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*Speech by the Hon'ble Finance Minister**

Dr. Subbarao, Governor, RBI; Mrs Thorat, Deputy Governor, RBI; Members of the Board of Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (BRBNMPL) and the Security Printing and Minting Corporation of India Ltd. (SPMCIL);

2. It gives me immense pleasure to be here today, in this historic city of Mysore, on the occasion of laying the foundation stone for the project for establishing a state-of-the art currency notepaper production facility. I congratulate Ministry of Finance and the RBI for having conceptualized the architecture of this project, and put the implementation thereof on a fast track, in a relatively short period of time.

3. Currency distribution is a key sovereign function and among the primary functions of a central bank. It is also the most visible of its functions, as it touches directly and immediately the common person. Hence, simply put, the currency notes continue to occupy a key position in financial transactions being carried out in the economy.

4. As per Section 25 of the RBI Act, 1934, the design, form and material of bank notes are to be approved by the Central Government on the basis of advice tendered by the RBI. Section 22 of the Act gives RBI the sole right to issue bank notes in India. The preamble of the Act enjoins the RBI to regulate the issue of bank notes and operate the currency system of the country. The wholly owned enterprises of the Central Government and RBI, namely, SPMCIL and BRBNMPL are responsible for meeting the demand of Indian Currency Notes. Thus, the Central Government and RBI have co-equal

* Speech of Finance Minister on the occasio of Foundation Laying Ceremony for Security Paper Mill at Mysore, Karnataka on March 22, 2010.

responsibility for administration of currency related matters. This production unit, which has been contemplated as a joint venture entity between SPMCIL and BRBNMPL, in equal proportion, reflects the need to maintain and further strengthen the co-operative endeavour, in this arena, between the Government and RBI.

5. Managing currency is a strategic function. One of the main challenges is to be vigilant against the menace of counterfeit currency, which, if unchecked, has severe consequences. Circulation of fake notes, in large numbers, can lead to erosion of the value of legally earned wealth of citizens, fuel inflation through oversupply of money, and adversely affect the security of the country by surreptitious funding of illegal and unlawful activities. India is especially vulnerable in this regard, since much of the counterfeiting takes place as State sponsored activity by some countries and forces inimical to our interests. While the magnitude of counterfeit currency in circulation has shown an increasing trend in recent years, the magnitude of the problem is still within manageable proportion, and, the total estimated fake currency is a miniscule proportion of the money supply. However, the growing threat casts a responsibility upon us to ensure that our currency has high integrity, is not prone to duplication, and, its distinctive features remain inviolate.

6. For a vast and growing country like India, indigenisation of various inputs for manufacturing currency notes, namely, security features, paper and ink, is cardinal to ensuring their integrity. However resilient the processes may be, doubts will always persist so long as we have to depend on foreign suppliers for meeting the requirements of ingredients that go into the making of bank notes. India has posted several achievements in science and technology – not just in the recent times, but right from the inception of human civilization. Therefore it is not beyond our capacity to aim for producing all the building blocks that go into production of currency notes.

7. While we are wholly self reliant in the printing of currency notes, we are largely dependent on imports for meeting the paper requirements. Presently, the annual requirement of paper for printing of Banknotes is around 18,000 tonnes for printing of around 15-16 billion pieces of notes, with 95% of this being imported from foreign suppliers. This requirement is expected to increase further which implies that in the absence of adequate domestic manufacturing capacity, our dependence on imports will increase. Besides, on account of increase in demand of banknote paper globally, without corresponding increase in the production capacity of paper, the country may soon face a situation of shrinking supplies and concomitant higher prices.

8. I am given to understand that this manufacturing facility at Mysore with a production capacity of 6,000 tonnes per annum will be the first production line of the Joint Venture. I am also told that the capacity will be increased to 12,000 tonnes in the second phase. These capacities will significantly redress the demand supply gap for currency paper in India and herald the start of the process which will eventually make India completely self reliant in all the

security inputs required for manufacture of currency notes. Indigenisation of banknote paper manufacturing will provide the benefits of backward integration in the form of assured, smooth and timely supplies, cost savings, employment generation, and an effective deterrent to counterfeiting. Hence, this project is of great strategic significance and we must remain resolutely committed to its success.

9. The effort at indigenization should be carried to its logical end and subsume security features and ink as well. I have been told that modest capacity exists within SPMCIL for manufacturing of security intaglio ink. This capacity should be augmented and self-sufficiency in ink production needs to be targeted.

10. The security features being used in bank notes are technologically advanced and developed products, a result of large investments, over long periods of time, in research and development (R&D). These products are procured from specialist suppliers through customized exclusivity agreements, which protect the interests of the procuring country. At present, our capacities in this area are minimal. However, looking forward, with the objective of complete indigenisation, it is imperative to create a state of the art R & D institution. This institution shall, on a continual basis, keep pace with the innovations happening in this field, and incubate capacities – either in the existing institutions of higher research and learning, or, through Greenfield ventures – in this significant area.

11. I have been informed that significant potential for development of indigenous technologies exists in other related areas as well, such as plated coins, machinery and related software.

12. Looking to the importance of ensuring self sufficiency in all aspects of security products, I have constituted a high level review committee, one of the terms of reference of which is to suggest a roadmap for progressive indigenization of various inputs, including high end machinery and security features. I am keenly awaiting the recommendations of this committee, after which, I plan to develop a roadmap for indigenization, in consultation with the RBI, which will enable us to meet the requirements of security inputs, ensure integrity of our currency and effectively thwart menace of counterfeiting.

13. I understand that a detailed timeline has been formulated for implementing this project. It would be important to adhere to the milestones and I look forward to the successful and timely completion of the project. I urge the Ministry of Finance and the RBI to monitor implementation of this important endeavour at periodic intervals, to ensure that the project is completed in time bound manner. I may also be kept informed in case of any issues that require intervention at my level.

14. I once again congratulate all of you on this occasion and hope that this landmark Project will achieve its goals and serve the nation's best interests.

*Keynote Address by the Hon'ble Finance Minister**

Dr. D. Subbarao, Governor, Reserve Bank of India, Ambassador Richard A. Boucher, Deputy Secretary General of the Organization for Economic Co-operation and Development, ladies and gentlemen

2. It gives me great pleasure to be here to inaugurate this Workshop on *Delivering Financial Literacy* being co-hosted by the RBI and the OECD. I must compliment the Reserve Bank of India for thinking of hosting such a learning event as a key component of its ongoing Platinum Jubilee celebrations. After all, financial literacy, and education, plays a crucial role in financial inclusion, inclusive growth and sustainable prosperity as is also being increasingly recognised and acknowledged globally. My compliments to OECD for innovatively leading the effort on financial inclusion in the developing world and for co-hosting this very important workshop.

3. While the financial sector policies in India have long been driven by the objective of increasing financial penetration and outreach, the goal of universal inclusion has eluded us. The network of co-operative banks to provide credit to agriculture and saving facilities to the people living in rural areas, the nationalization of banks in 1969, the creation of an elaborate framework of priority sector lending with mandated targets were elements of a state and central bank-led strategy to meet the savings and credit needs of large sections of the Indian population who had no access to institutional finance.

4. This strategy for expanding the outreach of the financial system had relied primarily on expanding branching, setting up newer institutions like the Regional

* Speech delivered by Shri Pranab Mukherjee, Hon'ble Finance Minister at the RBI-OECD Workshop on Financial Literacy at Bengaluru on March 22-23, 2010.

Rural banks and setting targets for credit to broad categories of the financially excluded. Without doubt, it has had a huge impact and altered many a life, especially in the countryside. Given the sheer enormity of the challenge, however, the outcomes of these efforts have so far been mixed.

5. What we need today, therefore, are new approaches to financial inclusion that build on the lessons of the past but also involve, as the sub-theme of this Workshop sugggests, trying out newer approaches and instruments. Importantly, this also requires a change in the mindset on the part of policymakers, practitioners and other stakeholders alike to figure out and put in place effective ways of reaching out to the hitherto un-reached and under-reached segments of our population.

6. Any policy initiative or effort seeking to afford greater access to financial services to a large segment of the population necessarily involves the associated issue of bridging the existing knowledge gap in financial education and literacy. Over the last decade or so, researchers all over the world, especially in the developed countries, have, therefore, started to study and explore whether individuals are well-equipped to make financial decisions. Although the focus of such research undertaken in various countries has varied widely in terms of both the concerns and the context, it may be worthwhile to look back at some of these efforts.

7. Financial literacy has also been linked to saving behaviour and portfolio choice, often connecting financial knowledge to one specific type of transaction. For example, the financially less literate are found to be less likely to plan for retirement, to accumulate wealth, and to make wise investment decisions. In fact, the recent global financial crisis has raised the question whether individuals' lack of financial knowledge led them to take out adjustable rate mortgages (ARMs) or incur credit card debt they could not afford.

8. Research and existing literature in financial literacy have thus typically related individuals' knowledge of economics and finance with their financial decisions related to savings, borrowing decisions, retirement planning, or portfolio choice. It has been said, particularly in the context of the developed economies, that while the young do not save enough and do not fully understand the need for investments for future, many of the elderly tend to feel the pinch of poverty. Today, financial competence has become more essential as financial markets offer more complex choices and, while the policies need to enable access, the responsibility for saving and investing for the future primarily lies with the individuals.

9. Viewed in this background, financial education and literacy assumes urgency in any given scenario. No wonder policymakers all over are increasingly taking note of this and directing their efforts to address it.

10. In this context, I must mention and compliment the OECD for taking a pro-active initiative in generating awareness about financial education. Sometime ago, it had done a major international study on financial education titled 'Improving Financial Literacy' encompassing practical guidelines

on good practices in financial education and awareness. These guidelines promote the role of all the main stakeholders in financial education: governments, financial institutions, employers, trade unions and consumer groups. In addition, they also draw a clear distinction between public information provided by the government and regulatory authorities, on the one hand, and that supplied by the financial analysts, on the other.

11. In a country like India, there is, of course, an obvious case for promoting financial education at the more basic level, especially in the context of the development policies and programmes initiated to reduce vulnerability and expand opportunities for the poor and financially excluded. In our country, financial education and literacy, could ideally supplement our broader initiatives for efficient and inclusive transmission mechanisms and the case for exploring the potential for integrating financial education and literacy into our overall endeavour for financial inclusion cannot be overstated.

12. While India has no nationwide structured financial education programme either at school level or, in general, but institution-specific initiatives by Reserve Bank of India, various Self Regulatory Organizations, Indian Banks Association, commercial banks, Banking Code and Standards Board of India, and more recently, by the Securities & Exchange Board of India, etc. seek to fill the gaps in financial literacy and education.

13. I am extremely happy to learn that the Reserve Bank of India has initiated a "Project Financial Literacy" with the objective of disseminating information regarding the central bank and general banking concepts to various target groups. One important instrument in this is the RBI website which is available in 13 languages. The 'Financial Education' web site link offers basics of banking, finance and central banking for children of all ages. In a series of comic book initiatives, the Reserve Bank has sought to simplify the complexities of banking, finance and central banking, with the goal of making the learning fun and interesting. RBI has also enjoined upon all the banks to set up credible financial literacy and credit counseling function in their frontline branches.

14. Indeed, financial education and literacy can broadly be defined as the capacity to have familiarity with, and understanding of, financial market products, especially rewards and risks in order to make informed choices. Viewed from this standpoint, financial literacy primarily relates to personal financial education to enable individuals to take effective actions to improve overall well-being and avoid distress in matters that are financial. As any attempt at expanding the outreach of financial education needs to start at the grass-roots, the initiative that RBI is launching in collaboration with the State Government here for school children in Karnataka is most welcome and promising indeed.

15. As I had recalled a while ago, pursuant to the process of globalization and initiation of financial sector reforms here in 1991, the economic and financial landscape in India has undergone a significant transformation. In the process, the economy has become more diversified with new drivers and sources of growth. In tandem with these

changes, we have also seen the modernization of the financial sector that has also become increasingly more diversified to meet the new requirements of the economy.

16. The financial sector has also increasingly leveraged on advances in technology which has significantly changed the way financial business is being conducted. As developments in financial markets make possible a much wider range of financial products and services, consumers, on the one hand, face multifaceted choices and options in the management of their personal finances and, on the other, get exposed to a gamut of risks.

17. At the same time, the advances in information technology, especially the phenomenal growth in access to, and use of Internet, have lowered the costs of information acquisition and processing as also of searching for a job. This, in turn, has significantly raised job mobility with attendant implications for family size and expenditure patterns. In this altered social and economic landscape, having financial planning capacity has almost become mandatory as only such knowledge and awareness empowers families to meet their near-term obligations and maximize their longer-term financial well-being.

18. Taking you back to the country context in development strategy that I had referred to earlier, as most of you may be aware India has a divergent, multi-lingual framework. The regional profile in our country is diversified, with most people across different regions being typically conversant in their vernacular languages. Moreover, there exists a wide divergence in literacy levels across various States. Within a State also, there are marked differences between rural and urban areas and there is also a perceptible variation in the penetration of banking across regions.

19. Taken together, these unique circumstances in our country pose a particularly crucial and challenging role for the public policy institutions, including both the Govt. and RBI, to design appropriate delivery mechanisms for financial literacy and education duly nuancing the regional differences.

20. Idioms and metaphors of development economics keep on changing from time to time. Today, new financial sector initiatives in a country like ours - be it in the form of prompt and innovative policy responses from the govt. and the central bank or be it in the form of implementation efficiency and inventiveness from the varied players - need to explicitly prioritize both *financial inclusion* and *financial education and literacy*. I am sure this Workshop will throw up illuminating ideas and fresh insights and provide a platform for sharing replicable cross-country success stories, experiences and strategies in the area of financial literacy and education.

