii) Services receipts recorded a growth of 55.7 per cent (as against a decline of 14.4 per cent a year ago) primarily contributed by travel, transportation as well as miscellaneous services such as software, business and financial services.
- (iii) Software exports registered a growth of 17.1 per cent, same as in the corresponding period of preceding year, to USD 15.4 billion. Continuous robustness in software services exports reflect geographical diversification along with enhanced operational efficiencies.

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

Item	April-June		July-September		October-December	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6
1. Exports	39.2	55.3	43.4	51.8	47.2	66.0
2. Imports	65.4	88.0	73.0	89.6	78.1	97.5
3. Trade Balance (1-2)	-26.3	-32.8	-29.6	-37.8	-30.9	-31.6
4. Invisibles, net	22.1	20.3	20.4	21.0	18.7	21.9
5. Current Account Balance (3+4)	-4.2	-12.5	-9.2	-16.8	-12.2	-9.7
6. Capital Account Balance*	4.3	16.2	18.6	20.1	14.0	13.7
7. Change in Reserves# (-Indicates increase; + indicates decrease)	-0.1	-3.7	-9.4	-3.3	-1.8	-4.0

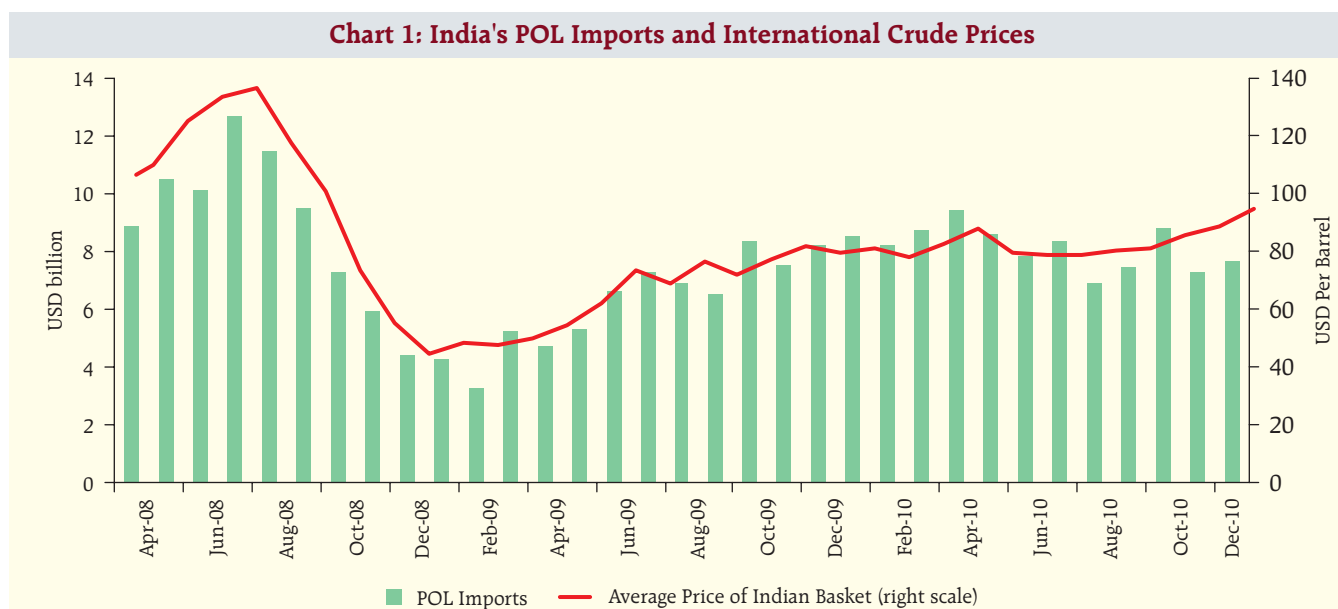
\* Including errors and omissions.

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

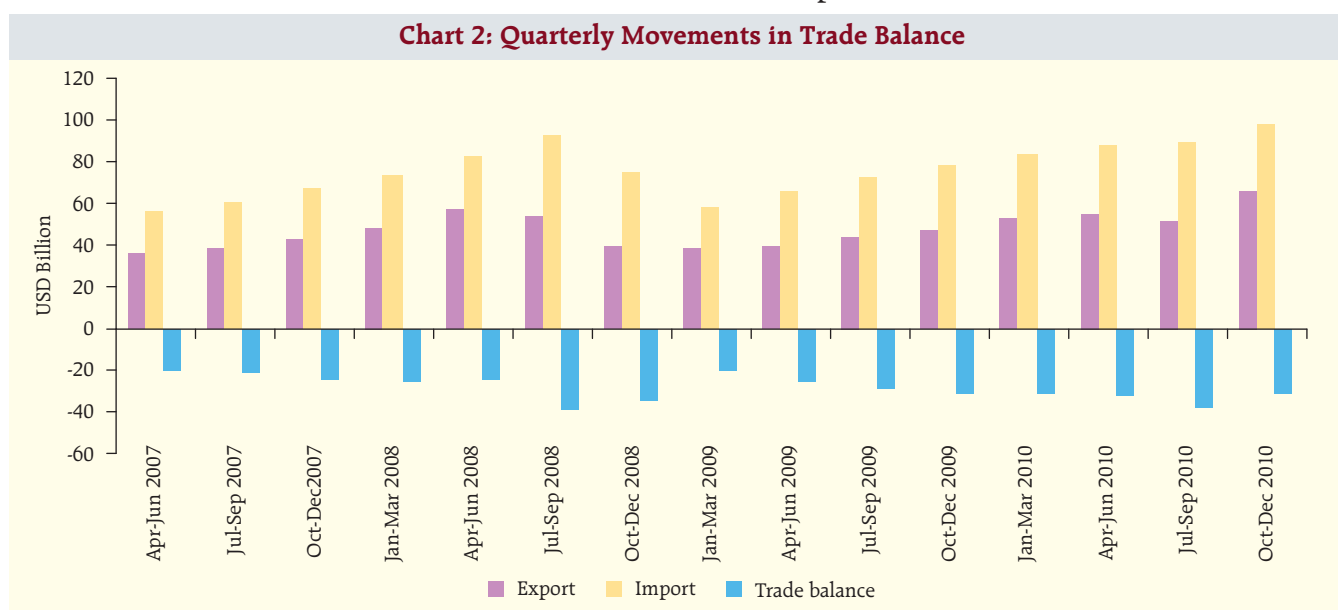
P: Preliminary.

PR: Partially Revised.

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- (iv) Business services (mainly covering business and management consultancy, architectural and engineering services as well as maintenance of offices abroad) continued their trend of recovery witnessed since the last quarter of 2009-10. Business services receipts increased to USD 7.1 billion during Q3 of 2010-11 (USD 2.5 billion a year ago).
- (v) Private transfer receipts, comprising mainly remittances from Indians working overseas, increased by 5.9 per cent (as compared with the growth of 24.1 per cent a year ago) to USD 14.1 billion during the quarter (Table 2 & Chart 3).
- (vi) Investment income receipts declined by 24.1 per cent during the quarter (as compared with a decline of 20.5 per cent a year ago) reflecting the continuation of lower interest rates abroad.
- (vii) Invisibles payments recorded a growth of 48.2 per cent (as compared with a growth of 12.7 per cent a year ago) largely due to higher payments under services and investment income. Services payments increased by 59.0 per cent during the quarter (as compared with a growth of 22.1 per cent a year ago) contributed by almost all components of services.



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Table 2: Net Invisibles

Item	(USD billion)					
	April-June		July-September		October-December	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6
A. Services (1 to 5)	11.4	10.0	7.7	12.1	8.2	12.2
1. Travel	0.3	0.6	0.4	0.6	1.1	1.5
2. Transportation	-0.3	0.0	0.3	-0.2	-0.4	-0.3
3. Insurance	0.1	0.1	0.0	0.1	0.1	0.1
4. GNIE	0.0	0.0	0.0	-0.1	-0.01	-0.04
5. Miscellaneous	11.4	9.3	6.9	11.7	7.3	10.9
<i>of which:</i>						
Software	10.6	12.4	10.8	12.8	12.9	14.7
Non-Software	0.8	-3.1	-3.9	-1.1	-5.6	-3.8
B. Transfers	12.9	13.0	13.8	13.0	13.0	13.6
Private	12.9	13.1	13.8	13.0	12.8	13.4
Official	-0.1	-0.1	0.1	0.0	0.3	0.1
C. Income	-2.2	-2.7	-1.1	-4.0	-2.5	-3.9
Investment Income	-2.1	-2.5	-0.9	-3.8	-2.2	-3.6
Compensation of Employees	-0.1	-0.3	-0.1	-0.2	-0.3	-0.3
<b>Invisibles (A+B+C)</b>	<b>22.1</b>	<b>20.3</b>	<b>20.4</b>	<b>21.0</b>	<b>18.7</b>	<b>21.9</b>

P: Preliminary. PR: Partially Revised.

(viii) Notwithstanding higher rate of growth in invisibles payments relative to receipts, net invisibles (invisibles receipts minus invisibles payments) increased by 17.0 per cent (as against a decline of 19.0 per cent a year ago) to USD 21.9 billion (Table 2).

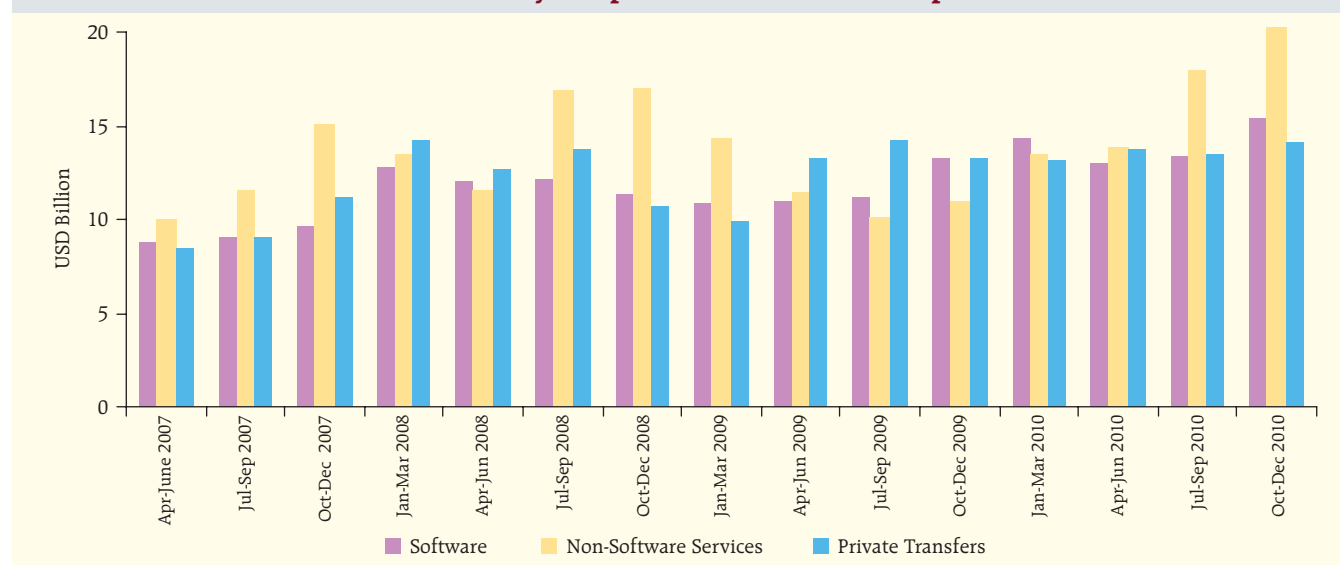
### Current Account Deficit

(i) Despite the higher trade deficit, the current account deficit moderated to USD 9.7 billion (from USD 12.2 billion a year ago) primarily due to strong recovery in invisibles surplus. (Chart 4).

### Capital Account and Reserves

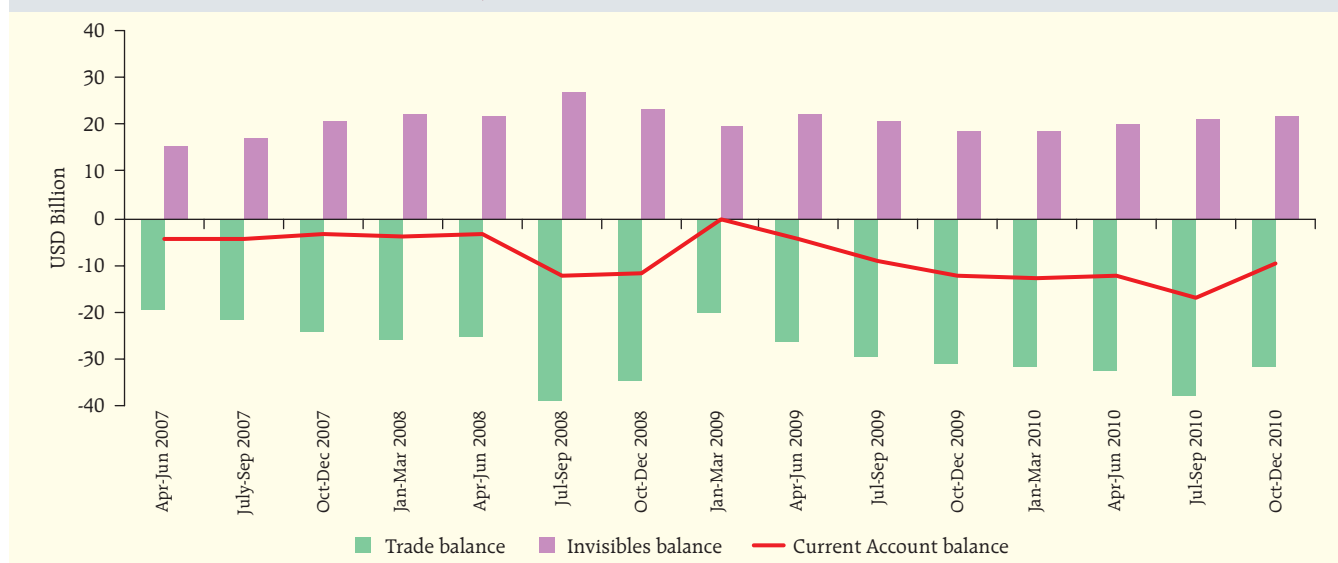
(i) Both gross capital inflows and outflows increased during Q3 of 2010-11 as compared with the corresponding period of the preceding year. The gross capital inflows to India amounted to USD 174.2 billion during Q3 of 2010-11 (USD 81.6 billion a year ago) largely on account of higher portfolio investment inflows, external assistance, external commercial borrowings, banking capital (draw down of assets abroad by commercial banks and NRI deposits) and short-term credit to India.