21. With these words, I now have the pleasure of inaugurating this Workshop. My best wishes for the success of this workshop and also for your individual and collective efforts in promoting financial literacy.

Inaugural Address*

Duvvuri Subbarao

Respected Chief Secretary, Government of Karnataka Shri S.V. Ranganath and friends,

I am delighted to be present here at this function organised jointly by the Government of Karnataka and the Reserve Bank of India. Over the last one year we have done a number of functions across the country as part of RBIs platinum jubilee celebrations. This function this afternoon here in Bangalore is easily one of the most gladdening functions. It was particularly heart warming to listen to children speaking on financial issues. For the first time, I get a feeling we are making a solid start on Financial Literacy. Our Hon'ble Finance Minister Shri Pranab Mukherjee and the Chief Minister of Karnataka Shri B. Yeddyurappa had shown lot of interest to take part in this program. Due to some unforeseen contingencies, they were unable to attend this function. However, they have sent their good wishes for the program.

2. When I came here for the Reserve Bank's Central Board Meeting in May last year, I had the occasion to call on the Chief Minister, Shri Yeddyurappa and explained to him the role and responsibilities of the Reserve Bank. I also told him about the Reserve Bank's efforts to further financial literacy and financial inclusion. The Chief Minister showed great interest and requested that we take Karnataka as a pilot state for launching our initiatives and offered the full cooperation of the Government of Karnataka for this purpose. Over the last eight months, the Reserve Bank worked closely with the Government of Karnataka on several initiatives. Today's function is a culmination of these efforts.

* RBI-OECD Workshop on Delivering Financial Literacy: Joint Function of the Reserve Bank of India and the Government of Karnataka on Financial Literacy Project in Karnataka Bengaluru: March 22, 2010
(English Translation of Governor's address which was delivered in Kannada)

3. There are three distinct events we are marking today.

(i) The first is the release of text books for Classes V, VII and IX containing lessons on finance.

(ii) The second is the launch of the Electronic Benefit and Income Transfer (EBIT) Scheme.

(iii) The third is distribution of prizes to state-wide winners of the RBI quiz competition conducted across schools and colleges of the State of Karnataka.

4. Let me now say a few words about the significance of each of these events.

5. The Reserve Bank attaches top priority to deepening financial literacy. This means that school children and college students should acquire basic proficiency in financial concepts. Why is this important? This is important both for you as individuals and for the country as a whole. When children grow up and start earning, they should know their options – where to save, when to save, how and how much to save. Only when you are able to evaluate your options will you become responsible adults. This is important at the aggregate level too. When you save, your money becomes available to the government and to other private sector for investment. And that investment raises our growth rate and creates jobs. I want all of your school children and college students to study well, in particular try and understand the world of finance. I also want to request the Education Department of Government of Karnataka to do an evaluation of the introduction of the finance curriculum after one year. Based on your feed back, we can improve the lessons and instruction material both here in Karnataka and all other states.

6. Now let us know more about financial literacy. Banking facilities are still not available to many villages. Out of about 6 lakh villages in our country, 5.7 lakh villages still do not have any bank branch. At the earliest, banking facilities should be provided to these villages. For this purpose, technology should be used to open no frill accounts. The banking facilities can be made available at the door step of the villagers by appointing one of the villagers as banking correspondents. Biometric smart cards may be provided to the no-frill account holders. Biometric smart cards should be imbedded with photograph and finger print of the account holder. This facilitates acknowledgement for the transactions done by the depositor. Their day-to-day transactions may be uploaded to the bank branch either through telephone or internet. The benefit of government schemes may be directly and speedily credited to these no frills accounts. This is being implemented in six districts of Karnataka with an aim to extend the same through out the country.

7. We have organised various curricular and extra-curricular programmes for improving financial literacy amongst school children. The Education Department of Government of Karnataka has revised the high school textbooks for the year 2010-11 as per our suggestions. As part of extra-curricular activities we have organised State Level Quiz Competition. About 6100 schools and 3000 colleges took part in this competition. We got a splendid feedback for this from the school children. Children's knowledge about banking and RBI has amazed us. I hope that our endeavour in this direction

has laid a strong foundation for the future citizens of the country to become fully financially literate.

8. Before I finish, on behalf of the Reserve Bank, I want to thank the Hon'ble finance Minister Shri Pranab Mukherjee for his very strong and enthusiastic support for financial literacy and financial inclusion, and the Chief Minister Shri Yeddyurappa for the co-operation extended by Government of Karnataka under his leadership.

Some Issues in Currency Management*

Duvvuri Subbarao

It is my pleasure and privilege to participate in this function for laying the foundation stone for the Bank Note Paper Mill. A special and hearty welcome to the Hon'ble Finance Minister, Shri Pranab Mukherjee, but for whose active support, the launch of this vital and prestigious project would not have been possible.

2. I want to use this opportunity to speak on this occasion to highlight the significance of paper currency, touch on the history of production of currency notes in India and then address certain issues in currency management. Importantly, I would also like to outline the importance of this paper mill that we are launching today.

3. Currency notes in circulation have increased significantly since the time RBI was established 75 years ago. The value of notes in circulation in the country has increased from about Rs.172 crore in 1935 to more than Rs.7,00,000 crore in 2009. In terms of volume, the notes in circulation have increased from 124 million pieces in 1935 to more than 51 billion pieces in 2009. In fact, after China, India is the largest producer and consumer of currency notes.

4. As the economy grows, people need more currency and other payment instruments to settle their transactions. Notwithstanding several innovations in the field of payment and settlement, common people in our country, as indeed in many other developing countries, still use paper currency for their routine financial transactions. The ratio of currency with the public to GDP which was 12 per cent in 1951 is currently around 13 per cent demonstrating that currency still remains an important mode of payment in the country. It is the Reserve Bank's responsibility, as the sole issuer of notes, to

* Remarks by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India, at the Foundation Laying Ceremony for the Security Paper Mill at Mysore on March 22, 2010.

make available good and clean notes in adequate quantity to the public.

History and Evolution of Production of Notes in India

5. Currency/bank notes are among the most mass-produced commodities in the world. The genesis of paper money is generally attributed to the token money that evolved around the 10th century in China. In India, the enthusiastic experiment by Muhammed Bin Tughlaq in the 14th century to issue token money and replace silver taka with copper, though a genuine monetary experiment, ended in disaster.

6. Use of paper money started in the West in the 17th century. However, paper currency did not catch on in India because of the political turmoil following the collapse of the Mughal Empire in the 17th century. Early currency in the form of 'I owe you / promissory notes' issued by banks or royal courts made appearance in India only in late 18th century. Among the early issuer of bank notes in India were Bank of Hindostan (1770-1832), the General Bank of Bengal and Behar (1773-75), the Bengal Bank (1784-91), the Commercial Bank, *etc.* Use of bank notes, however, became widespread only after the semi-government Presidency Banks started issuing notes, notably the Bank of Bengal which was established in 1806. These banks were established under a Government Charter and were required to observe some prudential norms like cash reserve, maximum exposure limit, limit for note issue, *etc.*

7. Use of official Government of India paper currency commenced in 1861 with the enactment of the Paper Currency Act. The management of currency across the Indian sub-continent was evidently a huge task, requiring creation of currency circles. The Presidency banks were made agents for issue and redemption. In 1913, the Office of Controller of Currency was established replacing the Currency Department in the Government. In 1935, the Reserve Bank of India was established which took over the function of note issue from the Controller of Currency.

8. Indian Currency notes were printed in England till late 1920s. Recognising that production of currency notes is a strategically important activity, the then Government of India set up a currency printing press at Nashik in Maharashtra in 1928. This was followed by the setting up of another press at Dewas in Madhya Pradesh nearly fifty years later in 1975. Meanwhile, in 1967, a security paper mill with a capacity of 1500 metric tonnes per year was established at Hoshangabad in Madhya Pradesh By the late 1980s, the demand for currency notes exceeded the capacity of the two Government note presses. To meet the demand-supply gap, at the instance of Government of India, the Reserve Bank established, in 1996, two currency presses - this one here in Mysore and the other at Salboni in West Bengal. These were set up through a wholly owned subsidiary of RBI *viz.* the Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (BRBNMPL). By 1999, the BRBNMPL's two new presses started working to their full capacity making the country self reliant once again in currency note printing.

Clean Note Policy and Its Implementation

9. In 1999, after sufficient printing capacity has been firmly established, the Reserve

Bank adopted the 'Clean Note Policy' for circulation of fairly good quality banknotes and withdrawal of unfit/soiled banknotes from circulation and their destruction. In pursuit of this clean note policy, RBI did several things. We mechanised the process of note sorting/processing and destruction of unfit notes starting in 2000-01. Recognising that the practice of stapling of notes was resulting in disfiguration of notes, impeding machine processing and reducing their longevity, RBI issued a directive to banks under Section 35A of the Banking Regulation Act to stop stapling of currency notes and instead secure them with paper bands. RBI advised banks to sort notes into re-issuable and non issuable categories and reissue only clean notes to the public. Finally, RBI launched an awareness campaign exhorting public to desist from writing on the watermark window of the notes or folding or stapling the notes.

10. As part of the mechanisation and systems improvement drive, we have installed as many as 54 high speed currency verification and processing machines and 27 shredding and briquetting machines in 19 offices across the country. We have advised bank branches with currency chests to equip all their chests with Note Sorting Machines and to ensure that only clean notes are reissued to the public over the counter and through ATMs. Currently, there are over 4300 currency chests well equipped with Note Sorting Machines. We also did a systems overhaul to improve productivity, reinforce safeguards and minimize errors.

11. The above efforts resulted in credible improvements. In the two year period between September 2007 and September 2009, the accumulation of soiled notes at currency chests and issue offices has been brought down from 190 days of processing capacity to 68 days. The disposal of soiled notes increased from 7.3 billion pieces to 11.9 billion pieces. Fresh notes issued to currency chests and the public increased from 10.7 billion pieces in 2006-07 to 13.8 billion pieces in 2008-09.

Fake Currency/Counterfeit Notes

12. Counterfeiting of money is almost as old as printing of currency. At some period in history, it was considered treasonous enough to warrant punishment by death. It was in 1650 AD that paper money was developed and counterfeiting flourished, especially within America where counterfeit money was more common than genuine money. Counterfeiters had become so skilled that when the first federal coins were issued by the US Government in the 1780s, they had the dies cut by an ex-counterfeiter. However, it was the advent of colour copiers and other electronic devices in late twentieth century that made counterfeiting easier. Around the world, governments are locked in a fierce race with counterfeiters to keep that one crucial step ahead in terms of technology and security features. Governments are also tightening measures to check counterfeiting, apprehend counterfeiters and impose deterrent and harsher punishments.

13. Data available in the public domain suggests that the incidence of counterfeiting varies across different countries. While in Australia, counterfeit notes detected were around seven pieces per million notes in circulation (2008-09), in Canada it was 76 (2008). In New Zealand, the number was a low of 0.71 counterfeits per million notes in

circulation (2008-09), whereas in Switzerland it was ten. As for the euro, there was roughly about one counterfeit per 14,600 bank notes in circulation (2008). At home here in India, fake notes reported as detected by banks and fake notes found in remittances received by RBI during 2008-09 amounted to eight per one million notes in circulation. The data however does not include the counterfeits that are seized by police. The above data shows that, by an international metric, the incidence of counterfeit notes in India is not alarming. Nevertheless, counterfeiting *per se* is a matter of serious concern for the Government and the Reserve Bank.

14. While on the subject of estimate of fake notes, I want to make a clarification. Last year, some newspapers had erroneously quoted a figure from the Nayak Committee Report for estimates of forged currency notes in circulation. The Nayak Committee, which was set up in 1988 to go into the dynamics of currency management, did not make any estimate of fake currency. What it estimated was the projected value of notes in circulation in the year 2000 which has Rs. 1,69,000 crore. The media incorrectly reported this as the number of fake notes in circulation.

15. The Reserve Bank's role in addressing the problem of counterfeiting lies in improving the security features of the currency notes, putting in place a system where all fake notes making entry into the banking channel are promptly detected, and raising public awareness levels. For the sake of completeness, let me list the measures initiated by Reserve Bank for addressing the menace of counterfeiting:

- Awareness and publicity campaigns.
- Augmenting the security features. Non disruptive withdrawal of notes in old series by replacement with notes in new series.
- Use of note sorting machines in all large cash handling branches in a phased manner so that all notes are sorted before reissuing to customers. To start with, all branches, where the daily average cash receipts are more than Rs. 1 crore, will have to do this by March 2010, and those where the daily average cash receipts are between Rs. 50 lakh and Rs. 1 crore, by March 2011.
- Installation of note sorting machines at select non-chest bank branches (210) by RBI on a mix of criteria *viz.* volume of cash handling, counterfeit detection and proximity to international border.
- ATMs to be equipped with sensors for detecting counterfeit notes. Till then, banks are to ensure that the ATMs are filled only with notes that have been sorted through Sorting Machines.
- Creation of Forged Notes Vigilance Cells in banks.
- Formation of security committees in each state including representatives of police, banks, *etc.* to deal with the problem of counterfeiting.
- Strengthening security systems at currency chests and more intensive supervision of chests by RBI.

16. RBI's efforts at checking counterfeiting will be effective only if there are equally effective efforts by banks. Banks should ensure that counterfeit notes are promptly detected once they enter the banking system, and that there is prompt and accurate reporting. They should ensure that only clean

and genuine notes are issued through their ATMs and over the counters. As currency notes are an integral part of our daily life, we, as users, should understand the various security features of the notes. These features are prominent, and can be easily identified. Enhanced public awareness will by far be the most effective deterrent to counterfeiting.

Polymer notes

17. Cost and longevity are important issues in currency management. After due consideration, and in consultation with the Government, the Reserve Bank has decided to introduce one billion pieces of Rs. 10 banknotes on polymer substrate on a field trial basis in a limited launch in five cities. While cleanliness and durability are seen as the major advantages of polymer, the carbon footprint associated with production, use and disposal of polymer notes is an important issue. Available information indicates that polymer banknotes (and the waste from production) can be granulated and recycled into useful plastic products such as compost bins, plumbing fittings and other household and industrial products. Considering the relatively longer life of polymer notes and their amenability to re-cycling, the 'carbon footprint' of polymer notes *vis-à-vis* paper banknotes is likely to be on the plus side. Regardless, this is one of the issues that we will study during the pilot phase, and will embark on polymer notes on a long term basis only if the cost-benefit calculus is decidedly positive in all dimensions.

Why We Need This Paper Mill

18. It should be a matter of pride for all of us that the entire requirement of the country's currency needs - this year's estimate is of 17 billion pieces - is printed within the country. However, for the main raw material required for this - the banknote paper - we are heavily dependent on imports. The existing facility at Hoshangabad meets just 5 per cent of our requirement. We need to significantly increase our self-sufficiency in this regard for a number of operational, economic and strategic reasons. Producing our own paper is decidedly cheaper, and importantly a check against counterfeiting. The banknote paper market is a strong oligarchy. India's demand for banknote paper - 18000 MT per year - is huge in international terms, and on the supply side there are just 3/4 large producers. This situation exposes us to vulnerabilities of a suppliers market in terms of price, quantity and timelines, something that we should avoid or at any rate minimize.

19. It would be pertinent to note that major countries *viz.* USA, Japan, China, Brazil, Russia and countries in the euro area and even smaller countries like South Korea, Indonesia, Iran and Pakistan make their own bank note paper.

20. It was in this background that the Government and the Reserve Bank of India decided to set up a banknote paper mill with an annual production capacity of 12,000 MT as a backward linkage in the process of note printing. The proposed paper mill is a joint venture between the Bharatiya Reserve Bank Note Mudran Private Ltd. (BRBNMPL) and the Security Printing and Minting Corporation of India Ltd. (SPMCIL), the two agencies which are collectively responsible for printing of all currency notes in the country.

21. This plant in Mysore for which the Finance Minister is laying the foundation stone today will be a state of the art

production unit that will showcase to the world India's capacity to produce banknote paper conforming to the best international quality and security standards.

22. I wish the project and the people behind its implementation all success. Once again, a very warm welcome all of you to this foundation stone laying function.

Financial Education: Worthy and Worthwhile*

Duvvuri Subbarao

Mr. Pranab Mukherjee, Hon'ble Finance Minister of India, Ambassador Richard Boucher, Deputy Secretary General, OECD, Dr. K.C. Chakrabarty, Deputy Governor, Reserve Bank of India, Mr. V.K. Sharma, Executive Director, Reserve Bank of India, Distinguished Guests and my colleagues from the Reserve Bank

First of all, I want to say that the Reserve Bank of India attaches immense value to this workshop on "Financial Literacy". The year 2009-10 marks the Platinum Jubilee of the Reserve Bank. Over the last one year, we have celebrated this milestone in diverse ways. By far the most enduring part of the celebrations has been the outreach programme which involved the top management of the Bank including the Governor and the Deputy Governors fanning out across the country, visiting typically off-main road, away from urban influence, unbanked villages. The outreach programme was driven by two objectives. The first was to understand the needs and aspirations of emerging India living in the villages, mainly as a reality check on the Bank's programmes and policies. The second objective was to demystify the Reserve Bank and explain to people at large what it does, why what it does is important, and how it makes a difference to peoples' every day lives.

Outreach Programme

2. I am happy to claim, with a deep sense of fulfillment of course, that between all of us in the top management of the Reserve Bank, we have visited at least one village in every state and most union territories. Given that India has over 600,000 villages,

* Comments by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India at the RBI-OECD International Workshop on Financial Literacy in Bengaluru on March 22, 2010.

our coverage was, by all accounts, miniscule. Even so, it has been an enormously rewarding experience for us as individuals and for the RBI as an institution. We learnt more this way than what we could have by reading hundreds of reports and attending scores of meetings and conferences. And what is more, it was a lot more fun than sitting in air-conditioned offices in skyscrapers. If I were to single out one important lesson from these visits, it is about the growing aspirations and the rising awareness of rural people. We were all struck by how much rural women knew about saving and investment and struck even more by how eager they were to learn more about saving and investment.

3. It is axiomatic that when income levels rise, the time horizons of households become longer. From thinking about the next agriculture season, they start thinking about the next five years, and then about their children's future and their own old age. These are healthy concerns on which we must capitalise. This realisation sensitised all of us in the Reserve Bank that we will be failing in our mandate if we do not address the challenge and the opportunity of financial literacy head on. That is the reason why learning from this workshop on furthering financial literacy is important and valuable to us in the Reserve Bank.

Partnering with OECD

4. It is our privilege and good fortune to have the OECD as a co-sponsor for this workshop. The OECD has been an intellectual leader in the field of financial literacy. It has been involved in supporting research and evaluation in financial literacy and has been proactive in spreading awareness about the importance of financial education. The OECD is by far the most valuable repository of knowledge on grass root experiments in financial literacy. Learning from these international best practices can certainly help India to "leapfrog" over several stages of the process. Partnering with OECD is therefore a huge and valuable learning opportunity for India.

Why is Financial Literacy Important?

5. Let me step back a bit and spend a few minutes on why financial literacy is so vital. There is virtually no country whose economy has developed and matured without a corresponding deepening of the financial sector. And such deepening is possible only when individuals and households are financially literate and are able to make informed choices about how they save, borrow and invest. Indeed, it is possible to argue that the sub prime problem would not have grown to the explosive proportions that it did if people had been financially more 'literate'.

6. Beyond the individual level - and this is equally important - greater financial literacy can aid a better allocation of resources and thereby raise the longer-term growth potential of the economy. India clocked average growth of around nine percent in the period 2004-08 before the global financial crisis interrupted the growth trajectory. One of the key drivers of this growth has been the increased savings rate in the economy, which reached a high of 36 percent of GDP in 2007-08, the year before the crisis.

7. The increase in savings itself has been a consequence of the changing demographics

and the welcome trend of rise in household savings. However, nearly half our population still lacks access to banking and other financial services. If we can redress that and provide this 'left behind' population access to the entire gamut of banking services, we could raise household and overall domestic savings even further, and that will fulfill one of the necessary conditions to achieve the double-digit growth that we aspire to.

8. To make that happen, we need to deepen the penetration and expand the coverage of financial services to all sections of society and to all regions of the country in a meaningful way, particularly to those at the bottom of the economic pyramid. Lack of financial awareness and literacy is one of the main reasons behind lack of access to financial products or failure to use them even when they are available. An NCAER and Max New York Life study shows that in India, around 60 percent of laborers surveyed indicated that they store cash at home, while borrowing from moneylenders at high interest rates - a pattern which increases their financial vulnerability.

9. Financial literacy and awareness are thus integral to ensuring financial inclusion. This is not just about imparting financial knowledge and information; it is also about changing behaviour. For, the ultimate goal is to empower people to take actions that are in their own self-interest. When consumers know of the financial products available, when they are able to evaluate the merits and demerits of each product, are able to negotiate what they want, they will feel empowered in a very meaningful way. They will know enough to demand accountability and seek redressal of grievances. This, in turn, will enhance the integrity and quality of financial markets. One big lesson we have learnt in our outreach programmes is that financial literacy is not just a public good; it is a merit good. What this means is that by deepening financial literacy, not just individuals and households, even the society at large stands to benefit.

Reserve Bank's Initiatives

10. In the Reserve Bank, we treat financial inclusion and financial literacy as twin pillars. Financial literacy stimulates the demand side - making people aware of what they can and should demand. Financial inclusion acts from the supply side - providing in the financial market what people demand. While we have traditionally focused more on addressing financial exclusion through many supply-side measures so as to help "connect people" with the banking system, we have come to recognise the demand side imperative also - that financial literacy and education should be developed hand in hand with improving access to financial services.

11. We have taken a number of measures over the last few years to further financial inclusion and financial literacy. We have intensified these efforts in the last one year. I do not want to go into them as you will have opportunity to discuss, and I hope critique, these measures in the course of this workshop. But I do want to highlight what the Reserve Bank and commercial banks have agreed upon.

RBI's Advice to Banks on Financial Inclusion

12 Specifically, we agreed upon three things. First, the lead bank in each district

has been asked to draw a roadmap by the end of this month (March 2010) for ensuring that all villages with a population of over 2,000 will have access to financial services through a banking outlet, not necessarily a bank branch, by March 2012. There will be an intermediate target to be achieved by March 2011. Banks will have to harness technology and innovate low cost business models to accomplish this. Second, all domestic public and private sector commercial banks have agreed to come up with their specific, Board approved Financial Inclusion Plans (FIPs) by March 2010 to be rolled out over the next three years. These Plans will have both qualitative indicators and quantitative milestones. Third, we have urged all banks to include criteria regarding financial literacy and financial inclusion in the performance evaluation of their field staff.

Research on the Way Forward

13. In the Reserve Bank, we attach value and priority to deepening financial literacy. We know it is a formidable challenge but also a huge opportunity. We do not have all the answers; I am not sure we even have all the questions. But we are eager to learn. I know this workshop will take us closer to the answers to some existing questions, and maybe even raise some new ones. Just to get you all started off on that, I want to raise a few ideas where further research will get us a lot of mileage.

- First, given the significant commitment to financial education by the government and a host of stakeholders, it is important to determine the impact and effectiveness of such programs so as to understand what works and what does not. We are aware that India is a diverse country that has typically allowed its development to go forward by letting a 'thousand flowers bloom' across the country. It will be useful to do a survey and evaluation of these grass root experiments to draw up the best practices. In particular, we need to study the link between financial literacy on the one hand and financial inclusion and improved financial outcomes on the other so as to understand which models have been effective.
- Second, financial literacy programs require trained instructors. To be most effective, these instructors or counsellors must be available to clients at the time when they are making important financial decisions. The awareness and timeliness of financial advice, are important to make financial literacy useful and relevant. In this context, it would be useful to study successful experiments from NGOs such as SEWA which started a financial counseling training service for poor self-employed women, including a training for trainers, and identify how we can mainstream those one-off successes in a cost effective way.
- Technology has the potential to enhance the development of financial literacy, both as a delivery channel (*e.g.*, the Internet) and as an intrinsic part of the learning process (*e.g.*, instructional computer). Technology can also bridge distances for those living in rural and remote communities. How can we best leverage communications and

technology in ways to engage and empower people in the area of financial literacy? Recognising that people receive, learn and digest information in different ways, it would be useful to survey all possible avenues of communication to determine the best way of capturing people's attention and interest. The use technology in the training of trainers could also be explored.

Let me stop there so that you can get on with the serious business of engagement with issues in financial literacy. Once again my thanks to OECD for partnering with the Reserve Bank and best wishes for the success of this workshop.

Welcome Address*

Usha Thorat

Hon'ble Finance Minister, Shri Pranab Mukherjee, Governor. RBI, Dr. Subba Rao, Members of Parliament, Shri A. H. Viswanath and Shri Dhruv Narayana, Members of Karnataka Legislative Assembly, Mayor of Mysore Shri Purushotham, Directors on the Boards of BRBNMPL and SPMCIL, distinguished guests and staff of the BRBNMPL - a very warm welcome to all of you to this traditional city of Mysore.

2. It is my proud privilege to welcome this distinguished gathering on this occasion of laying of the foundation stone for a Banknote Paper Mill here in the premises of BRBNMPL. It is even more significant that this project is being inaugurated in the platinum jubilee year of the Reserve Bank of India. On behalf of Reserve Bank of India, BRBNMPL and SPMCIL, I warmly and respectfully welcome the Hon'ble Finance Minister who has kindly accepted our invitation to lay the foundation stone for the Banknote Paper Mill. Sir, we are greatly honoured to have you here with us today. Today is indeed a milestone event in the indigenisation of the production of bank notes and your presence here is a source of enormous strength and encouragement in ensuring the fruition of this dream. Our heartfelt thanks to you for having made it convenient to come. To us it reflects your commitment and support. We also recall with pride that it was during your tenure as Finance Minister in the mid 1980s that the proposal for the new note printing presses of RBI at Mysore and Salboni were approved. I may add that it is the first time any FM has visited the BRBNMPL.

3. It gives me great pleasure to welcome Governor, Dr. Subbarao, without whose

* Welcome address by Smt. Usha Thorat, Deputy Governor, Reserve Bank of India and Chairperson, BRBNMPL on the occasion of Foundation Laying Ceremony of the Security Paper Mill at Mysore on March 22, 2010.

guidance and support this project could not have been possible. I also extend a warm and cordial welcome to the Members of Parliament, the Members of Karnataka Legislative Assembly, the Mayor of Mysore, senior officials from Government of India, Karnataka Government, Directors of SPMCIL and BRBNMPL, my colleagues from the Reserve Bank of India and the staff of the BRBNMPL, other dignitaries and each and every one of you who have honoured us by gracing this historical occasion.

4. The Banknote Paper Mill is a joint venture between the BRBNMPL and the SPMCIL. Security Printing & Minting Corporation of India Ltd. (SPMCIL), a wholly owned company of the Government of India, was incorporated in January 2006 and represented the corporatisation of all the security printing and minting activities that were being done departmentally. Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) was established by Reserve Bank of India as its wholly owned subsidiary on 3rd February 1995 for undertaking the production of bank notes in India.

5. There are several advantages in this paper mill being set up in the premises of the BRBNMPL's press. Besides adequate land, basic infrastructure and surplus residential quarters are already available in the BRBNMPL's premises. Cotton, which is the principal raw material is available nearby from and around Coimbatore.