Chart 3: Key Components of Invisibles Receipts



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Chart 4: Movement in Current Account Balance



- Higher gross capital outflows during the period at USD 159.3 billion (USD 66.9 billion a year ago) were led by outflows under FDI, FII investments and repayments under Short-Term credit to India.
- (ii) Net capital flows were fractionally higher at USD 14.9 billion during Q3 of 2010-11 (USD 14.6 billion a year ago) as higher net inflows under FII investments, external assistance, ECBs and banking capital were offset by moderation in net inflows under short-term trade credits and foreign direct investment (Table 3).
- (iii) The steep rise in gross flows with only moderate increase in net flows is essentially a reflection of enhanced volatility of capital flows during the period.
- (iv) Net FDI flows (net inward FDI minus net outward FDI) moderated to USD 2.1 billion during Q3 of 2010-11 (USD 3.0 billion a year ago) mainly due to lower net inward FDI during the quarter.
- (v) Net FII inflows increased to USD 7.2 billion during Q3 of 2010-11 as compared with USD 5.3 billion

Table 3: Net Capital Flows

(USD billion)

Item	April-June		July-September		October-December	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6
1. Foreign Direct Investment	4.8	2.9	7.5	2.6	3.0	2.1
Inward FDI	8.9	6.0	10.9	6.7	7.2	5.3
Outward FDI	-4.1	-3.1	-3.4	-4.2	-4.2	-3.2
2. Portfolio Investment	8.3	4.6	9.7	19.2	5.7	6.3
Of which:						
FIIs	8.2	3.5	7.0	18.8	5.3	7.2
ADR/GDRs	0.0	1.1	2.7	0.5	0.5	0.2
3. External Assistance	0.3	2.5	0.7	0.6	0.8	1.2
4. External Commercial Borrowings	-0.5	2.2	1.2	3.4	1.7	3.6
5. NRI Deposits	1.8	1.1	1.0	1.0	0.6	0.2
6. Banking Capital excluding NRI Deposits	-5.2	2.9	3.4	-4.2	1.3	4.7
7. Short-term Trade Credit	-1.3	4.4	1.2	2.6	3.2	1.5
8. Rupee Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
9. Other Capital	-4.6	-4.0	-5.4	-3.9	-1.7	-4.8
<b>Total (1 to 9)</b>	<b>3.7</b>	<b>16.6</b>	<b>19.3</b>	<b>21.3</b>	<b>14.6</b>	<b>14.9</b>

P: Preliminary. PR: Partially Revised.

in the corresponding quarter of the preceding year on the back of attractive returns in the Indian stock markets. Gross inflows and outflows under FII investments during the quarter almost trebled reflecting large oversubscriptions to Coal India IPO in October 2010 and repatriation thereafter.

- (vi) Net ECBs were significantly higher at USD 3.6 billion during the quarter (as compared with USD 1.7 billion a year ago) reflecting apart from higher economic activities improvement in international financial markets and lower cost of funds abroad.
- (vii) Banking capital recorded net inflows of USD 4.9 billion during the quarter as compared to USD 1.9 billion a year ago mainly due to larger drawdown of foreign assets of commercial banks.
- (viii) Net inflows under short-term trade credit to India moderated to USD 1.5 billion during the quarter (as compared with a net inflow of USD 3.2 billion a year ago) compensated by rise in other inflows such as ECBs for financing imports to support domestic economic activity.
- (ix) With capital account surplus being higher than the current account deficit, there was a net accretion to foreign exchange reserves of USD 4.0 billion during the quarter (USD 1.8 billion a year ago). In nominal terms (*i.e.*, including valuation changes), foreign exchange reserves increased by USD 4.5 billion during the quarter reflecting depreciation of US dollar against major international currencies during the quarter.

## 2. Balance of Payments for April-December of 2010-11

The BoP data for April-December 2010 have been compiled taking into account the partially revised data for Q1, Q2 and preliminary data for Q3 of 2010-11. While the detailed data are set out in Statement I in standard format of BoP presentation, the major items are presented in Table 4.

### Merchandise Trade

- (i) On a BoP basis, India's merchandise exports recorded a growth of 33.3 per cent in April-December 2010 (as against a decline of 13.8 per cent in the same period of the previous year).
- (ii) Import payments, on a BoP basis, also registered a growth of 27.1 per cent during April-December 2010 as against a decline of 13.3 per cent in the corresponding period of the previous year.
- (iii) Oil imports recorded an increase of 17.7 per cent during April-December 2010 (as against a decline of 24.0 per cent a year ago). In absolute terms, the oil imports accounted for 29.4 per cent of total imports during April-December 2010 (29.7 per cent in the corresponding period of the previous year).
- (iv) According to the DGCI&S data at the disaggregated level available up to October 2010, the increase in merchandise exports has been mainly driven by petroleum, crude oil & products, engineering goods, gems and jewellery, and chemicals and related products. Growth in imports on the other hand has primarily been led by oil, pearls and semi precious stones.

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

Item	(USD billion)			
	April-March		April-December	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4
1. Exports	189.0	182.2	129.7	173.0
2. Imports	308.5	300.6	216.5	275.1
3. Trade Balance (1-2)	-119.5	-118.4	-86.8	-102.1
4. Invisibles, net	91.6	80.0	61.2	63.2
5. Current Account Balance (3+4)	-27.9	-38.4	-25.5	-38.9
6. Capital Account Balance*	7.8	51.8	36.8	50.0
7. Change in Reserves# (-Indicates increase; + indicates decrease)	20.1	-13.4	-11.3	-11.0

\* Including errors and omissions. # On BoP basis (*i.e.*, excluding valuation). R: Revised. P: Preliminary. PR: Partially Revised.

**Trade Deficit**

- (i) On a BoP basis, the trade deficit widened to USD 102.1 billion during April-December 2010 (USD 86.8 billion during April-December 2009).

**Invisibles****Invisibles Receipts**

- (i) Invisibles receipts recorded an increase of 20.9 per cent during April-December 2010 (as against a decline of 7.5 per cent a year ago) mainly due to broad based improvement in service exports (Table 5). Private transfers recorded a marginal rise over the preceding year. Receipts under investment income, however, declined by 36.1 per cent during April-December of 2010-11 due to continuance of lower interest rate regime abroad.
- (ii) Software receipts at USD 41.8 billion during April-December 2010 showed an increase of 18.1 per cent as against a decline of 0.2 per cent a year ago.
- (iii) Miscellaneous receipts, excluding software exports at USD 31.5 billion, during April-December 2010 more than doubled compared to

that in the preceding year. This has essentially been on account of improved performance of business and financial services during the period (Table 6).

- (iv) Improvements in business services exports could be observed across most of its sub components, viz., 'trade related services', 'business and management consultancy services', 'architectural, engineering and other technical services' and 'services relating to maintenance of offices abroad' (Table 7).
- (v) Private transfers are mainly in the form of (a) inward remittances from Indian workers abroad for family maintenance, (b) local withdrawal from Non-Resident Indian Rupee deposits, (c) gold and silver brought through passenger baggage, and (d) personal gifts/donations to charitable/religious institutions. Private transfer receipts have increased marginally to USD 41.3 billion during April-December 2010 (USD 40.8 billion a year ago). Private transfer receipts constituted 13.0 per cent of current receipts during April-December 2010 (16.4 per cent a year ago).

**Table 5: Invisibles Gross Receipts and Payments**

(USD billion)

Item	Invisibles Receipts				Invisibles Payments			
	April-March		April-December		April-March		April-December	
	2008-09	2009-10	2009-10	2010-11	2008-09	2009-10	2009-10	2010-11
	(R)	(PR)	(PR)	(P)	(R)	(PR)	(PR)	(P)
	1	2	3	4	5	6	7	8
<b>A. Services (1 to 5)</b>	<b>106.0</b>	<b>95.8</b>	<b>67.9</b>	<b>95.9</b>	<b>52.0</b>	<b>60.0</b>	<b>40.7</b>	<b>61.7</b>
1. Travel	10.9	11.9	8.5	10.8	9.4	9.3	6.7	8.0
2. Transportation	11.3	11.2	8.1	10.1	12.8	11.9	8.4	10.6
3. Insurance	1.4	1.6	1.2	1.4	1.1	1.3	1.0	1.1
4. Govt. not included elsewhere	0.4	0.4	0.3	0.4	0.8	0.5	0.4	0.5
5. Miscellaneous	81.9	70.7	49.9	73.3	27.9	36.9	24.3	41.4
<i>Of Which:</i>								
<i>Software</i>	46.3	49.7	35.4	41.8	2.6	1.5	1.2	1.9
<i>Non-Software</i>	35.6	21.0	14.5	31.5	25.3	35.5	23.1	39.5
<b>B. Transfers</b>	<b>47.5</b>	<b>54.6</b>	<b>41.4</b>	<b>41.8</b>	<b>2.7</b>	<b>2.3</b>	<b>1.7</b>	<b>2.2</b>
<i>Private</i>	46.9	53.9	40.8	41.3	2.3	1.8	1.3	1.8
<i>Official</i>	0.6	0.7	0.6	0.5	0.4	0.5	0.3	0.5
<b>C. Income</b>	<b>14.3</b>	<b>13.0</b>	<b>10.3</b>	<b>6.9</b>	<b>21.4</b>	<b>21.1</b>	<b>16.1</b>	<b>17.6</b>
<i>Investment Income</i>	13.5	12.1	9.7	6.2	20.1	19.4	14.9	16.1
<i>Compensation of Employees</i>	0.8	0.9	0.7	0.8	1.3	1.7	1.2	1.5
<b>Invisibles (A+B+C)</b>	<b>167.8</b>	<b>163.4</b>	<b>119.7</b>	<b>144.7</b>	<b>76.2</b>	<b>83.4</b>	<b>58.4</b>	<b>81.5</b>

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

**Table 6: Break-up of Non-Software Miscellaneous Receipts and Payments**

(USD billion)

Item	Receipts				Payments			
	April-March		April-December		April-March		April-December	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6	7	8
1. Communication	2.3	1.2	1.0	1.2	1.1	1.4	1.0	0.8
2. Construction	1.0	0.6	0.5	0.4	0.9	1.0	0.7	0.7
3. Financial	4.4	3.7	2.6	4.9	3.0	4.6	3.1	5.3
4. News Agency	0.9	0.3	0.3	0.5	0.4	0.6	5.4	0.3
5. Royalties, Copyrights & License Fees	0.1	0.2	0.2	0.1	1.7	2.0	1.4	1.8
6. Business Services	18.6	11.4	7.6	17.8	15.3	18.0	12.5	20.9
7. Personal, Cultural, and Recreational	0.7	0.5	0.3	0.2	0.3	0.3	0.2	0.4
8. Others	7.6	3.0	2.0	5.6	2.6	7.5	-1.2	9.3
<b>Total (1 to 8)</b>	<b>35.6</b>	<b>21.0</b>	<b>14.5</b>	<b>31.5</b>	<b>25.3</b>	<b>35.5</b>	<b>23.1</b>	<b>39.5</b>

P: Preliminary. PR: Partially Revised.

Note: Details of Business Services (item 6) are given in Table 7.

(vi) NRI deposits, when withdrawn domestically, form part of private transfers because once withdrawn for local use these become unilateral transfers and do not have any *quid pro quo*. During April-December 2010, the share of local withdrawals in total outflows from NRI deposits at 59.5 per cent has been lower compared to that in the preceding year (Table 8).

(vii) Under Private transfers, the inward remittances for family maintenance accounted for 48.7 per cent of the total private transfer receipts, while

local withdrawals accounted for 47.7 per cent during April-December 2010 (Table 9).

(viii) Investment income receipts stood lower at USD 6.2 billion during April-December of 2010-11 as compared with USD 9.7 billion in the corresponding period last year (Table 10).

### Invisibles Payments

(i) Invisibles payments recorded strong growth of 39.5 per cent during April-December 2010 (as compared with an increase of 1.5 per cent

**Table 7: Details of Business Services**

(USD billion)

Item	Receipts				Payments			
	April-March		April-December		April-March		April-December	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6	7	8
1. Trade Related	2.1	1.7	1.0	4.2	1.7	1.8	1.3	1.4
2. Business & Management Consultancy	6.1	3.8	2.5	6.6	3.5	5.4	3.6	7.8
3. Architectural, Engineering, and other Technical Services	1.9	1.4	1.0	1.5	3.1	4.3	2.8	4.1
4. Maintenance of offices abroad	3.5	1.5	1.0	2.1	3.4	3.6	2.5	4.6
5. Others	5.0	3.0	2.1	3.5	3.6	2.9	2.3	3.0
<b>Total (1 to 5)</b>	<b>18.6</b>	<b>11.4</b>	<b>7.6</b>	<b>17.9</b>	<b>15.3</b>	<b>18.0</b>	<b>12.5</b>	<b>20.9</b>

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**Table 8: Inflows and Outflows from NRI Deposits and Local Withdrawals**

(USD billion)			
Year	Inflows	Outflows	Local Withdrawals
	1	2	3
2008-09 (R)	37.1	32.9	20.6
2009-10 (PR)	41.4	38.4	23.6
April-December 2009 (PR)	31.7	28.2	17.8
April-December 2010 (P)	35.5	33.1	19.7

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

a year ago) with rise in each of its components, viz., services, private transfers and income.

- (ii) Service Payments particularly on account of non-software miscellaneous components increased sharply during the period (Table 5). Financial and business services have witnessed a significant increase.
- (iii) During April-December 2010, private transfer payments increased marginally to USD 1.8 billion (USD 1.3 billion a year ago).
- (iv) Investment income payments, reflecting mainly the interest payments on commercial borrowings, external assistance, non-resident deposits, dividend & profits repatriated and reinvested earnings of the FDI enterprises operating in India, amounted to USD 16.1 billion during April-December 2010 (USD 14.9 billion a year ago) (Table 10).

**Table 9: Details of Private Transfers to India**

(USD billion)					
Year	Total Private Transfers	Of Which:			
		Inward remittances for family maintenance		Local withdrawals/redemptions from NRI Deposits	
		Amount	Percentage Share in Total	Amount	Percentage Share in Total
	1	2	3	4	5
2008-09 (R)	46.9	23.9	50.9	20.6	44.0
2009-10 (PR)	53.9	28.4	52.7	23.6	43.7
Apr-Dec 2009 (PR)	40.8	21.5	52.7	17.8	43.6
Apr-Dec 2010 (P)	41.3	20.1	48.7	19.7	47.7

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

### **Invisibles Balance**

- (i) Net invisibles surplus increased to USD 63.2 billion during April-December 2010 (USD 61.2 billion last year) largely due to higher net receipts in case of software, travel and non-software miscellaneous services. At this level, the invisibles surplus financed about 61.9 per cent of trade deficit during April-December 2010 as compared with 70.6 per cent during April-December 2009. Net software exports accounted for nearly two thirds of total net invisibles surplus during April-December 2010

### **Current Account Balance**

- (i) During April-December 2010, the current account deficit widened to USD 38.9 billion (USD 25.5 billion a year ago) due to higher trade deficit despite improvement in net invisibles surplus.

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

(USD billion)				
Item	April-March		April-December	
	2008-09 (R)	2009-10(PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4
<b>A. Receipts</b>	<b>13.5</b>	<b>12.1</b>	<b>9.7</b>	<b>6.2</b>
<i>Of which:</i>				
1. Reinvested Earnings on Indian Investment Abroad	1.1	1.1	0.8	0.8
2. Interest/discount Earnings on Foreign exchange reserves	10.5	5.9	4.8	3.1
<b>B. Payments</b>	<b>20.1</b>	<b>19.4</b>	<b>14.9</b>	<b>16.1</b>
<i>Of which:</i>				
1. Interest Payment on NRI deposits	1.5	1.6	1.2	1.3
2. Interest Payment on ECBS	2.7	2.4	1.9	1.9
3. Interest Payments on External Assistance	1.0	0.9	0.7	0.6
4. Dividends and Profits	3.2	3.8	3.1	3.8
5. Reinvested Earnings of FDI Companies in India	9.0	8.7	6.5	6.7
<b>C. Net Investment Income (A-B)</b>	<b>-6.6</b>	<b>-7.2</b>	<b>-5.2</b>	<b>-9.9</b>

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

### Capital Account

- (i) Both gross capital inflows and outflows were higher during April-December 2010 (Table 11). Gross capital inflows were driven by higher inflows under FIIs, external assistance, ECBs, Short-Term credit and banking capital. On the other hand, gross capital outflows were led by higher outflows under FIIs, FDI, short-term credit and banking capital.
- (ii) In net terms, capital inflows increased significantly to USD 52.7 billion during April-December 2010 (USD 37.6 billion a year ago) driven by higher net inflows under FII investments, external assistance, short-term trade credits, ECBs and banking capital. These were partly offset by the moderation in net FDI inflows which amounted to USD 7.6 billion (USD 15.4 billion a year ago).
- (iii) Moderation in net FDI inflows was on account of both moderation in gross FDI inflows as well as marginal rise in gross FDI outflows.
- (iv) Sector-wise, the deceleration in gross FDI to India (*i.e.* inward FDI) was mainly on account of lower FDI inflows under services and 'construction, real estate and mining' (Table 12).
- (v) Country-wise, investment routed through Mauritius remained the largest component of gross FDI inflows to India during April-December 2010 followed by Singapore and Netherlands (Table 13).
- (vi) Increase in gross outward FDI flows during April-December 2010 was mainly due to higher outflows under other capital (inter-company borrowing).
- (vii) In terms of sectors, there has been significant increase in outward FDI in the areas of services. The share of services accounted for the largest share in outward FDI at 45.5 per cent during April-December 2010 (Table 12).
- (viii) Direction-wise (*i.e.* in terms of recipient countries), investment going to Mauritius constituted the largest component of gross outward FDI during April-December 2010, followed by Singapore and the USA reflecting the concessional and liberal policies of these countries (Table 13).
- (ix) With lower gross inward FDI and rise in gross outward FDI, the net FDI to India stood considerably lower at USD 7.6 billion during April-December 2010 (USD 15.4 billion a year ago).

**Table 11: Gross Capital Inflows and Outflows**

(USD billion)

Item	Gross Inflows				Gross Outflows			
	April-March		April-December		April-March		April-December	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6	7	8
1. Foreign Direct Investment	38.9	38.5	30.4	25.6	19.1	19.7	15.1	18.0
2. Portfolio Investment	128.7	160.2	118.8	205.1	142.7	127.8	95.1	175.0
<i>Of which:</i>								
FIIs	127.3	156.6	115.5	202.9	142.4	127.5	95.0	173.4
ADR/GDRs	1.2	3.3	3.2	1.8	-	-	-	-
3. External Assistance	5.2	5.9	4.1	6.4	2.8	3.0	2.3	2.2
4. External Commercial								
Borrowings	15.2	15.0	9.7	16.9	7.4	12.1	7.3	7.6
5. NRI Deposits	37.1	41.4	31.7	35.5	32.9	38.4	28.2	33.1
6. Banking Capital excluding								
NRI Deposits	28.1	20.1	15.6	31.4	35.6	21.0	16.1	28.0
7. Short-term Trade Credits	41.8	53.3	36.0	53.8	43.8	45.7	32.9	45.3
8. Rupee Debt Service	-	-	-	-	0.1	0.1	0.0	0.0
9. Other Capital	18.6	11.4	9.0	7.5	22.6	24.4	20.8	20.2
<b>Total (1 to 9)</b>	<b>313.6</b>	<b>345.7</b>	<b>255.4</b>	<b>382.1</b>	<b>306.9</b>	<b>292.3</b>	<b>217.8</b>	<b>329.4</b>

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

Table 12: Sector-wise FDI: Inflows and Outflows

(USD billion)							
Industry	Inward FDI#			Industry	Outward FDI*		
	April-March	April-December			April-March	April-December	
	2009-10	2009-10	2010-11		2009-10	2009-10	2010-11
	1	2	3		4	5	6
Manufacturing	5.1	4.1	4.0	Manufacturing	4.7	4.0	3.5
Services@	7.5	6.3	4.2	Services@@	4.1	3.3	5.5
Construction, Real Estate & Mining	6.0	4.8	1.9	Construction	0.4	0.3	0.3
Others	3.9	3.0	2.3	Others	2.9	2.3	2.8
<b>Total</b>	<b>22.5</b>	<b>18.2</b>	<b>12.4</b>	<b>Total</b>	<b>12.1</b>	<b>9.9</b>	<b>12.1</b>

# Includes equity FDI through SIA/FIPB and RBI routes only and hence are not comparable with data in other tables.

\* Includes equity (except that of individuals and banks), loans and guarantee invoked, and hence are not comparable with data in other tables.

@ Includes communication, financial, business, computer and miscellaneous services.

@@ Includes 'financial, insurance, real estate & business services', 'community, social & personal services' and 'transportation, storage & communication services'.

- (x) Banking capital recorded higher net inflows at USD 5.7 billion during April-December 2010 (USD 3.0 billion a year ago) mainly due to drawdown of foreign assets and overseas borrowings by commercial banks.
- (xi) 'Other capital' that includes leads and lags in exports, SDR allocation, net funds held abroad, advances received pending issue of shares under FDI and other capital not included elsewhere (n.i.e) recorded a higher net outflow of USD 12.7 billion during April-December 2010 as compared with a lower net outflow of USD 11.8 billion during the corresponding period of previous year (Table 14).

### Reserve Variation

- (i) Notwithstanding significant increase in net capital inflows, accretion to reserves during April-December 2010 was marginally lower as current account deficit has been significantly larger than that during April-December 2009. The accretion to foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) was USD 11.0 billion during April-December 2010 (USD 11.3 billion a year ago) (Chart 5). Taking into account the valuation gains, foreign exchange reserves recorded an increase of USD 18.3 billion during April-December 2010 (as compared to an increase in reserves of USD 31.5 billion a year ago) (Annex A).

Table 13: Country-wise FDI: Inflows and Outflows

(USD billion)							
Country	Inward FDI#			Country	Outward FDI*		
	April-March	April-December			April-March	April-December	
	2009-10	2009-10	2010-11		2009-10	2009-10	2010-11
	1	2	3		4	5	6
1. Mauritius	9.8	8.5	4.7	1. Mauritius	1.4	0.8	4.3
2. Singapore	2.2	1.6	1.3	2. Singapore	3.8	3.3	2.9
3. Netherlands	0.8	0.7	1.2	3. USA	0.8	0.5	1.0
4. USA	2.2	1.9	1.0	4. Netherlands	1.5	1.4	0.5
5. Japan	1.0	0.9	1.0	5. UK	0.3	0.3	0.2
6. UK	0.6	0.4	0.4	6. UAE	0.6	0.6	0.6
7. Cyprus	1.6	1.3	0.4	7. Cyprus	0.5	0.4	0.5
8. Hong Kong	0.1	0.1	0.2	8. Cayman Island	-	-	0.4
9. Others	4.2	2.8	2.2	9. Others	3.2	2.6	1.7
<b>Total</b>	<b>22.5</b>	<b>18.2</b>	<b>12.4</b>	<b>Total</b>	<b>12.1</b>	<b>9.9</b>	<b>12.1</b>

# Includes equity FDI through SIA/FIPB and RBI routes only and hence are not comparable with data in other tables.

\* Includes equity (except that of individuals and banks), loans and guarantee invoked, and hence are not comparable with data in other tables.

- Nil/Negligible.

**Table 14: Details of 'Other Capital' (Net)**

Item	(USD billion)			
	April-March		April-December	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4
1 Lead and Lags in Exports	-14.6	-4.7	-3.1	-10.5
2 Net Funds Held Abroad	-0.3	-6.9	-5.8	-4.8
3 Advances Received Pending Issue of Shares under FDI	3.0	3.1	1.1	5.1
4 SDR Allocation	-	5.2	5.2	-
5 Other capital not included elsewhere (n.i.e) (Inclusive of derivatives and hedging, migrant transfers and other capital transfers)	8.0	-9.7	-9.2	-2.5
<b>Total (1 to 5)</b>	<b>-4.0</b>	<b>-13.0</b>	<b>-11.8</b>	<b>-12.7</b>

P: Preliminary. PR: Partially Revised. R: Revised. – Nil/NA.

(ii) At the end of December 2010, the level of foreign exchange reserves stood at USD 297.3 billion.

### Difference in DGCI&S and Balance of Payments Imports

(i) During April-December 2010, as per the records of the DGCI&S imports (based on customs) data and the BoP merchandise imports (based on banking channel data), the difference between the two datasets works out to about USD 28.4 billion (Table 15). The difference comes down to USD 24 billion if partially revised DGCI&S data are taken into account. The gap is expected to narrow down significantly when DGCI&S carries out final revision.

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

Item	(USD billion)		
	April-March		Apr-Dec
	2008-09 R	2009-10 PR	2010-11 P
	1	2	3
1. BoP Imports	308.5	300.6	275.1
2. DGCI&S Imports	303.7	286.8	246.7
3. Difference (1-2)	4.8	13.8	28.4

To sum up, the key features of India's BoP that emerged during April-December 2010 were: (i) higher trade deficit (USD 102.1 billion) led by higher imports, (ii) higher net invisibles surplus (USD 63.2 billion) driven by higher services receipts, in particular software exports, (iii) higher current account deficit (USD 38.9 billion) due to

**Chart 5: Variation in India's Foreign Exchange Reserves (BOP Basis)**

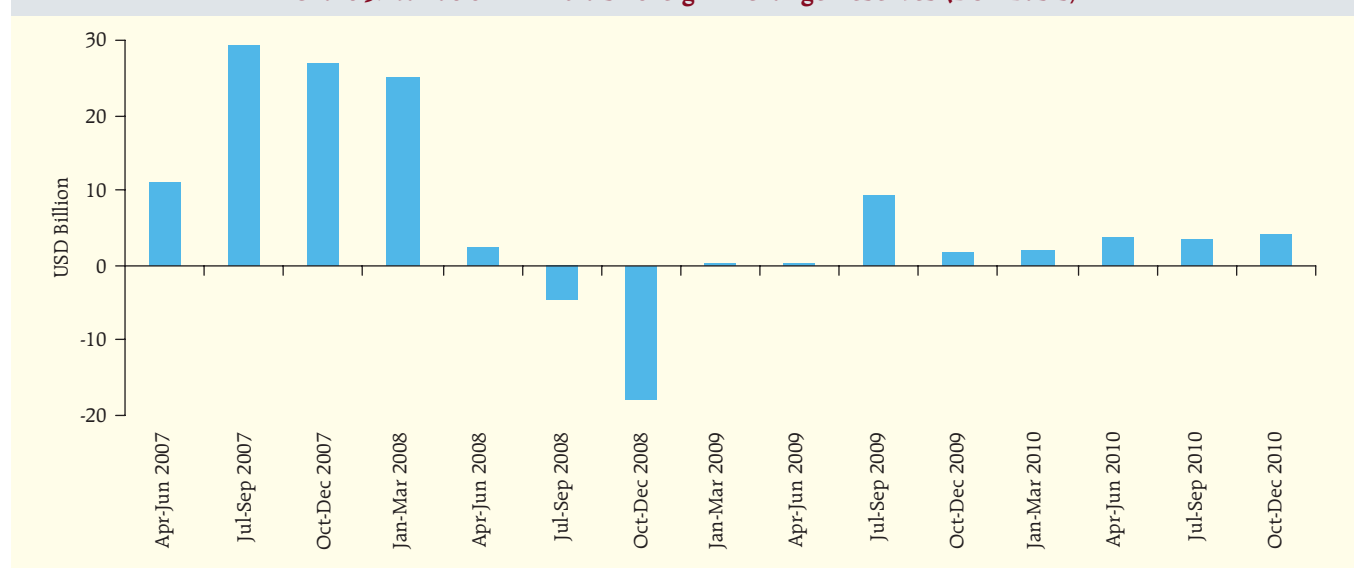


Table 16: Key Indicators of India's Balance of payments

Item	April-March		April-December	
	2008-09	2009-10	2009-10	2010-11
	1	2	3	4
<b>Merchandise Trade</b>				
1. Exports (USD on BoP basis) Growth Rate (%)	13.7	-3.6	-13.8	33.3
2. Imports (USD on BoP basis) Growth Rate (%)	19.8	-2.6	-13.3	27.1
3. Crude Oil Prices USD Per Barrel (Indian Basket)	82.7	69.6	67.5	79.6
4. Trade Balance (USD billion)	-119.5	-118.4	-86.8	-102.1
5. Exports/GDP (%)	15.6	13.2	13.3	13.9
6. Imports/GDP (%)	25.4	21.8	22.2	22.2
7. Trade Balance/GDP (%)	-9.8	-8.6	-8.9	-8.2
<b>Invisibles</b>				
8. Net Invisibles (USD billion)	91.6	80.0	61.2	63.2
9. Net Invisible Surplus/Trade Deficit (%)	76.6	67.6	70.6	61.9
10. Invisibles Receipts/Current Receipts (%)	47.0	47.3	48.0	45.5
11. Services Receipts/Current Receipts (%)	29.7	27.7	27.2	30.2
12. Private Transfer Receipts/Current Receipts (%)	13.1	15.6	16.4	13.0
13. Net Invisibles/GDP (%)	7.5	5.8	6.3	5.1
14. Private Transfer Receipts/GDP (%)	3.9	3.9	4.2	3.3
15. Software exports/GDP (%)	3.8	3.6	3.6	3.4
16. Services(net)/GDP (%)	4.4	2.6	2.8	2.8
<b>Current Account</b>				
17. Current Receipts (USD billion)	356.8	345.6	249.4	317.7
18. Current Payments (USD billion)	384.7	384.0	274.9	356.6
19. Current Account Balance (USD billion)	-27.9	-38.4	-25.5	-38.9
20. Current Account Balance/GDP (%)	-2.3	-2.8	-2.6	-3.1
<b>Capital Account</b>				
21. Gross Capital Inflows (USD billion)	313.6	345.7	255.4	382.1
22. Gross Capital Outflows (USD billion)	306.9	292.3	217.8	329.4
23. Net Capital Flows (USD billion)	6.8	53.4	37.6	52.7
24. Net FDI/Net Capital Flows (%)	292.8	35.2	40.9	14.4
25. Net Portfolio Investment/Net Capital Flows (%)	-207.3	60.7	62.9	57.1
26. Net ECBs/Net Capital Flows (%)	116.2	5.3	6.5	17.7
<b>Openness Indicators</b>				
27. Exports plus Imports of Goods/GDP (%)	41.0	35.0	35.5	36.1
28. Current Receipts plus Current Payments/GDP (%)	61.1	52.8	53.8	54.4
29. Net Capital Inflows/GDP (%)	0.6	3.9	3.9	4.3
30. Gross Capital Inflows plus Outflows/GDP (%)	51.1	46.2	48.5	57.4
31. Current Receipts plus Current Payments & Gross Capital Inflows & Outflows/GDP (%)	112.2	99.1	102.3	111.7
<b>Reserves</b>				
32. Import Cover of Reserves (in months)	9.8	11.1	12.4	9.9
33. Outstanding Reserves as at end period (USD billion)	252.0	279.1	283.5	297.3

higher trade deficit, (iv) large net capital inflows driven by large inflows under FII investments along with steady inflows under short-term credit and ECBs and (v) lower increase in reserves on BoP basis (*i.e.*, excluding valuation) of USD

11.0 billion (as compared with an increase in reserves of USD 11.3 billion in April-December 2009) due to expansion of current account deficit. The details of key indicators are set out in Table 16.