6. Going ahead, we are targeting to commission the first line with 6000 MT capacity by the latter part of 2012 and eventually achieve full capacity of 12000 MT in another year or so. The estimated pay back period is 4/5 years. With the cooperation of the Centre and State Government and others concerned, we are confident that these milestones can be achieved.

7. Today, I would like to recount the reassuring response of Shri Pranab Mukherjee to a query in an interview[2] he had with 'The Tribune' some years ago. On being asked as to what have been our (India's) strong points, Shri Mukherjee replied:

> *"We have built up a huge infrastructure, industrial and human. We have the largest number of technically and technologically competent personnel. We have the third largest reservoir of human talent in the world. In purchasing power parity we have the fifth largest economy …"*

We are encouraged and inspired by your confidence in the nation's capabilities. We assure you Sir, this Mill, the foundation stone of which you are laying today will live up to your expectations. With these words, I once again extend a warm welcome to the Hon'ble Finance Minister and to each one of you and seek your blessings for the success of this project.

[1] http://www.tribuneindia.com/50yrs/pranab.htm

Indian Perspective on Banking Regulation*

Usha Thorat

I am delighted to participate in this Conference on 'Financial Sector Regulation and Reform in Asian Emerging Markets' jointly organised by the Asian Development Bank Institute, the International Center for Financial Regulation, the UK Foreign and Commonwealth Office and the Brookings Institution. In the session that just concluded, we heard about financial sector developments in emerging markets. In this session, I will like to present the Indian perspective on banking regulation.

2. I have structured my presentation in four parts. To start with, I would like to quickly recapitulate the key factors that contributed to the current global financial crisis and follow it with a brief account of the international regulatory response. Thereafter, I will take up the Indian banking and regulatory scenario – both pre- and post-crisis, including the recent regulatory initiatives. Finally, I hope to place before you the emerging challenges in banking regulation as India aspires for higher growth.

3. The current financial crisis has led to the worst global economic downturn in over 60 years. Though the epicentre of the crisis lay in the sub-prime mortgage market in the US, it was transmitted rapidly throughout the globe, destabilising financial markets and banking systems. The crisis eventually impacted the broader macro-economy, affecting economic growth and employment throughout the world. The magnitude of this crisis has clearly signaled the need for major overhaul of the global financial regulatory architecture. The G-20 leaders have mandated the international regulatory agencies and standard-setters, including Basel Committee on Banking Supervision

* Address by Smt. Usha Thorat, Deputy Governor, Reserve Bank of India, at the International Conference on "Financial Sector Regulation and Reforms in Asian Emerging Markets" jointly organised by the Asian Development Bank Institute and Cornell University, the U.K. Foreign Services Office on February 8, 2010 at Mumbai. Assistance provided by Mr. P. R. Ravi Mohan, Mr. A. K. Misra and Mr. Tulasi Gopinath is gratefully acknowledged.

(BCBS), Financial Stability Board (FSB) and International Accounting Standards Board (IASB) to take active part in this process. Responding to the unfolding situation, international regulatory agencies are working on strengthening the resilience of financial system, especially on bridging the gaps in the regulatory framework revealed by the current crisis.

Key Factors in Global Financial Crisis

4. The genesis of the recent global financial crisis can be traced back to an extended period of global imbalances, easy monetary policy, low real interest rates and under-pricing of risk as liquidity chased yields. It was also the period of low inflation and robust growth - an almost "nirvana" like situation. This benign environment prompted investors to extend their search for yield further down the credit quality curve, reflecting overly optimistic assessments and lack of due diligence in assessing credit risk. Partly in response to this demand, the financial system developed new structures and created new instruments, with embedded leverage, that seemed to offer higher risk-adjusted yields, but were in fact more risky than they appeared to be. In this setting, more-than-warranted faith began to be placed on market discipline reflecting the prevailing optimism with increasing reliance on the assessments of credit rating agencies. The financial sector compensation system based on short-term profits facilitated reinforcing the momentum for risk taking. A constellation of regulatory practices, accounting rules and incentives magnified the credit boom ahead of the crisis. The same factors accelerated the downturn in markets and intensified the crisis. Macroeconomic stability and financial stability were generally treated as separate and unrelated constructs with the former focusing on preserving low and stable inflation, while the latter dealing with the firm-level supervision of the formal banking sector. In this process, not only was the growing shadow financial sector ignored, but also the factors such as the interconnectedness within the complex financial system, the systemic risk arising out of too-big-to-fail entities and system-wide liquidity needs.

Blueprint for Regulatory Reforms – International Agenda

5. The broad contours of the international initiatives on regulatory reforms envisage strengthening the quality of capital and risk coverage, introducing minimum liquidity standards and leverage ratio, countercyclical measures in the form of capital buffers and forward looking provisioning, developing a framework for systemically important entities including cross-border resolution arrangements, extending the regulatory perimeter to unregulated pools of money, de-risking the OTC derivatives trading through central counterparties and new framework for regulating employee compensation within the financial sector. The impact assessment of the new proposals made by the BCBS will be completed this year and a consensus on fully calibrated measures is expected to be evolved by the end of the year.

The Indian Scenario

6. India's financial system, like most emerging market economies, was not

seriously affected by the financial turmoil in the developed economies mainly because of the relatively lower integration of the domestic financial sector with the global financial system and limited exposure of overseas branches of the Indian banks to the synthetic and complex structured products. The adverse effects on the economy were mainly due to sudden reversal of capital flows, tightening of credit availability from the overseas and domestic markets impacting respectively the domestic forex market and liquidity conditions. This resulted in increased pressure on banks to provide credit at a time when their financial resources were already quite strained pursuant to the rapid credit expansion in the previous three years. In the circumstances, the thrust of the various policy initiatives by the Reserve Bank has been on providing ample rupee liquidity, ensuring comfortable dollar liquidity and maintaining a market environment conducive for the continued flow of credit to productive sectors.

7. What saved the day for the Indian financial system was our policy approach of gradual and calibrated integration of the domestic financial system with overseas markets, especially the debt markets – through capital controls – as also well-modulated regulatory policies to contain bank exposure to sensitive sectors, which are more prone to asset bubbles, such as real estate and capital markets. Further, ensuring that banks maintained adequate capital and liquidity while containing undue volatility in the forex and debt markets helped in preserving financial stability, while promoting growth. In understanding the Indian perspective on banking regulation, it would be useful to look at the regulatory framework prior to the crisis and the measures initiated to strengthen it in the wake of the crisis.

Regulatory framework – Prior to the Crisis

8. In devising the regulatory framework for banks, RBI has always kept in focus the financial stability objective. A number of counter-cyclical regulatory measures that are now attracting attention world-wide, were already in place in India even before the onset of the crisis

Capital Requirements

9. The minimum capital adequacy ratio (CRAR) for banks in India at nine per cent is higher than the Basel norm of eight per cent. Banks are also required to ensure minimum Tier I capital ratio of six per cent from April 1, 2010. The current average CRAR for the scheduled commercial banks is over 13 per cent while Tier I ratio is about nine per cent. Importantly, Tier I capital does not include items such as intangible assets and deferred tax assets that are now sought to be deducted internationally.

Liquidity Buffers

10 Indian banks have a significant holding of liquid assets as they are required to maintain cash reserve ratio – CRR, currently 5.75 per cent – and statutory liquidity ratio – SLR, currently 25 per cent – both, as a proportion to their 'net' liabilities. Central bank liquidity support for managing day-to-day liquidity needs of the banks is available only against SLR securities held over and

above the statutory minimum of 25 per cent. Thus, the excess SLR maintained is always available as a source of liquidity buffer. Besides, the Reserve Bank can also lower the SLR requirement in a distress scenario, to make liquidity available to the banks against their resulting excess SLR. Measures are also in place to mitigate liquidity risks at the very short end, at the systemic level by limiting inter-connectedness, especially in the uncollateralised money market, and at the institutional level. More than a decade ago the RBI had issued asset-liability management (ALM) guidelines to banks, covering liquidity risk measurement, reporting framework and prudential limits. Banks are required to monitor their cumulative mismatches across all time buckets and establish internal prudential limits with the approval of the Board. The ALM guidelines were updated in Oct 2007, *inter alia*, making the liquidity risk management more granular.

Management of Concentration Risk

11. Recognising that risk concentrations could be a very important cause for problems in banks, RBI advised banks in India way back in 1989 to fix internal, Board-approved limits on their exposures to specific industries or sectors and also prescribed prudential regulatory limits on banks' exposure to single and group borrowers.

12. There are prudential limits on single and group borrower exposures as per which banks are allowed as on date, to lend up to 15 per cent of capital funds to a single borrower and up to 40 per cent of capital funds to a borrower group. This can be increased by an additional 5 per cent and 10 per cent, respectively for lending to infrastructure. In addition, banks have been allowed to consider enhancements in exposures to a borrower (single as well as group), in exceptional circumstances, up to a further 5 per cent of capital funds, with the approval of their Boards. In 2003, prudential limits on single and group borrower exposures and capital market exposures were extended to the consolidated level also for the entire banking group.

Capital Market Exposure (CME)

13. With a view to insulating banks from exposure to asset-price volatility, prudential norms were prescribed for their exposure to capital market, acquired through both, funded and non-funded facilities. The exposure ceiling was initially set at five per cent of the total outstanding advances of a bank as on 31st March of the previous year. However, with effect from April 2007, the aggregate exposure of a bank to capital markets has been restricted to 40 per cent its net worth. Within this overall ceiling, a bank's direct investment in shares, convertible bonds / debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds should not exceed 20 per cent of its net worth. Similarly, the aggregate exposure of a consolidated bank to capital market and its direct investment in capital markets have been capped at 40 per cent and 20 per cent of the consolidated net worth respectively.

Real Estate Exposure

14. Banks are expected to monitor their exposure to commercial real estate (which has been defined in detail) so as to limit

the risk of any downturn in this sector. Although no regulatory limit is specified in this regard, RBI keeps a close watch on each bank's exposure to the CRE sector through off-site surveillance and initiates corrective actions as necessary.

Investment Portfolio

15. In the year 2000, the RBI conducted a stress test of the banks' investment portfolio in an increasing interest rate scenario, when the general trend then was of decreasing interest rates. At that time, banks in India were maintaining a surrogate capital charge for market risk, which was at a variance from the Basel norms. On the basis of the findings, in order to equip the banking system to be better positioned to meet the adverse impact of interest rate risk, banks were advised in January 2002 to build up an Investment Fluctuation Reserve (IFR) within a period of five years. The prudential target for the IFR was five per cent of their investments in 'Held for Trading' (HFT) and 'Available for Sale' (AFS) categories. Banks were encouraged to build up a higher percentage of IFR up to 10 per cent of their AFS and HFT investments. This counter-cyclical prudential requirement enabled banks to absorb some of the adverse impact when interest rates began moving in the opposite direction in late 2004. In stages, IFR was gradually phased out by October 2005 with the outstanding holdings therein being treated as Tier 1 capital. Banks have been maintaining capital charge for market risk as envisaged under the Basel norms since end-March 2006.

16. With the change in the direction of the movement of interest rates in 2004, the cap on the 'Held to Maturity' (HTM) category (at 25 per cent of the total investments) was reviewed in light of the statutory prescriptions requiring banks to mandatorily invest up to 25 per cent of their Demand and Time Liabilities (DTL) in eligible government securities. In view of the statutory pre-emption and the long duration of the government securities, banks were permitted to exceed the limit of 25 per cent of total investments under HTM category provided the excess comprised only the SLR securities and the total SLR securities held in the HTM category was not more than 25 per cent of their DTL. One-time shifting of securities to HTM category was allowed at acquisition cost or book value or market value on the date of transfer, whichever was the least, and the depreciation, if any, on such transfer was required to be fully provided for. These changes recognised the dynamic interface of the banks' investment portfolio with the interest rate cycles and were counter-cyclical.

Accounting Policies – Unrealised Gains and Gains on Securitised Deals

17. Recognising the merit of a conservative approach to valuation of investments by banks, the extant prescription requires banks to recognise the losses (depreciation) but ignore the appreciation (gains). Banks are required to mark to market the each scrip in the HFT and AFS categories at prescribed periodicity, following the principle of scrip-wise valuation and category-wise aggregation. Investments in a particular classification (as per the classifications required for balance sheet purposes), may be aggregated for arriving at net depreciation / appreciation of investments under that category. While net

depreciation, if any, needs to be provided for, net appreciation, if any, has to be ignored. Also, the net depreciation required to be provided for in any one classification cannot be reduced on account of net appreciation in any other classification. There is thus an in-built cushion in banks' balance sheet in the form of unrealised gains in the value of the financial instruments.

18. The RBI's guidelines on securitisation do not allow upfront booking of profit by the originator in securitisation of standard assets, but stipulate that any profit / premium or loss/discount arising on account of asset sale should be amortised over the life of the securities issued or to be issued by the SPV, and andreflected in the Profit & Loss account. This measure ensured that profit booking was not the prime mover of securitization transactions of banks.

Measure of Leverage

19. Absolute and incremental credit aggregates (including credit deposit ratio) are amongst the host of variables, forming an integral part of macro-economic and prudential policy formulation. In the Indian context an incremental credit-deposit ratio of more than 100 per cent, when the system itself has a high overall absolute credit deposit ratio (say beyond 70 per cent) is taken as a sign of overheating. A prudential focus on credit deposit ratio also encourages the banks to raise deposits for funding credit flow and minimizes the use of purchased funds. As the requirement for SLR is to hold unencumbered securities, banks cannot leverage the minimum SLR portfolio to take on more assets. Thus, the focus on credit deposit ratio and the SLR prescription have both served to limit the degree of leverage in the Indian banking system. The level of leverage is also regulated in India for the non-banking financial entities. The Development Financial Institutions (DFIs), which are also regulated by the RBI, are required to comply with a leverage ratio defined in terms of the multiples of their net owned funds. The non-deposit taking systemically important non-banking financial companies, even though they do not accept public deposits, are also subject to a capital adequacy regime. This was done since these companies were found to be raising public funds from banks and capital market to grow their balance sheets.