### Annex A: Sources of Variation in Foreign Exchange Reserves: April-December 2010

During April-December 2010, there was an accretion to the foreign exchange reserves. The sources of variation in the foreign exchange reserves are set out in Table 1.

Table 1: Sources of Variation in Foreign Exchange Reserves		
(USD billion)		
Items	2009-10 April-December	2010-11 April-December
<b>I. Current Account Balance</b>	<b>-25.5</b>	<b>-38.9</b>
<b>II. Capital Account (net) (a to f)</b>	<b>36.8</b>	<b>50.0</b>
a. Foreign Investment (i+ii)	39.0	37.7
(i) Foreign Direct Investment	15.4	7.6
(ii) Portfolio Investment	23.6	30.1
Of which:		
FIIIs	20.5	29.5
ADRs/GDRs	3.2	1.8
b. External Commercial Borrowings	2.4	9.3
c. Banking Capital	3.0	5.7
of which: NRI Deposits	3.5	2.3
d. Short-Term Trade Credit	3.1	8.5
e. External Assistance	1.9	4.2
f. Other Items in Capital Account*	-12.6	-15.4
<b>III. Valuation Change</b>	<b>20.2</b>	<b>7.3</b>
<b>Total (I+II+III) @</b>	<b>31.5</b>	<b>18.3</b>
<p>@ Difference, if any, is due to rounding off.  <b>Note:</b> *(i) 'Other items in capital account' apart from 'Errors and Omissions' also include SDR allocations, leads and lags in exports, funds held abroad, advances received pending issue of shares under FDI and transactions of capital receipts not included elsewhere.  (ii) Increase in reserves (+)/Decrease in reserves (-).</p>		

On a balance of payments basis (*i.e.*, excluding valuation effects), the foreign exchange reserves increased by USD 11.0 billion during April-December 2010 as compared with an increase of USD 11.3 billion during April-December 2009. The foreign exchange reserves (including the valuation effects) increased by USD 18.3 billion during April-December 2010 as compared with an increase of USD 31.5 billion during April-December 2009 (Table 2).

Table 2: Comparative Position		
(USD billion)		
Items	2009-10 April-December	2010-11 April-December
1. Change in Foreign Exchange Reserves (Including Valuation Effects)	31.5	18.3
2. Valuation Effects (Gain +)/Loss (-)	20.2	7.3
3. Change in Foreign Exchange Reserves on BoP basis ( <i>i.e.</i> , Excluding Valuation Effects)	11.3	11.0
4. Percentage of increase/decline in Reserves explained by Valuation Gain/Loss	64.1	39.9
<b>Note:</b> Increase in reserves (+)/Decrease in reserves (-).		

The valuation gains, reflecting the depreciation of the US dollar against major currencies, accounted for USD 7.3 billion during April-December 2010 as compared with valuation gains of USD 20.2 billion during April-December 2009. Accordingly, valuation gains accounted for 39.9 per cent of the total increase in foreign exchange reserves during April-December 2010.

*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

**Statement I: India's Overall Balance of Payments**

(USD million)

Item	2006-07			2007-08		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>128,888</b>	<b>190,670</b>	<b>-61,782</b>	<b>166,162</b>	<b>257,629</b>	<b>-91,467</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>114,558</b>	<b>62,341</b>	<b>52,217</b>	<b>148,875</b>	<b>73,144</b>	<b>75,731</b>
a) Services	73,780	44,311	29,469	90,342	51,490	38,853
i) Travel	9,123	6,684	2,439	11,349	9,258	2,091
ii) Transportation	7,974	8,068	-94	10,014	11,514	-1,500
iii) Insurance	1,195	642	553	1,639	1,044	595
iv) G.n.i.e.	253	403	-150	331	376	-45
v) Miscellaneous	55,235	28,514	26,721	67,010	29,298	37,712
<i>of which</i>						
<i>Software Services</i>	31,300	2,267	29,033	40,300	3,358	36,942
<i>Business Services</i>	14,544	15,866	-1,322	16,772	16,553	219
<i>Financial Services</i>	3,106	2,991	115	3,217	3,133	84
<i>Communication Services</i>	2,262	796	1,466	2,408	860	1,548
b) Transfers	31,470	1,391	30,079	44,261	2,316	41,945
i) Official	635	381	254	753	514	239
ii) Private	30,835	1,010	29,825	43,508	1,802	41,706
c) Income	9,308	16,639	-7,331	14,272	19,339	-5,068
i) Investment Income	8,926	15,688	-6,762	13,811	18,244	-4,433
ii) Compensation of Employees	382	951	-569	461	1,095	-635
<b>Total Current Account (I+II)</b>	<b>243,446</b>	<b>253,011</b>	<b>-9,565</b>	<b>315,037</b>	<b>330,774</b>	<b>-15,737</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>133,210</b>	<b>118,457</b>	<b>14,753</b>	<b>271,122</b>	<b>227,796</b>	<b>43,326</b>
a) Foreign Direct Investment (i+ii)	23,590	15,897	7,693	37,321	21,429	15,893
i) In India	22,826	87	22,739	34,844	116	34,728
<i>Equity</i>	16,481	87	16,394	26,865	108	26,757
<i>Reinvested Earnings</i>	5,828	-	5,828	7,679	-	7,679
<i>Other Capital</i>	517	-	517	300	8	292
ii) Abroad	764	15,810	-15,046	2,477	21,312	-18,835
<i>Equity</i>	764	13,368	-12,604	2,477	16,899	-14,422
<i>Reinvested Earnings</i>	-	1,076	-1,076	-	1,084	-1,084
<i>Other Capital</i>	-	1,366	-1,366	-	3,330	-3,330
b) Portfolio Investment	109,620	102,560	7,060	233,800	206,367	27,433
i) In India	109,534	102,530	7,004	233,564	206,294	27,270
<i>of which</i>						
<i>FIIIs</i>	105,756	102,530	3,226	226,621	206,294	20,327
<i>GDRs/ADRs</i>	3,776	-	3,776	6,645	-	6,645
ii) Abroad	86	30	56	236	73	163
<b>2. Loans (a+b+c)</b>	<b>54,642</b>	<b>30,152</b>	<b>24,490</b>	<b>82,192</b>	<b>41,539</b>	<b>40,653</b>
a) External Assistance	3,767	1,992	1,775	4,241	2,126	2,114
i) By India	20	32	-12	23	28	-4
ii) To India	3,747	1,960	1,787	4,217	2,098	2,119
b) Commercial Borrowings	20,883	4,780	16,103	30,293	7,684	22,609
i) By India	626	966	-340	1,593	1,624	-31
ii) To India	20,257	3,814	16,443	28,700	6,060	22,640
c) Short-Term to India	29,992	23,380	6,612	47,658	31,729	15,930
i) Suppliers' Credit > 180 days & Buyers' Credit	25,482	22,175	3,307	42,641	31,729	10,913
ii) Suppliers' Credit up to 180 days	4,510	1,205	3,305	5,017	-	5,017
<b>3. Banking Capital (a+b)</b>	<b>37,209</b>	<b>35,296</b>	<b>1,913</b>	<b>55,814</b>	<b>44,055</b>	<b>11,759</b>
a) Commercial Banks	36,799	35,218	1,581	55,735	43,623	12,112
i) Assets	14,466	17,960	-3,494	19,562	12,668	6,894
ii) Liabilities	22,333	17,258	5,075	36,173	30,955	5,217
<i>of which: Non-Resident Deposits</i>	19,914	15,593	4,321	29,400	29,222	179
b) Others	410	78	332	79	432	-353
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>162</b>	<b>-162</b>	<b>-</b>	<b>122</b>	<b>-122</b>
<b>5. Other Capital</b>	<b>8,230</b>	<b>4,021</b>	<b>4,209</b>	<b>29,229</b>	<b>18,261</b>	<b>10,969</b>
<b>Total Capital Account (1 to 5)</b>	<b>233,291</b>	<b>188,088</b>	<b>45,203</b>	<b>438,357</b>	<b>331,772</b>	<b>106,585</b>
<b>C. Errors &amp; Omissions</b>	<b>968</b>	<b>-</b>	<b>968</b>	<b>1,316</b>	<b>-</b>	<b>1,316</b>
<b>D. Overall Balance (Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>	<b>477,705</b>	<b>441,099</b>	<b>36,606</b>	<b>754,710</b>	<b>662,546</b>	<b>92,164</b>
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>36,606</b>	<b>-36,606</b>	<b>-</b>	<b>92,164</b>	<b>-92,164</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	-	36,606	-36,606	-	92,164	-92,164

P: Preliminary

PR: Partially Revised

Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account

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

(USD million)

Item	2008-09			2009-10 PR		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>189,001</b>	<b>308,521</b>	<b>-119,520</b>	<b>182,235</b>	<b>300,609</b>	<b>-118,374</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>167,819</b>	<b>76,214</b>	<b>91,605</b>	<b>163,404</b>	<b>83,413</b>	<b>79,991</b>
a) Services	105,963	52,047	53,916	95,759	60,033	35,726
i) Travel	10,894	9,425	1,469	11,859	9,342	2,517
ii) Transportation	11,310	12,820	-1,509	11,177	11,934	-757
iii) Insurance	1,422	1,130	292	1,603	1,286	317
iv) G.n.i.e.	389	793	-404	440	526	-86
v) Miscellaneous	81,948	27,878	54,070	70,680	36,945	33,735
<i>of which</i>						
Software Services	46,300	2,564	43,736	49,705	1,469	48,236
Business Services	18,603	15,317	3,286	11,368	18,049	-6,681
Financial Services	4,428	2,958	1,470	3,736	4,643	-907
Communication Services	2,298	1,087	1,211	1,229	1,355	-126
b) Transfers	47,547	2,749	44,798	54,623	2,318	52,305
i) Official	645	413	232	723	473	250
ii) Private	46,903	2,336	44,567	53,900	1,845	52,055
c) Income	14,309	21,418	-7,110	13,022	21,062	-8,040
i) Investment Income	13,483	20,109	-6,626	12,108	19,357	-7,249
ii) Compensation of Employees	825	1,309	-484	914	1,705	-791
<b>Total Current Account (I+II)</b>	<b>356,820</b>	<b>384,735</b>	<b>-27,915</b>	<b>345,639</b>	<b>384,022</b>	<b>-38,383</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>167,594</b>	<b>161,809</b>	<b>5,785</b>	<b>198,669</b>	<b>147,502</b>	<b>51,167</b>
a) Foreign Direct Investment (i+ii)	38,940	19,124	19,816	38,500	19,729	18,771
i) In India	37,837	166	37,672	37,762	4,638	33,124
Equity	28,029	166	27,863	27,149	4,242	22,907
Reinvested Earnings	9,032	-	9,032	8,668	-	8,668
Other Capital	776	-	776	1,945	396	1,549
ii. Abroad	1,103	18,958	-17,855	738	15,091	-14,353
Equity	1,103	14,791	-13,688	738	10,052	-9,314
Reinvested Earnings	-	1,084	-1,084	-	1,084	-1,084
Other Capital	-	3,083	-3,083	-	3,955	-3,955
b) Portfolio Investment	128,654	142,685	-14,031	160,169	127,773	32,396
i) In India	128,511	142,365	-13,854	159,897	127,521	32,376
<i>of which</i>						
FIIs	127,349	142,366	-15,017	156,570	127,521	29,049
GDRs/ADRs	1,162	-	1,162	3,328	-	3,328
ii) Abroad	142	319	-177	272	252	20
<b>2. Loans (a+b+c)</b>	<b>62,219</b>	<b>53,901</b>	<b>8,318</b>	<b>74,116</b>	<b>60,857</b>	<b>13,259</b>
a) External Assistance	5,232	2,791	2,441	5,898	3,005	2,893
i) By India	72	416	-344	52	420	-368
ii) To India	5,160	2,375	2,785	5,846	2,585	3,261
b) Commercial Borrowings	15,223	7,361	7,862	14,954	12,146	2,808
i) By India	1,997	783	1,214	974	1,505	-531
ii) To India	13,226	6,578	6,648	13,980	10,641	3,339
c) Short-Term to India	41,765	43,750	-1,985	53,264	45,706	7,558
i) Suppliers' Credit > 180 days & Buyers' Credit	38,815	38,352	463	48,571	43,914	4,657
ii) Suppliers' Credit up to 180 days	2,950	5,398	-2,448	4,693	1,792	2,901
<b>3. Banking Capital (a+b)</b>	<b>65,207</b>	<b>68,453</b>	<b>-3,246</b>	<b>61,499</b>	<b>59,415</b>	<b>2,084</b>
a) Commercial Banks	65,094	67,868	-2,774	60,893	58,966	1,927
i) Assets	25,823	28,725	-2,902	17,097	15,259	1,838
ii) Liabilities	39,270	39,142	128	43,796	43,707	89
<i>of which: Non-Resident Deposits</i>	37,147	32,858	4,290	41,356	38,432	2,924
b) Others	113	585	-472	606	449	157
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>100</b>	<b>-100</b>	<b>-</b>	<b>97</b>	<b>-97</b>
<b>5. Other Capital</b>	<b>18,612</b>	<b>22,602</b>	<b>-3,990</b>	<b>11,390</b>	<b>24,406</b>	<b>-13,016</b>
<b>Total Capital Account (1 to 5)</b>	<b>313,632</b>	<b>306,864</b>	<b>6,768</b>	<b>345,674</b>	<b>292,277</b>	<b>53,397</b>
<b>C. Errors &amp; Omissions</b>	<b>1,067</b>	<b>-</b>	<b>1,067</b>	<b>-</b>	<b>1,573</b>	<b>-1,573</b>
<b>D. Overall Balance (Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>	<b>671,519</b>	<b>691,599</b>	<b>-20,080</b>	<b>691,313</b>	<b>677,872</b>	<b>13,441</b>
<b>E. Monetary Movements (i+ii)</b>	<b>20,080</b>	<b>-</b>	<b>20,080</b>	<b>-</b>	<b>13,441</b>	<b>-13,441</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +) <i>of which: SDR Allocation</i>	20,080	-	20,080	-	13,441	-13,441
	-	-	-	-	5,160	-5,160



*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

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

(USD million)

Item	Apr-Jun 2008			Jul-Sep 2008		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>57,454</b>	<b>82,655</b>	<b>-25,201</b>	<b>53,630</b>	<b>92,752</b>	<b>-39,121</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>39,986</b>	<b>18,186</b>	<b>21,800</b>	<b>46,919</b>	<b>20,062</b>	<b>26,857</b>
a) Services	23,616	12,344	11,272	29,001	13,525	15,476
i) Travel	2,504	2,164	341	2,786	2,711	75
ii) Transportation	2,615	3,328	-713	3,041	3,751	-710
iii) Insurance	350	227	123	377	306	71
iv) G.n.i.e.	130	110	19	81	95	-14
v) Miscellaneous	18,017	6,515	11,502	22,716	6,662	16,054
<i>of which</i>						
Software Services	12,081	844	11,237	12,120	685	11,435
Business Services	4,087	3,217	870	5,410	3,916	1,494
Financial Services	615	620	-5	1,673	966	707
Communication Services	510	227	284	740	296	444
b) Transfers	12,797	654	12,143	13,773	831	12,942
i) Official	148	107	40	51	97	-46
ii) Private	12,649	547	12,102	13,722	734	12,988
c) Income	3,573	5,187	-1,615	4,145	5,706	-1,561
i) Investment Income	3,418	4,859	-1,441	3,855	5,375	-1,520
ii) Compensation of Employees	155	328	-174	290	331	-41
<b>Total Current Account (I+II)</b>	<b>97,440</b>	<b>100,841</b>	<b>-3,400</b>	<b>100,550</b>	<b>112,814</b>	<b>-12,264</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>53,674</b>	<b>48,684</b>	<b>4,989</b>	<b>52,550</b>	<b>48,251</b>	<b>4,299</b>
a) Foreign Direct Investment (i+ii)	12,906	3,710	9,196	9,920	4,309	5,610
i) In India	12,670	21	12,649	9,604	52	9,552
Equity	10,248	21	10,227	7,312	52	7,260
Reinvested Earnings	2,258	-	2,258	2,258	-	2,258
Other Capital	164	-	164	34	-	34
ii) Abroad	236	3,688	-3,452	316	4,257	-3,941
Equity	236	2,661	-2,425	316	3,299	-2,983
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	756	-756	-	687	-687
b) Portfolio Investment	40,768	44,975	-4,207	42,630	43,942	-1,311
i) In India	40,745	44,923	-4,177	42,618	43,919	-1,302
<i>of which</i>						
FIIs	39,746	44,923	-5,177	42,482	43,919	-1,437
GDRs/ADRs	999	-	999	136	-	136
ii) Abroad	22	52	-29	13	22	-10
<b>2. Loans (a+b+c)</b>	<b>15,901</b>	<b>9,704</b>	<b>6,197</b>	<b>16,305</b>	<b>13,739</b>	<b>2,566</b>
a) External Assistance	941	655	286	1,122	673	449
i) By India	18	104	-86	18	104	-86
ii) To India	923	551	372	1,104	569	535
b) Commercial Borrowings	2,754	1,270	1,484	3,574	1,859	1,714
i) By India	403	190	213	532	138	393
ii) To India	2,351	1,080	1,271	3,042	1,721	1,321
c) Short-Term to India	12,206	7,779	4,427	11,609	11,207	402
i) Suppliers' Credit > 180 days & Buyers' Credit	9,256	7,779	1,477	11,609	9,766	1,843
ii) Suppliers' Credit up to 180 days	2,950	-	2,950	-	1,441	-1,441
<b>3. Banking Capital (a+b)</b>	<b>21,987</b>	<b>19,291</b>	<b>2,696</b>	<b>16,360</b>	<b>14,086</b>	<b>2,275</b>
a) Commercial Banks	21,987	19,140	2,847	16,360	14,083	2,277
i) Assets	11,457	10,533	924	6,596	5,154	1,442
ii) Liabilities	10,530	8,607	1,923	9,764	8,929	835
<i>of which: Non-Resident Deposits</i>	9,098	8,284	814	9,176	8,917	259
b) Others	-	151	-151	-	3	-3
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>30</b>	<b>-30</b>	<b>-</b>	<b>3</b>	<b>-3</b>
<b>5. Other Capital</b>	<b>4,604</b>	<b>13,015</b>	<b>-8,411</b>	<b>4,886</b>	<b>7,682</b>	<b>-2,796</b>
<b>Total Capital Account (1 to 5)</b>	<b>96,166</b>	<b>90,724</b>	<b>5,442</b>	<b>90,101</b>	<b>83,760</b>	<b>6,341</b>
<b>C. Errors &amp; Omissions</b>	<b>194</b>	<b>-</b>	<b>194</b>	<b>1,189</b>	<b>-</b>	<b>1,189</b>
<b>D. Overall Balance (Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>	<b>193,800</b>	<b>191,565</b>	<b>2,235</b>	<b>191,840</b>	<b>196,574</b>	<b>-4,734</b>
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>2,235</b>	<b>-2,235</b>	<b>4,734</b>	<b>-</b>	<b>4,734</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	-	2,235	-2,235	4,734	-	4,734

*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

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

(USD million)

Item	Oct-Dec 2008			Jan-Mar 2009		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>39,436</b>	<b>74,428</b>	<b>-34,992</b>	<b>38,481</b>	<b>58,686</b>	<b>-20,205</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>42,416</b>	<b>19,294</b>	<b>23,122</b>	<b>38,498</b>	<b>18,673</b>	<b>19,825</b>
a) Services	28,227	13,099	15,128	25,119	13,078	12,040
i) Travel	2,924	1,946	979	2,680	2,606	74
ii) Transportation	2,738	3,241	-503	2,916	2,499	416
iii) Insurance	347	268	79	348	329	18
iv) G.n.i.e.	97	233	-136	81	355	-273
v) Miscellaneous	22,121	7,412	14,709	19,094	7,289	11,805
<i>of which</i>						
Software Services	11,274	580	10,694	10,825	455	10,370
Business Services	4,851	3,568	1,283	4,255	4,616	-361
Financial Services	1,112	740	372	1,028	633	395
Communication Services	547	257	290	501	308	193
b) Transfers	10,997	845	10,151	9,980	419	9,562
i) Official	285	98	187	161	111	50
ii) Private	10,712	748	9,964	9,820	308	9,512
c) Income	3,192	5,349	-2,157	3,399	5,176	-1,777
i) Investment Income	3,000	5,011	-2,011	3,210	4,864	-1,654
ii) Compensation of Employees	192	338	-146	189	312	-123
<b>Total Current Account (I+II)</b>	<b>81,851</b>	<b>93,722</b>	<b>-11,870</b>	<b>76,979</b>	<b>77,359</b>	<b>-380</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>33,709</b>	<b>38,820</b>	<b>-5,111</b>	<b>27,661</b>	<b>26,053</b>	<b>1,608</b>
a) Foreign Direct Investment (i+ii)	7,112	6,402	710	9,003	4,703	4,300
i) In India	6,901	29	6,872	8,662	63	8,599
Equity	4,117	29	4,088	6,352	63	6,289
Reinvested Earnings	2,258	-	2,258	2,258	-	2,258
Other Capital	526	-	526	52	-	52
ii) Abroad	210	6,373	-6,163	341	4,640	-4,299
Equity	210	5,020	-4,810	341	3,811	-3,470
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	1,082	-1,082	-	558	-558
b) Portfolio Investment	26,597	32,418	-5,821	18,658	21,350	-2,692
i) In India	26,568	32,355	-5,787	18,580	21,169	-2,588
<i>of which</i>						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
GDRs/ADRs	7	-	7	20	-	20
ii) Abroad	29	63	-34	78	182	-104
<b>2. Loans (a+b+c)</b>	<b>15,803</b>	<b>15,419</b>	<b>384</b>	<b>14,210</b>	<b>15,039</b>	<b>-829</b>
a) External Assistance	1,692	759	933	1,477	704	773
i) By India	18	104	-86	18	104	-86
ii) To India	1,674	655	1,019	1,459	600	859
b) Commercial Borrowings	5,395	1,724	3,671	3,499	2,507	992
i) By India	662	148	514	399	306	93
ii) To India	4,733	1,576	3,157	3,100	2,201	899
c) Short-Term to India	8,715	12,936	-4,221	9,234	11,828	-2,594
i) Suppliers' Credit > 180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216
ii) Suppliers' Credit up to 180 days	-	2,579	-2,579	-	1,378	-1,378
<b>3. Banking Capital (a+b)</b>	<b>14,830</b>	<b>19,786</b>	<b>-4,956</b>	<b>12,030</b>	<b>15,290</b>	<b>-3,260</b>
a) Commercial Banks	14,827	19,355	-4,528	11,919	15,290	-3,371
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920
ii) Liabilities	9,636	11,814	-2,178	9,341	9,792	-451
<i>of which: Non-Resident Deposits</i>	9,543	8,501	1,042	9,331	7,155	2,176
b) Others	2	431	-429	111	-	111
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>-68</b>
<b>5. Other Capital</b>	<b>5,005</b>	<b>693</b>	<b>4,312</b>	<b>4,117</b>	<b>1,212</b>	<b>2,905</b>
<b>Total Capital Account (1 to 5)</b>	<b>69,346</b>	<b>74,718</b>	<b>-5,372</b>	<b>58,019</b>	<b>57,662</b>	<b>357</b>
<b>C. Errors &amp; Omissions</b>	<b>-</b>	<b>639</b>	<b>-639</b>	<b>323</b>	<b>-</b>	<b>323</b>
<b>D. Overall Balance (Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>	<b>151,197</b>	<b>169,079</b>	<b>-17,881</b>	<b>135,321</b>	<b>135,021</b>	<b>300</b>
<b>E. Monetary Movements (i+ii)</b>	<b>17,881</b>	<b>-</b>	<b>17,881</b>	<b>-</b>	<b>300</b>	<b>-300</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	17,881	-	17,881	-	300	-300

*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

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

(USD million)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>39,166</b>	<b>65,434</b>	<b>-26,268</b>	<b>43,403</b>	<b>72,985</b>	<b>-29,582</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>38,686</b>	<b>16,583</b>	<b>22,103</b>	<b>40,502</b>	<b>20,094</b>	<b>20,408</b>
a) Services	22,391	10,956	11,435	21,368	13,705	7,663
i) Travel	2,297	2,035	262	2,719	2,357	362
ii) Transportation	2,501	2,777	-276	2,570	2,221	349
iii) Insurance	388	314	74	384	341	43
iv) G.n.i.e.	100	103	-3	100	130	-30
v) Miscellaneous	17,105	5,727	11,378	15,595	8,656	6,939
<i>of which</i>						
Software Services	11,004	391	10,613	11,207	438	10,769
Business Services	2,586	3,295	-709	2,504	4,612	-2,108
Financial Services	1,116	835	281	732	1,135	-403
Communication Services	418	278	140	307	313	-6
b) Transfers	13,345	470	12,875	14,385	568	13,817
i) Official	47	110	-63	168	108	60
ii) Private	13,298	360	12,938	14,217	460	13,757
c) Income	2,950	5,157	-2,207	4,749	5,821	-1,072
i) Investment Income	2,723	4,806	-2,083	4,544	5,479	-935
ii) Compensation of Employees	227	351	-124	205	342	-137
<b>Total Current Account (I+II)</b>	<b>77,852</b>	<b>82,017</b>	<b>-4,165</b>	<b>83,905</b>	<b>93,079</b>	<b>-9,174</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>48,576</b>	<b>35,481</b>	<b>13,095</b>	<b>55,940</b>	<b>38,760</b>	<b>17,180</b>
a) Foreign Direct Investment (i+ii)	9,951	5,124	4,827	11,580	4,077	7,503
i) In India	9,826	926	8,900	11,485	632	10,853
Equity	7,290	900	6,390	8,547	597	7,950
Reinvested Earnings	2,167	-	2,167	2,167	-	2,167
Other Capital	369	26	343	771	35	736
ii. Abroad	125	4,198	-4,073	95	3,445	-3,350
Equity	125	2,983	-2,858	95	2,137	-2,042
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	944	-944	-	1,037	-1,037
b) Portfolio Investment	38,625	30,357	8,268	44,360	34,683	9,677
i) In India	38,602	30,332	8,270	44,356	34,655	9,701
<i>of which</i>						
FIIs	38,559	30,332	8,227	41,693	34,655	7,038
GDRs/ADRs	43	-	43	2,664	-	2,664
ii) Abroad	23	25	-2	4	28	-24
<b>2. Loans (a+b+c)</b>	<b>13,112</b>	<b>14,543</b>	<b>-1,431</b>	<b>16,628</b>	<b>13,495</b>	<b>3,133</b>
a) External Assistance	1,014	728	286	1,477	740	737
i) By India	13	105	-92	13	105	-92
ii) To India	1,001	623	378	1,464	635	829
b) Commercial Borrowings	1,972	2,433	-461	3,223	2,034	1,189
i) By India	244	333	-89	206	215	-9
ii) To India	1,728	2,100	-372	3,017	1,819	1,198
c) Short-Term to India	10,126	11,382	-1,256	11,928	10,721	1,207
i) Suppliers' Credit > 180 days & Buyers' Credit	10,126	9,590	536	10,994	10,721	273
ii) Suppliers' Credit up to 180 days	-	1,792	-1,792	934	-	934
<b>3. Banking Capital (a+b)</b>	<b>15,577</b>	<b>18,943</b>	<b>-3,366</b>	<b>16,543</b>	<b>12,132</b>	<b>4,411</b>
a) Commercial Banks	15,577	18,704	-3,127	16,543	11,989	4,554
i) Assets	4,368	6,946	-2,578	6,131	1,730	4,401
ii) Liabilities	11,209	11,758	-549	10,412	10,259	153
<i>of which: Non-Resident Deposits</i>	11,172	9,354	1,818	10,342	9,295	1,047
b) Others	-	239	-239	-	143	-143
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>23</b>	<b>-23</b>	<b>-</b>	<b>1</b>	<b>-1</b>
<b>5. Other Capital</b>	<b>552</b>	<b>5,169</b>	<b>-4,617</b>	<b>6,898</b>	<b>12,315</b>	<b>-5,417</b>
<b>Total Capital Account (1 to 5)</b>	<b>77,817</b>	<b>74,159</b>	<b>3,658</b>	<b>96,009</b>	<b>76,703</b>	<b>19,306</b>
<b>C. Errors &amp; Omissions</b>	<b>622</b>	<b>-</b>	<b>622</b>	<b>-</b>	<b>714</b>	<b>-714</b>
<b>D. Overall Balance (Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>	<b>156,291</b>	<b>156,176</b>	<b>115</b>	<b>179,914</b>	<b>170,496</b>	<b>9,418</b>
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>115</b>	<b>-115</b>	<b>-</b>	<b>9,418</b>	<b>-9,418</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	-	115	-115	-	9,418	-9,418
<i>of which: SDR Allocation</i>	-	-	-	-	5160	-5160