Investment in Non-Government Securities

20. Prudential management of investment in non-Government securities (non-SLR securities) by the banks has been another area of regulatory focus primarily with a view to enhancing transparency of their investment portfolio. The need for such management was first articulated in the Mid-term Review of Monetary and Credit Policy for the year 2001-02 and detailed guidelines to banks followed in November 2003 to address the risks arising out of investment in non-SLR securities. The prudential measures included confining the short-term (less than one-year) investments of banks, only to CPs and CDs, insistence on credit rating for all such non-SLR investments, limiting the investment in unlisted non-government securities at 10 per cent of the overall non-SLR investment portfolio and comprehensive disclosure requirements.

Securitisation

21. The RBI issued guidelines on securitisation of standard assets in February 2006. These guidelines, as alluded to earlier, prohibit originators from booking profits upfront at the time of securitisation. Two other features relate to maintenance of capital at the required minimum of 9% on any credit enhancements provided, and disallowing the release of credit enhancement during the life of the credit-enhanced transaction. Thus, banks in India did not have incentive to resort to unbridled securitisation as observed in "originate-to-distribute" and "acquire and arbitrage" models of securitisation in many other countries. It is our perception that these guidelines have served the system well and going forward the intention is to further strengthen these by stipulating minimum lock-in period of one year for originators and a minimum retention of 10 per cent of the pool of assets being securitised.

Derivatives

22. In December 2002, the banks' exposure to derivatives was brought under the capital adequacy regime by prescribing credit conversion factors linked to the maturities of interest rate contracts and exchange rate contracts. Accordingly, since April 1, 2003 banks were advised to adopt, either original exposure method based on original maturity or current exposure method based on residual maturity, consistently for all derivative products, in determining individual / group borrower exposure. After the banks gained sufficient expertise in the area, the option of original exposure method was withdrawn and since August 2008 banks are required to compute their credit exposures, arising from the interest rate and foreign exchange derivative transactions using the current exposure method. The conversion factors were increased and doubled for certain residual maturities with a view to improve the capital cushion available for such derivative products.

23. The amendments to Reserve Bank of India Act, 1934 in 2006 conferred on the RBI explicit powers to regulate the derivative products which have the exchange rate, interest rate or credit rating as the underlying. Comprehensive guidelines on derivatives were issued in April 2007. The guidelines, intended to safeguard the interests of the system as well as the players in the market, lay down eligibility criteria, broad principles for undertaking derivative transactions, permissible derivative instruments, risk management and corporate governance aspects as also aspects relating to both suitability and appropriateness of a derivative product for a client.

Collateralised Money Market

24. A number of structural measures were initiated by the RBI to restrict non-collateralised borrowing and lending in the money markets. In 2002, limits were placed on call money borrowing and lending. Simultaneously, measures were taken to develop the market repos and the Collateralised Borrowing and Lending Obligations (CBLO) markets with the Clearing Corporation of India Ltd acting as a central counter party. By August 2005, the non-bank players were phased out of the uncollateralised call money markets, which is now a pure inter-bank market. The share of the (collateralized) market repo and CBLO segments in the total money market is significant at nearly 90% in recent months

Limit on Inter-bank Exposures

25. Recognising the possible impact of excessive interconnectedness within the banking system, in March 2007, RBI limited a bank's inter-bank liabilities (IBL) to twice its net worth. A higher IBL limit up to 300 per cent of the net worth was allowed for banks whose CRAR was at least 25 per cent more than the minimum CRAR (nine per cent) i.e., 11.25 per cent.

Corporate Governance

26. Reckoning the importance of having diversified ownership of banks to ensure that there is no dominance by any shareholder or group of shareholders, directly or indirectly, as also to ensure that significant owners of banks are 'fit and proper', RBI issued comprehensive guidelines of ownership and governance in 2003 as also 'fit and proper' requirements for directors. Under the extant guidelines, any transfer of a bank's shares amounting to five per cent or more of its total paid up equity capital is required to be approved by RBI before the bank can register the transfer. For holdings beyond 10 per cent prior approval is required. Large industrial houses cannot have ownership of a bank beyond 10 per cent.

27. The RBI has taken various steps to improve corporate governance standards in banks. The private sector banks are required to set up Nomination Committees to oversee 'fit and proper' status of board of directors through appropriate due diligence and obtain periodical deed of covenants from the directors. To facilitate induction of fresh minds and ideas, an upper age limit has been prescribed for non-executive directors in private sector banks. Further, the post of the Chairman and Managing Director in private sector banks has been split into a part time Chairman, who would provide strategic vision for the banks and a Managing Director, who, as the Chief Executive, would be responsible for the day-to-day management of the bank.

Compensation of CEOs

28. The Reserve Bank has been mandated by statute to regulate executive compensation in private sector banks. It is the statutory responsibility of RBI to ensure that the remunerations of bank CEOs and whole time directors are not excessive. In terms of Section 35 B of the Banking Regulation Act, 1949, the banks in the private sector and foreign banks in India are required to obtain the approval of the Reserve Bank for remuneration payable to their CEOs while the remuneration of public sector bank CEOs is fixed by the Government of India.

29. The RBI ensures that executive compensation, whether it is in the form of cash or stock, is appropriate, taking into account the financial position of the concerned bank and also the industry practice. The RBI has instructed the boards of the private sector banks to fix remuneration package of CEOs at a reasonable level in light of industry practice in India. Further, the annual bonuses of CEOs of private sector banks are capped at a certain percentage of their base salary. The Remuneration Committees of banks, consisting of independent directors, are made responsible for implementation of compensation structure in banks.

Restrictions on External Debt Intermediation by Banks and FIs

30. As a measure of capital account management, banking system's access to overseas markets has been regulated. Some liberalisation was allowed in 2004, when banks in India were permitted to raise overseas funds not exceeding 25 per cent of their unimpaired Tier I capital or equivalent of USD 10 million, whichever was higher. With a view to providing greater flexibility to Authorised Dealer Category - I banks in seeking access to overseas funds, this facility was further liberalised in October 2008 and the aforesaid limit was raised to 50 per cent of their unimpaired Tier I capital. Apart from this window, banks in India also have access to global financial markets to raise regulatory capital instruments, including capital funds raised/augmented by the issue of innovative perpetual debt instruments and debt capital instruments in foreign currency and any other overseas borrowings with the specific approval of the Reserve Bank. Similarly, there are restrictions on the borrowing abroad by financial institutions. These measures have ensured that overseas lenders take risk on companies directly and do not leverage on the comfort of intermediation by a bank or a financial intermediary.

Market Infrastructure

31. An institutional mechanism initiated by RBI for minimising settlement risk was the setting up the Clearing Corporation of India Ltd (CCIL) in 2001 as a central counter party. It provides an institutional structure for the clearing and settlement of transactions undertaken in Government securities, money market instruments and foreign exchange products. In October 2007, CCIL has become a member of the *CCP 12*, an international organisation of the central counterparty clearing organisations. Apart from this, there are also systems in place for reporting trades in corporate bonds for ensuring greater transparency.

Supervision of Financial Conglomerates

32. In order to address the limitations of the segmental approach to supervision of bigger financial groups, the Reserve Bank of India, in consultation with the Securities and Exchange Board of India (SEBI) and Insurance Regulatory and Development Authority (IRDA), put in place in June 2004 a special monitoring framework for Financial Conglomerates (FCs). Under the framework, certain key/critical information/ data are being collected from identified FCs by their respective principal regulators. The data/information, among others, relate to intra-group transactions and exposures of the identified groups. The review of the intra-group transactions is conducted with a view to track build-up of large exposures to entities within the Group, to ensure that the transactions are conducted in an arm's-length relationship, to identify cases of migration/ transfer of 'losses' and detect situations of regulatory/ supervisory arbitrage. The build-up of exposures of the Group on a collective basis to outside counterparties and to various financial market segments (equity, debt, money market, derivatives market etc.) are also assessed in course of the analysis of data. The monitoring mechanism, thus, seeks to capture the 'contagion risk' within the group as also its cumulative exposure to specific outside entities, sectors and market

segments, from the point of view of various concentration risks facing the Group.

Regulation of NBFCs

33. The systemic significance of non-banking financial institutions and hence, the need for their regulation, which is now engaging the attention of policy makers globally, had been recognised by India more than a decade ago when in the RBI Act was amended to bring the non-banking financial institutions within the regulatory domain of the Reserve Bank.

34. The initial policy stance was focused on the objective of depositor protection and all regulations were formulated to address this objective. Accordingly, Non-deposit taking NBFCs (NBFCs-ND) were subject to minimal regulation. However, recognising the systemic significance of certain entities, RBI classified, in December 2006, non-deposit taking NBFCs having asset size of Rs 100 crore and more as systemically important. To strengthen the capital base of such companies and reduce the possibility of excessive leverage, capital adequacy requirements were introduced besides the credit concentration norms. A capital adequacy ratio of 10 per cent, which is higher than that for banks, was prescribed for NBFCs-ND-SI with effect from April 01, 2007.

35. Apart from capital adequacy norms, single and group credit/investment concentration norms were also introduced with effect from April 01, 2007 for NBFCs-ND-SI in as much as they could not lend to or invest in shares of any single entity exceeding 15 per cent of their owned fund; and to any single group of borrowers exceeding 25 per cent of their owned fund; or lend and invest (loans/investments taken together) more than 25 per cent of owned fund to a single party; and 40 per cent of owned fund to a single group of parties.

Countercyclical Prudential Measures

36. From 2004 through 2007, in conjunction with monetary policy, the RBI used pre-emptive countercyclical provisioning and differential risk weights to contain excessive credit growth to sectors that showed signs of risk building up. These include sectors where asset prices were increasing rapidly (such as real estate and capital markets) and retail or personal loan sectors where underwriting standards, were perceived to have been diluted during the phase of very high credit growth. For instance, in 2004, a higher risk weight of 125 per cent (earlier 100 per cent) was prescribed for consumer credit, including personal loans and credit cards receivables. Similarly, in July 2005, the continued rapid expansion in credit to the capital market and commercial real estate sector prompted the Reserve Bank to increase the risk weights on banks' exposure to these sectors to 125 per cent. About a year later in May 2006, the risk weight on commercial real estate exposure was further increased from 125 per cent to 150 per cent. In January 2007, the risk weight for bank's exposure to NBFC-ND-SI was increased from 100 per cent to 125 per cent. The higher risk weight applicable to these sectors were found to be an effective tool for moderating credit growth, besides serving the prudential purpose. Anticipating the deterioration in credit quality that is expected in the context of high credit growth, the general provisioning requirement on standard advances in certain sensitive sectors,

viz., capital market exposure, residential housing loans beyond Rs.20 lakh, commercial real estate loans and loans/advances to NBFCs-NDSI was raised from 0.4 per cent to one per cent in May 2006, and subsequently to two per cent in January 2007.

37. These prescriptions were reviewed in the context of the global financial crisis in November 2008. The risk weights to the sensitive sectors were restored to 100 per cent from the higher levels. The provisioning requirements for all types of standard assets was reduced to a uniform level of 0.40 per cent except in the case of direct advances to agricultural and SME sectors, which continued to attract a provisioning of 0.25 per cent, as hitherto. As the economy stabilised, it was found that credit to CRE again started showing signs of rapid growth while there was evidence of lack of demand in the sector; the provisioning requirement for CRE was increased to one per cent in October 2009 to deal with the likely rise in NPAs. Thus, RBI deviated from the Greenspan Orthodoxy, and used prudential measures to safeguard the banking system from any fallout of asset price bubbles and busts.

Development of Institutional framework for ensuring financial stability

38. Apart from being the banking regulator, the RBI has responsibility for regulating non-banking financial companies – both deposit taking and non-deposit taking. In addition it regulates the forex, money and government bond markets. It can also impose or remove capital controls under the Foreign Exchange Management Act. Further, the RBI is the regulatory authority for the payments and settlements system under the relevant Act passed in 2007. These powers have made it possible for the RBI to be a key systemic regulator for ensuring financial stability. The institutional framework developed to achieve this objective included the Board for Financial Supervision (BFS), which was established in 1994 as a committee of the Central Board of Directors of the Reserve Bank of India for oversight of the supervision function covering commercial banks, non-banking financial companies, specialised financial institutions, urban cooperative bank and primary dealers. As part of the process of ensuring a coordinated approach to regulation, a High Level Co-ordination Committee on Financial and Capital Markets (HLCCFCM) was constituted in 1999 with the Governor, RBI as Chairman, and the heads of the securities market and insurance regulators, and the Secretary in the Finance Ministry as members. A Board for Regulation and Supervision of Payment and Settlement Systems (BPSS), was constituted in March 2005, also as a Committee of the Central Board of the Reserve Bank, and has been entrusted with the responsibility for the smooth development and functioning of the payment and settlement systems in India.

Regulatory Response – Post Crisis

39. The RBI responded to the crisis by providing ample rupee liquidity and comfortable forex liquidity to ensure that credit and financial markets functioned normally. It also gave regulatory guidance for restructuring of viable loan accounts for ensuring continued flow of credit to productive sectors of the economy with a view to arresting growth deceleration.