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

(USD million)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>47,170</b>	<b>78,097</b>	<b>-30,927</b>	<b>52,496</b>	<b>84,093</b>	<b>-31,597</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>40,472</b>	<b>21,748</b>	<b>18,724</b>	<b>43,744</b>	<b>24,988</b>	<b>18,756</b>
a) Services	24,159	15,993	8,166	27,841	19,379	8,462
i) Travel	3,440	2,312	1,128	3,403	2,638	765
ii) Transportation	2,991	3,366	-375	3,115	3,570	-455
iii) Insurance	408	305	103	423	326	97
iv) G.n.i.e.	124	134	-10	116	159	-43
v) Miscellaneous	17,196	9,876	7,320	20,784	12,686	8,098
<i>of which</i>						
Software Services	13,197	333	12,864	14,297	307	13,990
Business Services	2,460	4,571	-2,111	3,818	5,571	-1,753
Financial Services	785	1,156	-371	1,103	1,517	-414
Communication Services	259	381	-122	245	383	-138
b) Transfers	13,677	638	13,039	13,216	642	12,574
i) Official	382	113	269	126	142	-16
ii) Private	13,295	525	12,770	13,090	500	12,590
c) Income	2,636	5,117	-2,481	2,687	4,967	-2,280
i) Investment Income	2,385	4,597	-2,212	2,456	4,475	-2,019
ii) Compensation of Employees	251	520	-269	231	492	-261
<b>Total Current Account (I+II)</b>	<b>87,642</b>	<b>99,845</b>	<b>-12,203</b>	<b>96,240</b>	<b>109,081</b>	<b>-12,841</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>44,689</b>	<b>35,965</b>	<b>8,724</b>	<b>49,464</b>	<b>37,296</b>	<b>12,168</b>
a) Foreign Direct Investment (i+ii)	8,908	5,869	3,039	8,061	4,659	3,402
i) In India	8,714	1,469	7,245	7,737	1,611	6,126
Equity	5,959	1,233	4,726	5,353	1,512	3,841
Reinvested Earnings	2,167	-	2,167	2,167	-	2,167
Other Capital	588	236	352	217	99	118
ii. Abroad	194	4,400	-4,206	324	3,048	-2,724
Equity	194	3,403	-3,209	324	1,529	-1,205
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	726	-726	-	1,248	-1,248
b) Portfolio Investment	35,781	30,096	5,685	41,403	32,637	8,766
i) In India	35,770	30,041	5,729	41,169	32,493	8,676
<i>of which</i>						
FIIs	35,295	30,041	5,254	41,023	32,493	8,530
GDRs/ADRs	475	-	475	146	-	146
ii) Abroad	11	55	-44	234	144	90
<b>2. Loans (a+b+c)</b>	<b>20,103</b>	<b>14,398</b>	<b>5,705</b>	<b>24,273</b>	<b>18,421</b>	<b>5,852</b>
a) External Assistance	1,646	802	844	1,761	735	1,026
i) By India	13	105	-92	13	105	-92
ii) To India	1,633	697	936	1,748	630	1,118
b) Commercial Borrowings	4,550	2,842	1,708	5,209	4,837	372
i) By India	227	570	-343	297	387	-90
ii) To India	4,323	2,272	2,051	4,912	4,450	462
c) Short-Term to India	13,907	10,754	3,153	17,303	12,849	4,454
i) Suppliers' Credit > 180 days & Buyers' Credit	12,055	10,754	1,301	15,396	12,849	2,547
ii) Suppliers' Credit up to 180 days	1,852	-	1,852	1,907	-	1,907
<b>3. Banking Capital (a+b)</b>	<b>15,172</b>	<b>13,232</b>	<b>1,940</b>	<b>14,207</b>	<b>15,109</b>	<b>-902</b>
a) Commercial Banks	14,578	13,165	1,413	14,195	15,109	-914
i) Assets	3,067	1,874	1,193	3,531	4,709	-1,178
ii) Liabilities	11,511	11,291	220	10,664	10,399	265
<i>of which: Non-Resident Deposits</i>	10,177	9,568	609	9,665	10,215	-550
b) Others	594	67	527	12	-	12
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>-73</b>
<b>5. Other Capital</b>	<b>1,597</b>	<b>3,338</b>	<b>-1,741</b>	<b>2,343</b>	<b>3,584</b>	<b>-1,241</b>
<b>Total Capital Account (1 to 5)</b>	<b>81,561</b>	<b>66,933</b>	<b>14,628</b>	<b>90,287</b>	<b>74,483</b>	<b>15,804</b>
<b>C. Errors &amp; Omissions</b>	<b>-</b>	<b>658</b>	<b>-658</b>	<b>-</b>	<b>822</b>	<b>-822</b>
<b>D. Overall Balance (Total Current Account, Capital Account and Errors &amp; Omissions (A+B+C))</b>	<b>169,203</b>	<b>167,436</b>	<b>1,767</b>	<b>186,527</b>	<b>184,386</b>	<b>2,141</b>
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>1767</b>	<b>-1767</b>	<b>-</b>	<b>2,141</b>	<b>-2,141</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	-	1767	-1767	-	2,141	-2,141
<i>of which: SDR Allocation</i>	-	-	-	-	-	-

*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

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

(USD million)

Item	Apr-June 2010 PR			July-Sept 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>55,258</b>	<b>88,014</b>	<b>-32,756</b>	<b>51,793</b>	<b>89,577</b>	<b>-37,784</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>43,529</b>	<b>23,242</b>	<b>20,287</b>	<b>47,011</b>	<b>26,016</b>	<b>20,995</b>
a) Services	26,920	16,925	9,995	31,384	19,322	12,062
i) Travel	2,949	2,330	619	3,379	2,779	600
ii) Transportation	3,143	3,134	9	3,277	3,524	-247
iii) Insurance	410	310	100	442	386	56
iv) G.n.i.e.	94	143	-49	125	205	-80
v) Miscellaneous	20,324	11,008	9,316	24,161	12,428	11,733
<i>of which</i>						
<i>Software Services</i>	12,996	575	12,421	13,368	585	12,783
<i>Business Services</i>	4,819	5,912	-1,093	5,942	6,994	-1,052
<i>Financial Services</i>	1,228	1,404	-176	1,819	1,905	-86
<i>Communication Services</i>	325	241	84	417	266	151
b) Transfers	13,754	726	13,028	13,654	677	12,977
i) Official	59	141	-82	141	137	4
ii) Private	13,695	585	13,110	13,513	540	12,973
c) Income	2,855	5,591	-2,736	1,973	6,017	-4,044
i) Investment Income	2,628	5,099	-2,471	1,726	5,569	-3,843
ii) Compensation of Employees	227	492	-265	247	448	-201
<b>Total Current Account (I+II)</b>	<b>98,787</b>	<b>111,256</b>	<b>-12,469</b>	<b>98,804</b>	<b>115,593</b>	<b>-16,789</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>52,667</b>	<b>45,146</b>	<b>7,521</b>	<b>67,671</b>	<b>45,896</b>	<b>21,775</b>
a) Foreign Direct Investment (i+ii)	8,601	5,685	2,916	8,414	5,831	2,583
i. In India	8,307	2,302	6,005	7,836	1,097	6,739
<i>Equity</i>	5,991	2,278	3,713	5,452	1,034	4,418
<i>Reinvested Earnings</i>	2,234	-	2,234	2,234	-	2,234
<i>Other Capital</i>	82	24	58	150	63	87
ii. Abroad	294	3,383	-3,089	578	4,734	-4,156
<i>Equity</i>	294	2,010	-1,716	578	2,501	-1,923
<i>Reinvested Earnings</i>	-	271	-271	-	271	-271
<i>Other Capital</i>	-	1,102	-1,102	-	1,962	-1,962
b) Portfolio Investment	44,066	39,461	4,605	59,257	40,065	19,192
i) In India	43,972	39,320	4,652	59,106	39,854	19,252
<i>of which</i>						
<i>FII's</i>	42,858	39,320	3,538	58,614	39,854	18,760
<i>GDRs/ADRs</i>	1,114	-	1,114	492	-	492
ii) Abroad	94	141	-47	151	211	-60
<b>2. Loans (a+b+c)</b>	<b>23,552</b>	<b>14,465</b>	<b>9,087</b>	<b>26,571</b>	<b>19,990</b>	<b>6,581</b>
a) External Assistance	3,210	758	2,452	1,271	687	584
i) By India	19	25	-6	19	25	-6
ii) To India	3,191	733	2,458	1,252	662	590
b) Commercial Borrowings	4,430	2,201	2,229	5,947	2,502	3,445
i) By India	185	243	-58	297	556	-259
ii) To India	4,245	1,958	2,287	5,650	1,946	3,704
c) Short-Term to India	15,912	11,506	4,406	19,353	16,801	2,552
i) Suppliers' Credit >180 days & Buyers' Credit	14,681	11,506	3,175	18,252	16,801	1,451
ii) Suppliers' Credit up to 180 days	1,231	-	1,231	1,101	-	1,101
<b>3. Banking Capital (a+b)</b>	<b>16,745</b>	<b>12,742</b>	<b>4,003</b>	<b>16,992</b>	<b>20,155</b>	<b>-3,163</b>
a) Commercial Banks	16,743	12,718	4,025	16,992	19,551	-2,559
i) Assets	3,263	2,558	705	4,195	8,025	-3,830
ii) Liabilities	13,480	10,160	3,320	12,797	11,526	1,271
<i>of which: Non-Resident Deposits</i>	11,252	10,133	1,119	11,672	10,628	1,044
b) Others	2	24	-22	-	604	-604
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>16</b>	<b>-16</b>	<b>-</b>	<b>1</b>	<b>-1</b>
<b>5. Other Capital</b>	<b>2,384</b>	<b>6,429</b>	<b>-4,045</b>	<b>1,372</b>	<b>5,261</b>	<b>-3,889</b>
<b>Total Capital Account (1to5)</b>	<b>95,348</b>	<b>78,798</b>	<b>16,550</b>	<b>112,606</b>	<b>91,303</b>	<b>21,303</b>
<b>C. Errors &amp; Omissions</b>	<b>-</b>	<b>340</b>	<b>-340</b>	<b>-</b>	<b>1,225</b>	<b>-1,225</b>
<b>D. Overall Balance</b>	<b>194,135</b>	<b>190,394</b>	<b>3,741</b>	<b>211,410</b>	<b>208,121</b>	<b>3,289</b>
<b>(Total Current Account, Capital Account, and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>3,741</b>	<b>-3,741</b>	<b>-</b>	<b>3,289</b>	<b>-3,289</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	-	3,741	-3,741	-	3,289	-3,289
<i>Of which: SDR Allocation</i>	-	-	-	-	-	-

Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account

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

(USD million)