Liquidity measures

40. Policy interest rates were reduced aggressively and rapidly, the quantum of bank reserves kept with the central bank was reduced significantly. Refinance facilities for specific sectors like SME/housing and exports were provided or increased. Measures aimed at managing forex liquidity included an upward adjustment of the interest rate ceiling on the foreign currency deposits by non-resident Indians, relaxing the external commercial borrowings (ECB) regime for corporates, and allowing non-banking financial companies and housing finance companies access to foreign borrowing, as also rupee-dollar swap facility for Indian banks' overseas branches. An exclusive refinance window as also a special purpose vehicle for supporting non-banking financial companies was introduced. Specific refinance was provided for export housing and SME sectors through EXIM Bank, National Housing Bank and Small Industries Bank of India.

Counter Cyclical Measures

41. In November 2008, as a countercyclical measure, the additional risk weights and provisions were withdrawn and restored to previous levels. The prudential regulations for restructured accounts were modified, and banks were allowed to treat the restructured accounts as 'standard' asset subject to certain safeguards such as meeting the conditions of viability, adequate provisioning and full disclosure. This was a one-time measure in the context of the need to preserve the economic and productive value of assets which were otherwise viable. The modified regulations were in operation for applications for re-structuring received up to March 31, 2009 and restructured packages implemented within 120 days of receipt of application or by June 30, 2009, whichever was earlier.

CRAR Hike for NBFCs Deferred

42. In the case of NBFCs, having regard to their need to raise capital, they were allowed to issue perpetual debt instruments qualifying for regulatory capital. They were also allowed further time of one more year to comply with the increased Capital to Risk-Weighted Asset Ratio (CRAR) stipulation of 15 per cent as against the existing requirement of 12 per cent.

Provisioning Coverage Ratio

43. Recognising the impact that restructuring and slower growth could have on the credit quality of banks and taking into account the need to build up provisions when banks' earnings are good, banks were advised in December 2009 that their total provision coverage ratio, including floating provisions, should not be below 70 per cent by September 2010.

Strengthening of Securitisation Guidelines

44. To ensure that the originators do not compromise on due diligence of assets generated for the purpose of securitisation, it has been recently decided to stipulate a minimum lock-in period of one year for bank loans before these are securitised. It has also been proposed to lay down minimum retention criteria for the originators at 10 per cent of the pool of assets being securitised as another measure to achieve the same objective.

Addressing Regulatory Gaps: NCDs and Private Pools of Capital

45. An area of regulatory gap identified was issuance of Non Convertible Debentures (NCDs) of maturity of less than one year. While banks were not permitted to invest in such instruments, the mutual funds could do so and in the context of large flow of funds from banks to mutual funds, there were concerns that reliance of corporates on NCDs of less than one year maturity had increased, but it did not come under the regulatory purview of either by the SEBI or the Govt. of India. HLCCFM had taken the view that these instruments need to be regulated as money market instruments by the Reserve Bank. Draft guidelines formulated by an Internal Working Group, formed for the purpose, have been placed on the RBI website for comments.

46 Of late, banks in India have shown increasing interest in sponsoring and managing private pools of capital like venture capital funds and infrastructure funds. With a view to strengthening the regulatory framework in this regard, it was felt necessary to put in place an appropriate prudential framework for regulating banks' off-balance sheet activities. Accordingly, a draft discussion paper has been put out by Reserve Bank for soliciting comments.

Strengthening of Disclosure Norms for NBFCs

47. The disclosure norms in respect of NBFCs-ND-SI were also reviewed and Systemically Important NBFCs-ND were advised to make additional disclosures in their Balance Sheet from the year ending March 31, 2009 relating to Capital to Risk Assets Ratio (CRAR), exposure to real estate sector, both direct and indirect, and maturity pattern of assets and liabilities.

Repos in Corporate Bonds

48. In order to help develop the corporate bond market and after putting in place a robust system to ensure settlement of trades in corporate bonds on a DvP 1 basis (on a trade-by-trade basis) and Straight-Through-Processing (STP), the Reserve Bank of India has formulated, in consultation with the market participants, draft guidelines on repo transactions in corporate debt securities.

Currency and Interest Rate Futures

49. An internal Working Group was set up by the Reserve Bank to study the international experience and suggest a suitable framework to operationalise the proposal to introduce exchange-traded currency futures in India. The Group recommended allowing banks to become direct trading-cum-clearing members of the currency futures exchanges subject to prudential criteria such as minimum net worth, CRAR, profitability, etc. Accepting these recommendations and in order to enable the market participants to manage their currency risk better, currency futures have been introduced in August 2008. Initially, only US dollar-Indian rupee contracts were allowed. As part of developing the market for currency futures further, currency futures contracts in currency pairs of Euro-INR, Japanese Yen-INR and Pound Sterling-INR, have also been introduced in January 2010.

50. In order to enable management of interest rate risk better, interest rate futures

have been introduced in August 2009. The standardised Interest rate futures contracts are on 10-year notional coupon-bearing Government of India security with a notional coupon of seven per cent per annum with semi-annual compounding.

Single name credit default swaps

51. As part of the gradual process of financial sector liberalisation in India, it is considered appropriate to introduce credit derivatives in a calibrated manner. In 2007, the Reserve Bank had issued draft guidelines for introduction of credit default swaps (CDS) in India. However, the issuance of final guidelines was kept in abeyance keeping in view the role of credit derivatives in the recent financial crisis. It was essential that we proceed with caution reflecting the lessons from the financial crisis in this regard. In order to align with the international work already conducted/ underway in the area of credit derivatives, and keeping in view the specifics of the Indian markets, it is proposed: to introduce plain vanilla OTC single-name CDS for corporate bonds for resident entities subject to appropriate safeguards. A working Group has been constituted for the purpose.

Setting Up of Financial Stability Unit

52 Financial stability has come to occupy centre-stage of policy concerns. As has been done in many jurisdictions, an exclusive Financial Stability Unit (FSU) was set up within the Reserve Bank. The mandate of the Unit, *inter alia*, includes conducting macro-prudential surveillance and stress tests.

53 Thus it is obvious that the global events have not stalled the reform agenda: rather, a number of measures have been taken for development of the financial markets drawing upon the lessons learnt from the crisis.

Commencement of Calibrated Exit

54 As the growth momentum gathers pace, RBI is conscious of the growing need for a calibrated exit from the accommodative monetary policy stance, put in place as part of the strategy to manage the impact of the crisis. However, the policy dilemma facing India is qualitatively different from that faced by the advanced economies. The pace of recovery of the Indian economy is widely expected to be faster than the developed nations. Further, unlike developed nations, India is confronted with a situation of high inflation, which currently appears to be more supply driven in contrast to economies which are demand starved. As part of this evolving strategy, the reserve requirements were hiked in January 2010, (SLR by 100 bps and CRR by 75 bps), unconventional facilities for providing liquidity – refinance and special term repo – for scheduled commercial banks rolled back and access to short-term foreign currency borrowing by NBFCs and housing finance companies (HFCs) withdrawn.

Emerging Challenges/issues that need focused attention

55 An important challengethat confronts us as we go forward is how to balance the needs of growth with financial stability. The overarching objective of RBI has been to ensure adequate flow of credit to the productive sectors of the economy, while endeavouring to preserve price and financial stability. The critical challenge in this context is whether the emerging regulatory responses internationally will constrain growth in India.

Leverage Ratio

56. As a leverage ratio does not require any complex modelling assumptions and calibration procedures, having it in addition to risk-weighted capital requirements is conceptually advantageous. However, India being primarily a bank-dominated financial system, with banks providing working capital as well as long-term finance, the impact of introduction of leverage ratio on growth may have to be looked into. Also various off balance sheet transactions such as letters of credit and guarantees are very important for supporting the real sector but would likely have 100 per cent credit equivalence for calculation of the proposed leverage ratio. The SLR in India is a statutory requirement for banks and including the SLR securities in computing the leverage ratio is an issue that is engaging our attention, especially as these securities can not be used for borrowing.

Capital Buffers: Size

57. In the context of building capital buffers for mitigating pro-cyclicality, the use of credit aggregates for assessing banking sector conditions for determining buffers may have different implications for India, as contrasted with those for advanced economies. Growth in bank credit in India could be due to factors such as financial deepening from a relatively lower base, structural shifts in supply elasticities, rising efficiency of credit markets and perhaps policy initiatives to improve flow of credit to sectors like the agriculture and small enterprises apart from the credit demand arising out of higher growth in GDP itself.

Asset Liability Management

58 India has a bank-dominated financial system and the Indian economy, being supply-constrained, needs financial resources of long-term nature. Given this, the increased funding of growth and development by banks, whose liabilities are typically short-term, would lead to asset liability mismatch, and there is a need for products for managing liquidity and interest rate risk arising out such mismatches.

Know Your Customer (KYC) Guidelines

59. KYC guidelines/norms are very relevant in the context of money laundering and suspicious activities. However, the rigour of their application to low-value low-risk customers may need to be suitably modified to facilitate access to the formal financial system for such customers.

Credit Information

60. Achieving financial inclusion in India is one of the policy objectives of the Reserve Bank. In this context, availability of credit information could facilitate flow of credit to credit-worthy borrowers. While a few credit information companies are in the process of setting up business in India, there is a need for up scaling availability of credit information.

Credit Rating

61. There is an urgent need to ensure robustness and reliability of credit ratings assigned by the rating agencies. The Reserve Bank has recently completed a detailed process of review of the accredited CRAs for their continued accreditation under Basel II. We are also liaisoning with Securities

Exchange Board of India (SEBI) with regard to CRAs' adherence to the IOSCO Code of Conduct Fundamentals. The issue of strengthening the regulation of CRAs is under the consideration of the HLCCFM and the report since submitted to the HLCCFM has been placed in the public domain.

Risk Management Capabilities: HR and IT Issues

62. In the years ahead, banks would need to upgrade their infrastructure, including human resources, to face the growing complexity of risk management. Apart from traditional risks such as credit risk, market risk and operational risk, new genre of risks including reputation risk, liquidity risk, counterparty credit risk, and model risk have emerged on the horizon, management of which obviously requires skills of a higher order. These issues are engaging the attention of the stakeholders of the Indian banking industry.

Implementation of Basel II – Advanced Approaches

63. We have announced a timetable for the gradual and calibrated adoption of advanced approaches of the Basel II Accord by the banks in India. The challenges for us include the absence of long-enough history of economic/business cycles. Also, using past data may not be appropriate in cases where the sector has undergone structural transformation. Another issue with regard to adoption of the advanced approaches is the possibility that the risk weights assigned to employment-intensive retail and SME sectors may increase in certain circumstances, which may hamper the credit flow to these sectors or make it costlier. We may need to develop appropriate risk mitigants for the borrowers of these sectors on the basis of which lower risk weights could be assigned in order to ensure continued flow of credit to them.

Infrastructure funding

64. It has been estimated that the infrastructure lending requirements during the 11th Five year plan period (2007-08 to 2011-12) would be approximately Rs. 20 lakh crore (USD 450 billion). Even though banks' lending to infrastructure has been steadily showing an increasing trend over the years and amounted to 9.73 per cent of bank credit as at end March 2009, there is an ever increasing demand on banks to finance infrastructure.

65. While measures like take-out financing arrangement with IIFCL / other financial institutions, issue of long-term bonds by banks to the extent of their exposure to the infrastructure sector and certain relaxations in single/group borrower limits for infrastructure financing are already in place, banks face difficulty in meeting the increasing demand for infrastructure finance. Activating the corporate bond market, tapping long-term savings such as insurance and pension funds could potentially open up an alternative source of funds for infrastructure financing. There is also a need to look for credit mitigants to facilitate enhanced bank finance for infrastructure.

Micro and Small Enterprise (MSE) Funding

66. From the banker's point of view, the critical factors affecting credit delivery to the MSEs are low equity base, absence of

marketing tie up, diversion of funds, poor management and book keeping, higher NPAs, mounting of receivables due to delay in payment of bills especially during downturn. Effective involvement of banks in MSE funding warrants addressing issues associated with credit information and credit guarantee. Further, banks need portfolio approach to risk management. Innovative, decentralised and customised credit delivery mechanisms would need to be thought of, leveraging on technology for better risk management while reducing transaction costs.

Financial Inclusion

67. In response to the recent crisis, financial sector regulation is being strengthened across the jurisdictions, India being no exception. Higher capital and liquidity requirements are being considered which could potentially increase the cost of banking business, which could ultimately be reflected in higher lending costs. As these measures may have adverse implications for financial inclusion, policy makers may need to look to tweaking regulations to facilitate financial inclusion.

68. Further, up-scaling financial inclusion entails bringing informationally opaque borrowers into the fold of mainstream banking. We have introduced the branchless banking or agency model through business correspondents to take banking to the unbanked and under-banked areas. This model, *inter alia*, involves reputational risks and agency risks. Hence, there is a need to adopt innovative risk management approaches using IT, including a portfolio approach to retail credit risk management.

69. Unique Identification Authority of India (UIDAI), an initiative by the Government of India, is in the process of issuing unique identity (UID) numbers to Indian residents. Use of UID could go a long way in bringing the financially excluded under the fold of mainstream banking as it would assist KYC, credit information and credit profiling.

Concluding Observations

70. Financial sector regulation in India, as it evolved over the years, has focused on prudential regulation for individual institutions while simultaneously putting in place measures to deal with systemic risk, arbitrage and capital account management. When credit to certain risk-prone sectors was found to be growing at a very high rate, countercyclical measures through additional capital and standard assets provisioning were introduced. Going forward, the challenge for us is to calibrate financial sector development to meet the needs of a rapidly growing and globalising economy while adhering to the best practices in micro- and macro- prudential regulation for ensuring financial stability.

Welcome Address*

K. C. Chakrabarty

Mr. Pranab Mukherjee, Hon'ble Finance Minister, Government of India, Dr. D Subba Rao, Governor, Reserve Bank of India, Mr. Richard A. Boucher, OECD Deputy Secretary General, Mr. Andre Laboul, Head, OECD Financial Affairs Division and Chair, International Network on Financial Education (INFE), Ms. Flore-Anne Messy, Principal Administrator, OECD, Distinguished Guests and Workshop Participants from all over the globe, Ladies and Gentlemen.