Item	Oct-Dec 2010 P			Oct-Dec 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>65,953</b>	<b>97,537</b>	<b>-31,584</b>	<b>47,170</b>	<b>78,097</b>	<b>-30,927</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>54,135</b>	<b>32,233</b>	<b>21,902</b>	<b>40,472</b>	<b>21,748</b>	<b>18,724</b>
a) Services	37,616	25,427	12,189	24,159	15,993	8,166
i) Travel	4,429	2,881	1,548	3,440	2,312	1,128
ii) Transportation	3,713	3,984	-271	2,991	3,366	-375
iii) Insurance	507	403	104	408	305	103
iv) G.n.i.e.	150	195	-45	124	134	-10
v) Miscellaneous	28,817	17,964	10,853	17,196	9,876	7,320
<i>of which</i>						
<i>Software Services</i>	15,448	709	14,739	13,197	333	12,864
<i>Business Services</i>	7,085	8,007	-922	2,460	4,571	-2,111
<i>Financial Services</i>	1,853	1,961	-108	785	1,156	-371
<i>Communication Services</i>	424	304	120	259	381	-122
b) Transfers	14,422	844	13,578	13,677	638	13,039
i) Official	341	199	142	382	113	269
ii) Private	14,081	645	13,436	13,295	525	12,770
c) Income	2,097	5,962	-3,865	2,636	5,117	-2,481
i) Investment Income	1,811	5,387	-3,576	2,385	4,597	-2,212
ii) Compensation of Employees	286	575	-289	251	520	-269
<b>Total Current Account (I+II)</b>	<b>120,088</b>	<b>129,770</b>	<b>-9,682</b>	<b>87,642</b>	<b>99,845</b>	<b>-12,203</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>110,368</b>	<b>101,963</b>	<b>8,405</b>	<b>44,689</b>	<b>35,965</b>	<b>8,724</b>
a) Foreign Direct Investment (i+ii)	8,573	6,466	2,107	8,908	5,869	3,039
i) In India	7,489	2,200	5,289	8,714	1,469	7,245
<i>Equity</i>	5,253	1,861	3,392	5,959	1,233	4,726
<i>Reinvested Earnings</i>	2,234	-	2,234	2,167	-	2,167
<i>Other Capital</i>	2	339	-337	588	236	352
ii) Abroad	1,084	4,266	-3,182	194	4,400	-4,206
<i>Equity</i>	1,084	2,820	-1,736	194	3,403	-3,209
<i>Reinvested Earnings</i>	-	271	-271	-	271	-271
<i>Other Capital</i>	-	1,175	-1,175	-	726	-726
b) Portfolio Investment	101,795	95,497	6,298	35,781	30,096	5,685
i) In India	101,656	94,265	7,391	35,770	30,041	5,729
<i>of which</i>						
<i>FIIIs</i>	101,423	94,265	7,158	35,295	30,041	5,254
<i>GDRs/ADRs</i>	233	-	233	475	-	475
ii) Abroad	139	1,232	-1,093	11	55	-44
<b>2. Loans (a+b+c)</b>	<b>26,958</b>	<b>20,620</b>	<b>6,338</b>	<b>20,103</b>	<b>14,398</b>	<b>5,705</b>
a) External Assistance	1,935	781	1,154	1,646	802	844
i) By India	19	25	-6	13	105	-92
ii) To India	1,916	756	1,160	1,633	697	936
b) Commercial Borrowings	6,496	2,847	3,649	4,550	2,842	1,708
i) By India	570	222	348	227	570	-343
ii) To India	5,926	2,625	3,301	4,323	2,272	2,051
c) Short-Term to India	18,527	16,992	1,535	13,907	10,754	3,153
i) Suppliers' Credit > 180 days & Buyers' Credit	18,031	16,992	1,039	12,055	10,754	1,301
ii) Suppliers' Credit up to 180 days	496	-	496	1,852	-	1,852
<b>3. Banking Capital (a+b)</b>	<b>33,103</b>	<b>28,202</b>	<b>4,901</b>	<b>15,172</b>	<b>13,232</b>	<b>1,940</b>
a) Commercial Banks	33,016	28,202	4,814	14,578	13,165	1,413
i) Assets	19,992	15,240	4,752	3,067	1,874	1,193
ii) Liabilities	13,024	12,962	62	11,511	11,291	220
<i>of which: Non-Resident Deposits</i>	12,566	12,380	186	10,177	9,568	609
b) Others	87	-	87	594	67	527
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Other Capital</b>	<b>3,762</b>	<b>8,527</b>	<b>-4,765</b>	<b>1,597</b>	<b>3,338</b>	<b>-1,741</b>
<b>Total Capital Account (1to5)</b>	<b>174,191</b>	<b>159,312</b>	<b>14,879</b>	<b>81,561</b>	<b>66,933</b>	<b>14,628</b>
<b>C. Errors &amp; Omissions</b>	<b>-</b>	<b>1,208</b>	<b>-1,208</b>	<b>-</b>	<b>658</b>	<b>-658</b>
<b>D. Overall Balance</b>	<b>294,279</b>	<b>290,290</b>	<b>3,989</b>	<b>169,203</b>	<b>167,436</b>	<b>1,767</b>
<b>(Total Current Account, Capital Account, and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>3,989</b>	<b>-3,989</b>	<b>-</b>	<b>1,767</b>	<b>-1,767</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	-	3,989	-3,989	-	1,767	-1,767
<i>Of which: SDR Allocation</i>	-	-	-	-	-	-

*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

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

(USD million)

Item	Apr-Dec 2009-10 PR			Apr-Dec 2010-11 P		
	Credit	Debit	Net	Credit	Debit	Net
	49	50	51	52	53	54
<b>A. CURRENT ACCOUNT</b>						
<b>I. MERCHANDISE</b>	<b>129,739</b>	<b>216,516</b>	<b>-86,777</b>	<b>173,004</b>	<b>275,128</b>	<b>-102,124</b>
<b>II. INVISIBLES (a+b+c)</b>	<b>119,660</b>	<b>58,425</b>	<b>61,235</b>	<b>144,675</b>	<b>81,491</b>	<b>63,184</b>
a) Services	67,918	40,654	27,264	95,920	61,674	34,246
i) Travel	8,456	6,704	1,752	10,757	7,990	2,767
ii) Transportation	8,062	8,364	-302	10,133	10,642	-509
iii) Insurance	1,180	960	220	1,359	1,099	260
iv) G.n.i.e.	324	367	-43	369	543	-174
v) Miscellaneous	49,896	24,259	25,637	73,302	41,400	31,902
<i>of which</i>						
<i>Software Services</i>	35,408	1,162	34,246	41,812	1,869	39,943
<i>Business Services</i>	7,550	12,478	-4,928	17,846	20,913	-3,067
<i>Financial Services</i>	2,633	3,126	-493	4,900	5,270	-370
<i>Communication Services</i>	984	972	12	1,166	811	355
b) Transfers	41,407	1,676	39,731	41,830	2,247	39,583
i) Official	597	331	266	541	477	64
ii) Private	40,810	1,345	39,465	41,289	1,770	39,519
c) Income	10,335	16,095	-5,760	6,925	17,570	-10,645
i) Investment Income	9,652	14,882	-5,230	6,165	16,055	-9,890
ii) Compensation of Employees	683	1,213	-530	760	1,515	-755
<b>Total Current Account (I+II)</b>	<b>249,399</b>	<b>274,941</b>	<b>-25,542</b>	<b>317,679</b>	<b>356,619</b>	<b>-38,940</b>
<b>B. CAPITAL ACCOUNT</b>						
<b>1. Foreign Investment (a+b)</b>	<b>149,205</b>	<b>110,206</b>	<b>38,999</b>	<b>230,706</b>	<b>193,005</b>	<b>37,701</b>
a) Foreign Direct Investment (i+ii)	30,439	15,070	15,369	25,588	17,982	7,606
i) In India	30,025	3,027	26,998	23,632	5,599	18,033
<i>Equity</i>	21,796	2,730	19,066	16,696	5,173	11,523
<i>Reinvested Earnings</i>	6,501	-	6,501	6,702	-	6,702
<i>Other Capital</i>	1,728	297	1,431	234	426	-192
ii) Abroad	414	12,043	-11,629	1,956	12,383	-10,427
<i>Equity</i>	414	8,523	-8,109	1,956	7,331	-5,375
<i>Reinvested Earnings</i>	-	813	-813	-	813	-813
<i>Other Capital</i>	-	2,707	-2,707	-	4,239	-4,239
b) Portfolio Investment	118,766	95,136	23,630	205,118	175,023	30,095
i) In India	118,728	95,028	23,700	204,734	173,439	31,295
<i>of which</i>						
<i>FIIIs</i>	115,547	95,028	20,519	202,895	173,439	29,456
<i>GDRs/ADRs</i>	3,182	-	3,182	1,839	-	1,839
ii) Abroad	38	108	-70	384	1,584	-1,200
<b>2. Loans (a+b+c)</b>	<b>49,843</b>	<b>42,436</b>	<b>7,407</b>	<b>77,081</b>	<b>55,075</b>	<b>22,006</b>
a) External Assistance	4,137	2,270	1,867	6,416	2,226	4,190
i) By India	39	315	-276	57	75	-18
ii) To India	4,098	1,955	2,143	6,359	2,151	4,208
b) Commercial Borrowings	9,745	7,309	2,436	16,873	7,550	9,323
i) By India	677	1,118	-441	1,052	1,021	31
ii) To India	9,068	6,191	2,877	15,821	6,529	9,292
c) Short-Term to India	35,961	32,857	3,104	53,792	45,299	8,493
i) Supplier's Credit >180days & Buyers' Credit	33,175	31,065	2,110	50,964	45,299	5,665
ii) Supplier's Credit up to 180 days	2,786	1,792	994	2,828	-	2,828
<b>3. Banking Capital (a+b)</b>	<b>47,292</b>	<b>44,307</b>	<b>2,985</b>	<b>66,840</b>	<b>61,099</b>	<b>5,741</b>
a) Commercial Banks	46,698	43,858	2,840	66,751	60,471	6,280
i) Assets	13,566	10,550	3,016	27,450	25,823	1,627
ii) Liabilities	33,132	33,308	-176	39,301	34,648	4,653
<i>of which: Non-Resident Deposits</i>	31,691	28,217	3,474	35,490	33,141	2,349
b) Others	594	449	145	89	628	-539
<b>4. Rupee Debt Service</b>	<b>-</b>	<b>24</b>	<b>-24</b>	<b>-</b>	<b>17</b>	<b>-17</b>
<b>5. Other Capital</b>	<b>9,047</b>	<b>20,822</b>	<b>-11,775</b>	<b>7,518</b>	<b>20,217</b>	<b>-12,699</b>
<b>Total Capital Account (1to5)</b>	<b>255,387</b>	<b>217,795</b>	<b>37,592</b>	<b>382,145</b>	<b>329,413</b>	<b>52,732</b>
<b>C. Errors &amp; Omissions</b>	<b>-</b>	<b>750</b>	<b>-750</b>	<b>-</b>	<b>2,773</b>	<b>-2,773</b>
<b>D. Overall Balance</b>	<b>504,786</b>	<b>493,486</b>	<b>11,300</b>	<b>699,824</b>	<b>688,805</b>	<b>11,019</b>
<b>(Total Current Account, Capital Account, and Errors &amp; Omissions (A+B+C))</b>						
<b>E. Monetary Movements (i+ii)</b>	<b>-</b>	<b>11,300</b>	<b>-11,300</b>	<b>-</b>	<b>11,019</b>	<b>-11,019</b>
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase -/Decrease +)	-	11,300	-11,300	-	11,019	-11,019
<i>Of which: SDR allocation</i>	-	-	-	-	-	-

## Article

*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

### Attachment I: Invisibles by Category

(US \$ million)

Items	2007-08	2008-09	2009-10	April-June	July-Sept	Oct-Dec	Apr-Dec
				2010-11 PR	2010-11 PR	2010-11P	2010-11 P
	1	2	3	4	5	6	7
<b>I. Invisibles Receipts (A+B+C)</b>	<b>148875</b>	<b>167819</b>	<b>163404</b>	<b>43529</b>	<b>47011</b>	<b>54135</b>	<b>144675</b>
<b>A. Services</b>	<b>90342</b>	<b>105963</b>	<b>95759</b>	<b>26920</b>	<b>31384</b>	<b>37616</b>	<b>95920</b>
1) Travel	11349	10894	11859	2949	3379	4429	10757
2) Transportation	10014	11310	11177	3143	3277	3713	10133
3) Insurance	1639	1422	1603	410	442	507	1359
4) GNIE	331	389	440	94	125	150	369
5) Miscellaneous	67010	81948	70680	20324	24161	28817	73302
<i>of which:</i>							
<i>Software Services</i>	40300	46300	49705	12996	13368	15448	41812
<b>B. Transfers</b>	<b>44261</b>	<b>47547</b>	<b>54623</b>	<b>13754</b>	<b>13654</b>	<b>14422</b>	<b>41830</b>
1) Official Transfers	753	645	723	59	141	341	541
2) Private Transfers	43508	46903	53900	13695	13513	14081	41289
<b>C. Income</b>	<b>14272</b>	<b>14309</b>	<b>13022</b>	<b>2855</b>	<b>1973</b>	<b>2097</b>	<b>6925</b>
1) Investment Income	13811	13483	12108	2628	1726	1811	6165
2) Compensation of Employees	461	825	914	227	247	286	760
<b>II. Invisibles Payments (A+B+C)</b>	<b>73144</b>	<b>76214</b>	<b>83413</b>	<b>23242</b>	<b>26016</b>	<b>32233</b>	<b>81491</b>
<b>A. Services</b>	<b>51490</b>	<b>52047</b>	<b>60033</b>	<b>16925</b>	<b>19322</b>	<b>25427</b>	<b>61674</b>
1) Travel	9258	9425	9342	2330	2779	2881	7990
2) Transportation	11514	12820	11934	3134	3524	3984	10642
3) Insurance	1044	1130	1286	310	386	403	1099
4) GNIE	376	793	526	143	205	195	543
5) Miscellaneous	29298	27878	36945	11008	12428	17964	41400
<i>of which:</i>							
<i>Software Services</i>	3358	2564	1469	575	585	709	1869
<b>B. Transfers</b>	<b>2316</b>	<b>2749</b>	<b>2318</b>	<b>726</b>	<b>677</b>	<b>844</b>	<b>2247</b>
1) Official Transfers	514	413	473	141	137	199	477
2) Private Transfers	1802	2336	1845	585	540	645	1770
<b>C. Income</b>	<b>19339</b>	<b>21418</b>	<b>21062</b>	<b>5591</b>	<b>6017</b>	<b>5962</b>	<b>17570</b>
1) Investment Income	18244	20109	19357	5099	5569	5387	16055
2) Compensation of Employees	1095	1309	1705	492	448	575	1515
<b>Net Invisibles(I - II)</b>	<b>75731</b>	<b>91605</b>	<b>79991</b>	<b>20287</b>	<b>20995</b>	<b>21902</b>	<b>63184</b>



*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

**Attachment IA: Invisibles Receipts by Category of Transactions**

(US \$ million)