2. A very warm welcome to you all to the first ever RBI-OECD initiative on Financial Literacy Workshop in India at this garden city of Bengaluru, lovingly referred by the global community as the Silicon Valley of India. In fact, there could have been no better place than this city as it can not only boast of locating some of the world's best known financial and knowledge-based services technology providers, but the State of Karnataka has taken pioneering initiatives in promoting financial literacy through school curriculums.

3. It is a matter of profound pleasure and privilege to welcome Mr Pranab Mukherjee, the Hon'ble Minister of Finance, Govt. of India who, despite his hectic schedule and multiple responsibilities, has kindly agreed to deliver the Keynote Address and spare some thoughts for the attendees to work further on. Hon'ble Finance Minster, Sir, while welcoming, we express our sincere gratitude to you.

4. I also extend a very warm welcome to Dr Subba Rao, Governor, Reserve Bank of India, who has successfully steered the policy course of the RBI through one of the difficult phases in recent times. I welcome you Sir. It was your idea that RBI's Platinum Jubilee celebration should be marked with

* Welcome address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at RBI-OECD Workshop on Delivering Financial Literacy at Bengaluru on March 22-23, 2010.

an event of international impact and long-lasting importance in the financial services sector. This Workshop is a fructification of your idea, Sir.

5. My special welcome for Mr. Richard A. Boucher, Deputy Secretary General, OECD for making this workshop possible , along with other OECD officials, who are partners in conducting this workshop. My heartiest welcome to Mr Andre Laboul, Head, OECD Financial Affairs Division and Chair, International Network on Financial Education, Mr Helmut-Hans Kotz, Member of Bundesbank Executive Board and Chair of OECD Committee on Financial Markets and Ms Flore-Anne Messy, Principal Administrator, OECD.

6. I welcome various panelists of the workshop and other distinguished delegates from various countries who have come to share their experiences and perspectives to this very encouraging initiative.

7. Established in 1961, OECD is engaged to help its member countries to achieve sustainable economic growth and employment and to raise the standard of living in member-countries while maintaining financial stability – all this in order to contribute to the development of the world economy. As one of its key objective, OECD has been working in collaboration with a host of governmental agencies and central banks across the globe to promote and impart financial education for creating an embedded protective guard against potential financial risk.

8. OECD has also established the International Network on Financial Education (INFE) in mid-2008, which brings together senior government officials from both OECD member countries and non-member economies to discuss issues, new developments, experiences and programmes related to financial education.

9. I must add that the reason why OECD has so readily agreed to conduct this joint workshop with RBI by sharing and sparing their resources is that we in RBI want to adopt the international best practices honed by OECD and improve upon them for multiplier effect to cover vast multitudes of unbanked and financially illiterate population. After all, financial inclusion is a necessary precondition for sustainable and inclusive growth.

10. Simply speaking, financial literacy refers to knowledge required for managing personal finance. It does not necessarily refer to formal education in finance. Instead, it encompasses an understanding of how to use credit responsibly, manage money and savings, minimise financial risks and derive long-term benefits of savings.

11. It is now well known that financial illiteracy afflicts both developing and developed countries although in different measures. Several surveys in countries like UK, Australia, etc. have found out that many people are taking on financial risks without realising or understanding it, and in fact are very poor managers of money.

12. It is genuinely believed that the recent financial crisis is largely precipitated by rampant financial illiteracy or the lack of transparency that financial literacy is supposed to bring into the model code books of financial service providers. We have a plethora of instances of mis-selling and customers undertaking financial contracts without understanding the risk import of

such transactions leading to unforeseen volatility and unsustainable business.

13. Financial literacy is also a necessary pre-condition for success in financial inclusion drive. Dimensions of this issue can be gauged from the recent paper by the Financial Action initiative, a consortium of researchers. For the benefit of this august audience, let me quote 3 important findings of the paper:

- 2.5 billion adults, just over half of world's adult population of 4.7 billion, do not use formal financial services to save or borrow.
- 2.2 billion of these unserved adults live in Africa, Asia, Latin America and the Middle East.
- Of the remaining 2.2 billion adults who are financially served, a little more than 800 million live on less than US$ 5 per day.

14. With such estimates of the dimensions of the financial exclusion problem, and the understanding that achieving financial inclusion is not possible without financial literacy, the promotion of financial literacy acquires an even greater urgency.

15. Financial literacy can be promoted by bringing in wider section of public within the institutional literacy framework. Such institutional initiatives would largely focus on improving literacy standards. Also, all financial service providers have a moral responsibility to bring in a fair degree of transparency and fairness, more so those engaged in selling financial products and financial counseling and the ethical grid within which they are supposed to work. This initiative is no less challenging than propagating financial literacy to the members of the public.

16. Hence, there is no doubt that financial literacy should be one of the key initiatives in coping with the ever-expanding horizon of risk. In RBI, we have started a unique public interface programme whereby RBI is trying to bridge the gap in understanding regulatory perspectives of some key policy initiatives. However, Reserve bank or central banks or bank regulators acting alone would not be successful in meeting this extraordinary responsibility in propagating financial literacy and bringing transparency in dealing with financial services and products. Wider and active participation of all stakeholders like other financial regulators, Government – State & Federal both - Financial Service Providers, Academia and others in civil society, is needed in this grand initiative. Also we require massive global efforts and co-operation for achieving tangible results in this area.

17. I am happy to share that the whole-hearted participation by all the stakeholders in today's Workshop is a testimony of this commitment of all the stakeholders and our determination to invoke global efforts and co-operation in this area.

18. We look at this financial education effort as a journey together by world economies to spread awareness, impart financial education, empower less privileged by providing access to financial products and markets so that they can play a meaningfully active role in ensuring sustainable growth and prosperity of the mankind.

19. I am sure this historic Workshop in India will offer a rewarding and enriching experience to all of us. Once again, a hearty welcome to all of you.

People, Jobs and Productivity: The 'Simple' Dynamics of Inclusive Growth*

Subir Gokarn

Introduction

Let me begin by thanking the Confederation of Indian Industry (CII) for inviting me to speak at its Annual Regional Meeting and National Conference on "Achieving Double-digit Growth". The theme of the conference is, unquestionably, an issue of the utmost urgency for Indian policymakers. Although, in my current role, I am more focused on issues of macroeconomic stability and short-term growth and inflation prospects, today's theme is one on which I wrote and commented on frequently in my past positions and which I feel very passionate about. So, I am pleased that CII is giving me this opportunity to take a small diversion from my current concerns and re-visit some old, but equally important, ones.

In what follows, I propose to view the issue of rapid and sustainable growth from three perspectives, based on a simple principle. The principle is that rapid, sustained and inclusive growth will take place when large numbers of people move from low-productivity jobs to high-productivity ones. Every single historical instance of this being achieved, cutting across time periods, regions, socio-political contexts and any other differentiator one might think of, validates this principle.

As for the three perspectives, I will first briefly tread over the by now well-known ground of long-term demographic projections. This is necessary to highlight just how massive the scale of the challenge is. I will then go over some numbers on employment and productivity, with the purpose of demonstrating just how significant the impact of the right kind of

* Keynote Address by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India on March 26, 2010 at the CII Western Region Annual Regional Meeting and National Conference on "Achieving Double Digit Growth". The inputs of Abhiman Das, Sunil Kumar and Muneesh Kapur in preparation of this address are gratefully acknowledged.

employment transitions on inclusive growth can be. Finally, I will offer some suggestions on the elements of a strategy that will facilitate the required transitions.

The People Imperative

Let's look ahead over the next 20 years using the latest demographic projections made by the United Nations (Chart 1). Between 2010 and 2020, India will add about 120 million people in the working age segment, or 28 per cent of the global increase, while it will only add about 43 million people to the 60+ age group, or 16 per cent of the global increase. In sharp contrast, China will add about 19 million people in the working age segment 20-59, less than 5 per cent of the global increment. In the same period, it will add about 60 million people to the 60+ age group, about 27 per cent of the global increase.

Between 2020 and 2030, the differences between the two countries will be even starker. India will see its working age population increase by almost 100 million people, about one-third the global increase. Its 60+ population will also increase, but by a relatively modest 53 million people or 16 per cent of the global increase. On the other hand, China's population in the working age segment will actually decline by a significant 62 million people. Its population in the 60+ segment will increase by about 104 million people, or 33 per cent of the global increment.

I draw two implications from these numbers. First, independently of what will happen to China, the scale of the challenge for India is going to be unlike anything we've seen before. A growing backlog of young adults who can only find subsistence employment even while their aspirations and expectations rise, is hardly the formula for the kind of social and political stability that is an important pre-requisite for rapid and sustained growth. Thus, there is a potential vicious circle brewing here. The less effective the growth process is in creating jobs, both in terms of numbers and quality, the greater the political threat and, consequently, the less sustainable the growth process itself.

Chart 1: Demographic Tranistions

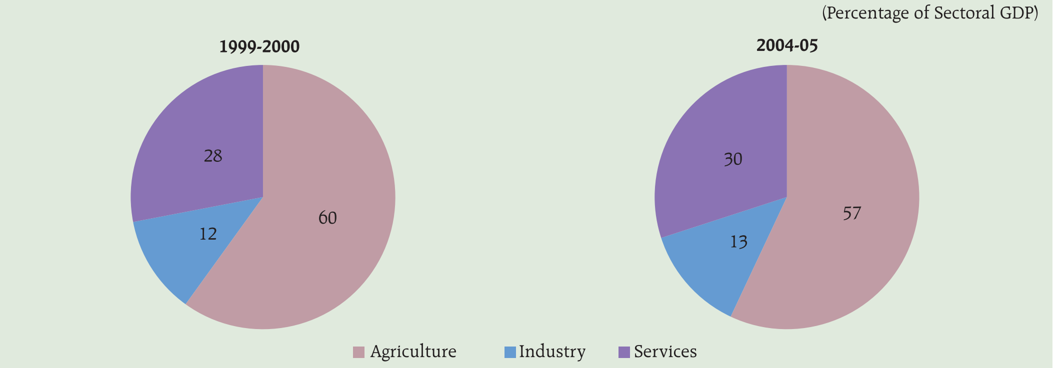
Second, the contrast between Chinese and Indian demographic trends reflects an enormous opportunity for us to put our inclusive growth trajectory on track. These trends will drive Chinese wages steadily up, weakening the global competitiveness of their powerhouse manufacturing sector. Increasing levels of automation and robotization in Chinese factories is one potential solution but, from our perspective, the relative abundance of labour on our shores, appropriately skilled, trained and deployed, will provide global producers with a legitimate alternative to locate their production facilities in. India may have become the IT and ITES hub of the world over the past two decades; it now has the opportunity to become the factory to the world as well.

Jobs and Productivity

Let us now take a quick look at our record on achieving the desired jobs-productivity nexus. I will do this at two levels: first, at the aggregate level across the agriculture-industry-services spectrum; second in the context of the possibility of India becoming "factory to the world", at the level of the organized manufacturing sector, which will be key to realizing that aspiration.

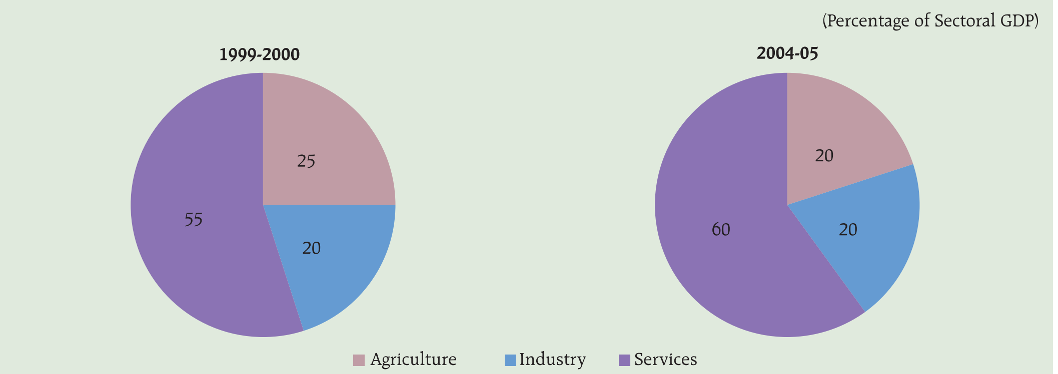
The story at the aggregate level is told by charts 2, 3 and 4. Chart 2 depicts a relatively slow transition in the labour force, using the household employment data from 55th (1999-00) and 61st (2004-05) rounds of the National Sample Survey as points of comparison. Over the five-year period, the labour force increased from 397 million to 456 million. 18 million of the increment was absorbed by agriculture, 13 million by industry and 28 million by services (including construction). The fact that two-thirds of the incremental number of workers were absorbed by sectors other than agriculture is a welcome sign from the productivity perspective, as I will demonstrate a little later on. However, the more worrying aspect of the slow transition is that the share of the total workforce employed in agriculture only declined from 60 per cent in 1999-00 to 57 per cent five years later. The share of industry increased

Chart 2: Slow Employment Transition



Source: 55th (1999-2000) and 61st (2004-05) rounds of National Sample Surveys, NSSO.