Items	2007-08	2008-09	2009-10	April-June	July-Sept	Oct-Dec	Apr-Dec
			PR	2010-11	2010-11	2010-11	2010-11
	1	2	3	PR	PR	P	P
<b>I. Invisibles Receipts (A+B+C)</b>	<b>148875</b>	<b>167819</b>	<b>163404</b>	<b>43529</b>	<b>47011</b>	<b>54135</b>	<b>144675</b>
<b>A) SERVICES</b>	<b>90342</b>	<b>105963</b>	<b>95759</b>	<b>26920</b>	<b>31384</b>	<b>37616</b>	<b>95920</b>
<b>1) TRAVEL ACCOUNT</b>							
Tourist Expenses in India	11349	10894	11859	2949	3379	4429	10757
<b>TOTAL</b>	<b>11349</b>	<b>10894</b>	<b>11859</b>	<b>2949</b>	<b>3379</b>	<b>4429</b>	<b>10757</b>
<b>2) TRANSPORTATION ACCOUNT</b>							
a) Sea Transport							
i) Surplus remitted by Indian companies operating abroad	507	578	610	133	185	178	496
ii) Operating expenses of foreign companies in India	773	1023	788	182	203	205	590
iii) Charter hire charges	207	193	139	28	35	27	90
b) Air Transport							
i) Surplus remitted by Indian companies operating abroad	690	448	420	138	122	122	382
ii) Operating expenses of foreign Companies in India	155	129	67	8	10	19	37
iii) Charter hire charges	42	19	12	0	7	7	14
c) Freight on exports	6921	7527	7967	2258	2318	2680	7256
d) Others	717	1394	1176	396	396	476	1268
<b>TOTAL (a to d)</b>	<b>10014</b>	<b>11310</b>	<b>11177</b>	<b>3143</b>	<b>3277</b>	<b>3713</b>	<b>10133</b>
<b>3) INSURANCE ACCOUNT</b>							
a) Insurance on export	964	1050	1040	295	303	350	948
b) Premium							
i) Life	98	56	46	20	7	10	37
ii) Non-life	132	77	102	25	25	43	93
iii) Reinsurance from foreign companies	185	81	217	29	29	37	95
c) Commission on Business received from foreign companies	125	54	25	7	8	7	22
d) Others	136	104	173	34	70	60	164
<b>TOTAL (a to d)</b>	<b>1639</b>	<b>1422</b>	<b>1603</b>	<b>410</b>	<b>442</b>	<b>507</b>	<b>1359</b>
<b>4) Government Not Included Elsewhere</b>							
a) Maintenance of foreign embassies and diplomatic missions in India	197	261	278	65	90	106	261
b) Maintenance of international and regional institution in India	134	128	162	29	35	44	108
<b>TOTAL (a to b)</b>	<b>331</b>	<b>389</b>	<b>440</b>	<b>94</b>	<b>125</b>	<b>150</b>	<b>369</b>
<b>5) MISCELLANEOUS ACCOUNT</b>							
a) Communication services	2408	2298	1229	325	417	424	1166
b) Construction services	764	986	588	122	173	128	423
c) Financial services	3217	4428	3736	1228	1819	1853	4900
d) Software services	40300	46300	49705	12996	13368	15448	41812
<i>of which: IT Services</i>	29400	33600	36285				
<i>ITES-BPO</i>	10900	12700	13420				
e) News agency services	503	878	321	82	108	322	512
f) Royalties, copyright and license fees	157	133	203	35	27	25	87
<b>g) Business services (i to xii)\$</b>	<b>16772</b>	<b>18605</b>	<b>11369</b>	<b>4819</b>	<b>5942</b>	<b>7085</b>	<b>17846</b>
i) Merchanting services	417	1212	316	183	357	330	868
ii) Trade related services	2233	2126	1688	1226	1299	1639	4164
iii) Operational Leasing Services	476	471	423	175	127	300	602
iv) Legal services	702	786	609	124	122	74	320
v) Accounting/Auditing services	228	228	225	51	62	68	181
vi) Business Management & consultancy services	4433	6067	3777	1605	2279	2747	6631
vii) Advertising/trade fair	712	508	590	134	134	243	511
viii) Research & Development services	1335	1550	565	170	286	224	680
ix) Architectural Engineering & other technical services	3144	1873	1403	513	483	551	1547
x) Agricultural, Mining & on-site processing services	57	85	196	78	54	77	209
xi) Maintenance of offices abroad services	2861	3502	1507	535	725	825	2085
xii) Environmental services	174	197	72	25	15	9	49
h) Personal, Cultural & Recreational services	562	729	497	49	56	52	157
i) Refunds/rebates	270	291	512	9	209	132	350
j) Other services\$\$	2057	7300	2520	659	2040	3348	6047
<b>TOTAL (a to j)</b>	<b>67010</b>	<b>81948</b>	<b>70680</b>	<b>20324</b>	<b>24161</b>	<b>28817</b>	<b>73302</b>

## Article

Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account

### Attachment IA: Invisibles Receipts by Category of Transactions (Concl.)

(US \$ million)

Items	2007-08	2008-09	2009-10	April-June	July-Sept	Oct-Dec	Apr-Dec
			PR	2010-11	2010-11	2010-11	2010-11
	1	2	3	PR	PR	P	P
<b>B) TRANSFERS</b>	<b>44261</b>	<b>47547</b>	<b>54623</b>	<b>13754</b>	<b>13654</b>	<b>14422</b>	<b>41830</b>
<b>I) OFFICIAL TRANSFERS</b>							
i) Donations received from Non-residents	67	58	67	25	18	22	65
ii) Grant under PL 480 II	28	7	4	0	0	0	0
iii) Grants from other Governments	658	579	652	34	123	319	476
<b>TOTAL (i to iii)</b>	<b>753</b>	<b>645</b>	<b>723</b>	<b>59</b>	<b>141</b>	<b>341</b>	<b>541</b>
<b>II) PRIVATE TRANSFERS</b>							
i) Inward remittance from Indian workers abroad for family maintenance etc.	21920	23886	28406	6900	5999	7227	20126
ii) Local withdrawals/redemptions from non-resident deposits	18919	20617	23552	6319	7052	6346	19717
iii) Gold and silver brought through passenger baggage	26	19	85	5	6	9	20
iv) Personal gifts/donations to charitable/religious institutions in India.	2644	2381	1857	471	456	500	1427
<b>TOTAL (i to iv)</b>	<b>43508</b>	<b>46903</b>	<b>53900</b>	<b>13695</b>	<b>13513</b>	<b>14081</b>	<b>41289</b>
<b>C) INCOME ACCOUNT</b>	<b>14272</b>	<b>14309</b>	<b>13022</b>	<b>2855</b>	<b>1973</b>	<b>2097</b>	<b>6925</b>
<b>I) Compensation of Employees</b>							
Wages received by Indians working on foreign contracts	461	825	914	227	247	286	760
<b>II) Investment Income</b>							
i) Interest received on loans to non-residents	1467	951	4138	1313	112	159	1584
ii) Dividend/profit received by Indians on foreign investment	476	401	350	38	60	67	165
<i>Of which:</i>							
<i>Dividend received by Indians on foreign investment</i>	131	167	225	15	47	40	102
<i>Profit received by Indians on foreign investment</i>	345	234	125	23	13	27	63
iii) Reinvested Earnings	1084	1084	1084	271	271	271	813
iv) Interest received on debentures, FRNs, CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds	106	83	57	18	3	14	35
v) Interest received on overdraft of VOSTRO accounts of foreign correspondents/branches by the ADs	227	228	17	4	3	1	8
vi) Payment of taxes by the non-residents/refund of taxes by foreign governments to Indians	322	253	553	41	62	384	487
vii) Interest/discount earnings etc. earnings on RBI investment	10124	10480	5900	939	1211	908	3058
viii) Interest/remuneration on SDR holdings	4	3	10	4	4	6	14
<b>TOTAL (i to viii)</b>	<b>13811</b>	<b>13483</b>	<b>12108</b>	<b>2628</b>	<b>1726</b>	<b>1811</b>	<b>6165</b>

*Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account*

**Attachment IB: Invisibles Payments by Category of Transactions**

(US \$ million)							
Items	2007-08	2008-09	2009-10	April-June	July-Sept	Oct-Dec	Apr-Dec
			PR	2010-11	2010-11	2010-11	2010-11
	1	2	3	PR	PR	P	P
	4	5	6	7			
<b>Invisibles Payments (A+B+C)</b>	<b>73144</b>	<b>76214</b>	<b>83413</b>	<b>23242</b>	<b>26016</b>	<b>32233</b>	<b>81491</b>
<b>A) SERVICES (1 to 5)</b>	<b>51490</b>	<b>52047</b>	<b>60033</b>	<b>16926</b>	<b>19322</b>	<b>25427</b>	<b>61674</b>
<b>1) TRAVEL ACCOUNT</b>							
i) Business	3296	3463	3569	879	1038	1276	3193
ii) Health Related	18	25	29	41	6	7	54
iii) Education Related	2826	2258	2252	325	664	435	1424
iv) Basic Travel Quota (BTQ)	1967	2401	2336	802	669	714	2185
v) Pilgrimage	88	174	232	3	119	180	302
vi) Others	1063	1104	924	281	283	270	834
<b>TOTAL (i to vi)</b>	<b>9258</b>	<b>9425</b>	<b>9342</b>	<b>2330</b>	<b>2779</b>	<b>2881</b>	<b>7990</b>
<b>2) TRANSPORTATION ACCOUNT</b>							
a. Sea Transport							
i) Surplus remitted by Foreign companies operating in India	1663	1835	1208	313	472	483	1268
ii) Operating expenses of Indian companies abroad	901	1015	1671	211	221	301	733
iii) Charter hire charges	148	128	97	25	23	30	78
iv) Freight on Imports	2952	4062	3265	944	1115	1213	3272
v) Freight on Exports	779	1026	1018	330	218	239	787
vi) Remittance of passage booking abroad	4	7	6	1	6	2	9
b. Air Transport							
i) Surplus remitted by Foreign companies operating in India	2637	2375	2451	773	779	881	2433
ii) Operating expenses of Indian companies abroad	565	673	603	159	238	279	676
iii) Charter hire charges	513	387	510	139	88	194	421
iv) Freight on Imports	556	272	112	26	35	56	117
v) Freight on Exports	27	13	23	24	13	6	43
vi) Remittance of passage booking abroad	25	38	37	8	12	15	35
c. Others	743	988	933	181	304	285	770
<b>TOTAL (a to c)</b>	<b>11514</b>	<b>12820</b>	<b>11934</b>	<b>3134</b>	<b>3524</b>	<b>3984</b>	<b>10642</b>
<b>3) INSURANCE ACCOUNT</b>							
a. Premium							
i) Life	102	77	25	2	3	3	8
ii) Non-life	128	99	117	25	24	30	79
iii) Reinsurance	567	530	653	147	192	255	594
b. Commission on Business	27	43	58	20	16	16	52
c. Others	220	382	433	116	151	99	366
<b>TOTAL (a to c)</b>	<b>1044</b>	<b>1130</b>	<b>1286</b>	<b>310</b>	<b>386</b>	<b>403</b>	<b>1099</b>
<b>4) Government Not Included Elsewhere</b>							
a. Maintenance of Indian embassies and diplomatic missions abroad	272	648	358	99	133	107	339
b. Remittances by foreign embassies and missions in India	104	145	168	44	72	88	204
<b>TOTAL (a to b)</b>	<b>376</b>	<b>793</b>	<b>526</b>	<b>143</b>	<b>205</b>	<b>195</b>	<b>543</b>
<b>5) MISCELLANEOUS ACCOUNT</b>							
a) Communication services	860	1088	1355	241	266	304	811
b) Construction services	707	888	998	345	136	220	701
c) Financial services	3133	2959	4642	1404	1905	1961	5270
d) Software services	3358	2564	1468	575	585	709	1869
e) News agency services	506	385	639	75	68	113	256
f) Royalties, copyright and license fees	1037	1722	2017	566	560	696	1822
<b>g) Business services (1 to 12)\$</b>	<b>16553</b>	<b>15317</b>	<b>18049</b>	<b>5912</b>	<b>6994</b>	<b>8007</b>	<b>20913</b>
i) Merchanting services	717	734	495	284	343	245	872
ii) Trade related services	2286	1651	1772	496	362	501	1359
iii) Operational Leasing Services	1166	1012	907	301	282	354	937
iv) Legal services	482	336	192	37	36	47	120
v) Accounting/Auditing services	69	132	178	17	126	89	232
vi) Business Management & consultancy services	3422	3465	5376	2172	2632	2948	7752
vii) Advertising/trade fair	1302	912	792	163	202	323	688
viii) Research & Development services	405	432	318	66	51	79	196
ix) Architectural, Engineering & other technical services	3091	3078	4252	1110	1366	1622	4098
x) Agricultural, Mining & on-site processing services	50	169	191	36	15	11	62
xi) Maintenance of offices abroad services	3555	3386	3573	1231	1577	1788	4596
xii) Environmental services	9	9	4	1	1	1	3
h) Personal, Cultural & Recreational services	211	322	260	71	105	228	404
i) Refunds/rebates	561	374	473	57	68	233	358
j) Other services\$\$	2372	2260	7043	1760	1742	5495	8997
<b>TOTAL (a to j)</b>	<b>29298</b>	<b>27878</b>	<b>36945</b>	<b>11008</b>	<b>12428</b>	<b>17964</b>	<b>41400</b>

## Article

Developments in India's Balance of Payments during  
Third Quarter (October-December) of 2010-11:  
Trade, Invisibles and Capital Account

### Attachment IB: Invisibles Payments by Category of Transactions (Concl'd.)

(US \$ million)

Items	2007-08	2008-09	2009-10	April-June	July-Sept	Oct-Dec	Apr-Dec
			PR	2010-11	2010-11	2010-11	2010-11
	1	2	3	PR	PR	P	P
<b>B) TRANSFERS</b>	<b>2316</b>	<b>2749</b>	<b>2318</b>	<b>726</b>	<b>677</b>	<b>844</b>	<b>2247</b>
<b>i) OFFICIAL TRANSFERS</b>							
Grants/donations from official sector	514	413	473	141	137	199	477
<b>TOTAL</b>	<b>514</b>	<b>413</b>	<b>473</b>	<b>141</b>	<b>137</b>	<b>199</b>	<b>477</b>
<b>ii) PRIVATE TRANSFERS</b>							
i) Remittance by non-residents towards family maintenance and savings	1585	1931	1516	486	443	540	1469
ii) Personal gifts/donations to charitable/religious institutions	216	405	329	99	97	105	301
<i>Of which:</i>							
Remittance towards personal gifts and donations	182	373	286	96	93	103	292
Remittance towards donations to religious and charitable institutions abroad	24	22	40	3	4	2	9
Remittance towards grants and donations to other governments and charitable institutions established by the governments	10	10	3	0	0	0	0
<b>TOTAL (i to ii)</b>	<b>1802</b>	<b>2336</b>	<b>1845</b>	<b>585</b>	<b>540</b>	<b>645</b>	<b>1770</b>
<b>C) INCOME</b>	<b>19339</b>	<b>21418</b>	<b>21062</b>	<b>5591</b>	<b>6017</b>	<b>5962</b>	<b>17570</b>
<b>i) Compensation of Employees</b>							
Payment of wages/salary to Non-residents working in India	1095	1309	1705	492	448	575	1515
<b>TOTAL</b>	<b>1095</b>	<b>1309</b>	<b>1705</b>	<b>492</b>	<b>448</b>	<b>575</b>	<b>1515</b>
<b>ii) Investment Income</b>							
i) Payment of interest on NRI deposits	1813	1547	1599	416	423	417	1256
ii) Payment of interest on loans from non-residents	5062	5265	4168	1065	1174	1277	3516
iii) Payment of dividend/profit to non-resident share holders	3226	3171	3809	1038	1446	1299	3783
<i>Of which:</i>							
Payment of dividend to non-resident share holders	2998	2893	3208	947	1352	1228	3527
Payment of profit to non-resident share holders	228	278	601	91	94	71	256
iv) Reinvested Earnings	7680	9032	8668	2234	2234	2234	6702
v) Payment of interest on debentures, FRNs, CPs fixed deposits, Government securities etc.	57	120	227	69	112	66	247
vi) Charges on SDRs	21	28	9	4	4	5	13
vii) Interest paid on overdraft on VOSTRO a/c Holders/ OD on NOSTRO a/c	238	510	656	232	102	23	357
viii) Payment of taxes by the Indians/refund of taxes by government to non-residents	148	436	221	41	74	67	182
<b>TOTAL (I to viii)</b>	<b>18244</b>	<b>20109</b>	<b>19357</b>	<b>5099</b>	<b>5569</b>	<b>5387</b>	<b>16055</b>

P: Preliminary. PR: Partially Revised.

Note: Annual data on invisibles in India's Balance of Payments for previous period was last published in the March 2010 issue of the RBI Bulletin. Quarterly data on invisibles are available from 2010-11.