Chart 3: Mirror Image in Economic Activity



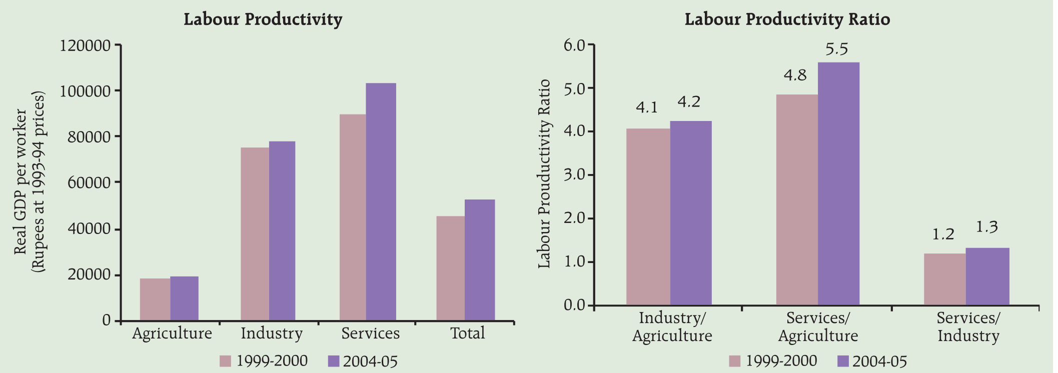
Source: Central Statistical Organisation.

from 12 per cent to 13 per cent and the share of services went up from 28 per cent to 30 per cent.

As is well known, this pattern is almost the mirror image of the distribution of GDP across the three sectors. Chart 3 displays the transition in these shares over the same period. Agriculture, already the smallest sector, lost some of its share, while services gained share in GDP somewhat more than they gained share in the labour force. In the overall context of my theme, the relative stagnation in the share of industry in both GDP and the labour force is of particular concern.

Let me now translate these two sets of numbers into broad productivity indices. Chart 4 displays the ratio of average GDP per worker, a rough indicator of labour productivity, in industry and services to that in agriculture. The ratio for industry rose marginally from 4.1 in 1999-00 to 4.2 in

Chart 4: Labour Productivity Differentials



Sources: Based on data from 55th (1999-2000) and 61st (2004-05) rounds of National Sample Surveys, NSSO.

2004-05. The ratio for services rose somewhat more, from 4.8 in 1999-00 to 5.5 in 2004-05. However, regardless of the magnitude of increase and the differential across the two sectors, the stark fact is that average labour productivity outside agriculture is about 5 times that in agriculture.

This has very significant implications for inclusive growth. Simple arithmetic says that every worker who moves from agriculture to other sectors will increase his/her net contribution to GDP by four units. Since earnings are typically correlated with individual productivity, this will necessarily translate into higher incomes for all the workers who make the transition. In short, the larger is the number of workers who move, the larger will be the increase in GDP as well as in the average earnings of the labour force. We have both faster and more inclusive growth.

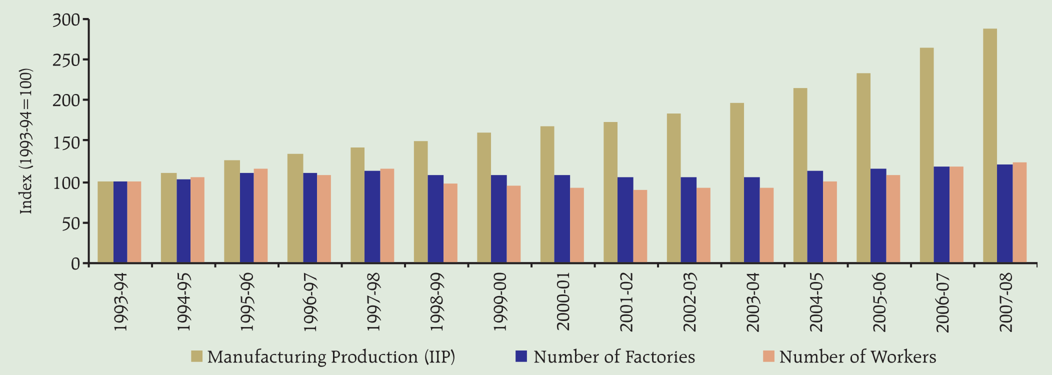
Obviously, this is an over-simplified model, but that should not detract from its value and usefulness in explaining the economic transformations of all the economies that have preceded us down this path. Introducing various levels of complexity will only provide more realistic estimates of the potential gains from the transition of workers; they will not undermine the basic logic of the argument.

Let me now spend a little time taking a more focused look at the organized manufacturing sector, which, as I suggested earlier, will play a critical role in the economic transformation of India. The productivity comparisons at the aggregate level, while serving to make the point, significantly underestimate the true growth and inclusion potential of the transition out of agriculture and into industry and services. This is because the productivity numbers reflect the average GDP per worker across the organized and unorganized sectors.

For a variety of well-known reasons, productivity in the former, in both industry and services, is an order of magnitude higher than in the latter. One obvious manifestation of this is the wage differential. Based on this, as well as other differentiating characteristics between the two sub-sectors, it would be reasonable to argue that organized sector employment is more desirable than that in the unorganized sector. But, the question is: where are the jobs?

Chart 5 tells a story of essentially exclusive growth in the organized manufacturing sector. The slide combines data from the Index of Industrial Production and the Annual Survey of Industries, which covers organized (or "registered") manufacturing establishments, on the aggregate number of factories and workers in the sector. Each variable is normalized to a value of 100 in 1993-94, so the time series in the slide reflect the relative changes in the three variables. It is strikingly clear from the pattern that, while real output from the organized manufacturing sector has increased substantially, by almost three times between 1993-94 and 2007-08, the number of factories and workers employed in the sector have barely grown at all. In fact, employment levels actually declined towards the middle of the period, before recovering somewhat in the later years. It

Chart 5: Factors, Workers and Production: The Widening Wedge

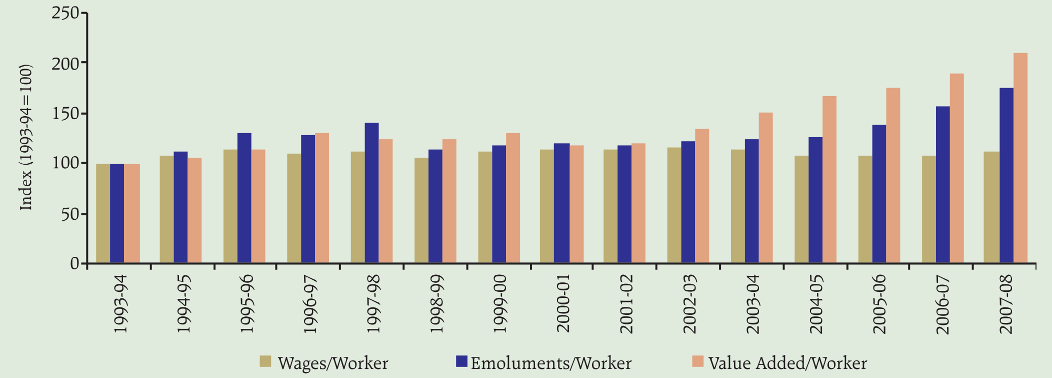


Source: Annual Survey of Industries 2007-08, Central Statistical Organisation.

appears that the Indian organized manufacturing sector has managed to triple its output from the same number of establishments, the average size of which has presumably increased and, most significantly, from virtually the same number of workers.

This, of course, means that the average productivity of those workers who had or were able to get jobs in organized manufacturing went up dramatically. Chart 6 displays this trend through the series "Value added/worker". Significantly, total earnings per worker (emoluments/worker) behaved more or less commensurately with productivity. What is particularly important about the pattern on this slide, however, is the differential between "wages" – which reflect the fixed component of earnings – and "emoluments, which combines the fixed and variable components. The increasing proportion of the variable component in total earnings per worker indicates that the sector

Chart 6: Convergent Productivity and Earnings



Source: Annual Survey of Industries 2007-08, Central Statistical Organisation.

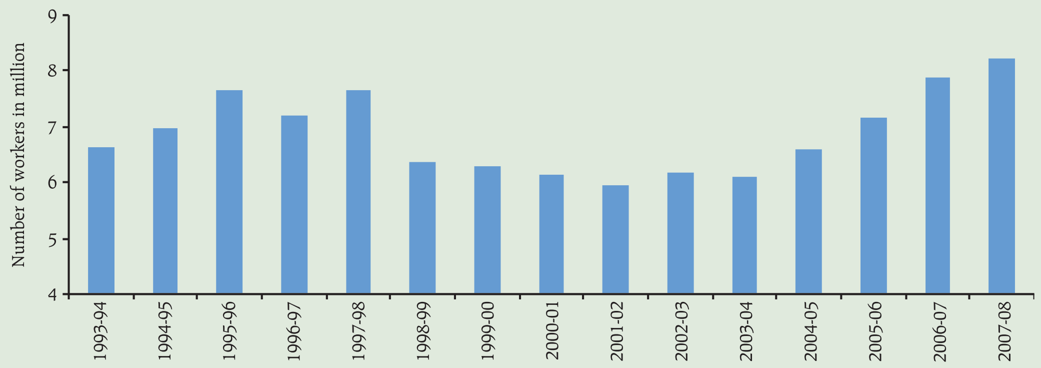
Chart 7: Revival in Factories

Source: Annual Survey of Industries 2007-08, Central Statistical Organisation.

as a whole is beginning to build a welcome degree of flexibility into its employment contracts. I will return to this issue in the concluding section.

Finally, the rather worrying long-term impression of exclusion becomes somewhat less so if we look at more recent trends in the absolute numbers of both factories and workers. From Chart 7, it is apparent that organized manufacturing activity has experienced a revival in the number of factories during the recent growth boom. Even more reassuring is the picture in Chart 8, which suggests that this has been matched by a revival in employment levels. I believe that the increasing flexibility in wage contracts that was seen in Chart 6 has something to do with this revival. Wage flexibility allows both the downside and upside of the business cycle to be shared between the employee and the employer. To that extent, it makes hiring people more attractive, which is, after all, the ultimate goal.

Chart 8: Revival in Employment



Source: Annual Survey of Industries 2007-08, Central Statistical Organisation.

The Components of a Strategy

I have spoken about a simple principle and some simple arithmetic. I will now turn to the more complicated part of the problem, viz., how to translate the principle and the arithmetic into outcomes. Not that this is rocket science; as I said earlier, every country that has preceded us has achieved it. Here again, I risk treading over some well-known ground, but given both the magnitude of the challenge and the potential to become the factory to the world, I believe that this is a set of arguments that bears repeating.

Three elements need to come together to achieve the transition in employment that is central to the achievement of rapid and inclusive growth. The first is the degree of flexibility in the employment contract. The evidence presented in the previous section suggests that setting up new manufacturing establishments and hiring more people was correlated with increasing flexibility in wage contracts. However, I do not think that wage flexibility by itself goes far enough. This needs to be extended to employment flexibility as well. The protection that individual workers receive from job security regulations, in my view, places a disproportionate share of the downside risk of a business cycle on the employer. In effect, the employer becomes the sole provider of a social safety net to the employee, which significantly raises the effective wage. It is no wonder then, that the organized manufacturing sector has experienced exclusive growth. The easing of job security regulations is, I believe, a critical requirement to both stimulating more rapid growth in this sector and making it more employment-intensive.

We don't need to look outside our country to find evidence of the strong connection between the flexibility of the employment contract and growth in employment. Our own services sector, which has provided the by far the larger employment opportunity, has the full benefit of employment flexibility. But, let me cite two instances from other countries that provide a politically palatable way to deal with the transition.

The first is from China, which, in the early 1990s, did away with job security regulations for new workers and new establishments. This enabled the growth of manufacturing in the areas outside the Special Economic Zones, where a fully flexible labour market was in force anyway. Instead of people going to where the jobs were, jobs now began coming to where the people were. The second is from France, which, after some resistance, recently implemented its First Jobs Contract law. This allows employers to hire first-time workers below the age of 26 under different, more flexible, conditions than its existing workforce is employed under. This was motivated by the need to address widespread unemployment in this age segment, which in turn was attributed to the rather rigid labour regulations that deterred employers from hiring new workers.

Apart from highlighting the role that flexibility in the employment contract plays in generating jobs, these instances also point to the importance of "grandfathering" of existing contracts in making regulatory reform politically acceptable. I believe that this is a lesson we must take seriously in forming our own strategy.

The second is the matching of supply and demand for skills. Hundreds of millions of potential workers will add up to nothing if they are not adequately equipped to deal with the technological and organizational environment in modern manufacturing. Obviously, basic education, which provides literacy, numeracy, IT skills and, very importantly, teamwork capabilities, will play an important role. But, more specialized operating skills are far more difficult for the system to provide. From what I hear, the average shop-floor has moved far ahead of the capabilities of our vocational training system. I believe that industry has a significant role to play in this transition. The adoption of Industrial Training Institutes by industry associations is an absolutely welcome step, but considering the numbers involved, both the scale and the nature of the role will have to be thought through.

The third is the provision of a safety net. While I think it is inefficient for the employer to bear the sole burden of providing a safety net, which is essentially what job security regulations do, I also think that a safety net is an absolutely critical requirement in an environment of employment flexibility. Experience from other countries indicates that reasonable safety nets can be built with contributions from employees, employers and the government. The development of a credible safety net, along with the grandfathering approach referred to above will, in my view, facilitate the transition towards a flexible employment regime in manufacturing.

Conclusion

We undoubtedly have a huge challenge in creating reasonable employment for hundreds of millions of people over the coming decades. I believe that we have a huge opportunity as well to become the factory to the world. Exploiting this opportunity by

- creating a flexible employment environment in the manufacturing sector
- creating the capacity to provide relevant basic and operational skills to people
- and, creating a reliable safety net with the participation of employees, employers and the government is critical to both accelerating growth and making it more inclusive.

Let me end by once again thanking CII for inviting to speak at this event and thank you all for listening to me.

*Vote of Thanks**

V. K. Sharma

Respected Mr. Pranab Mukherjee, Hon'ble Finance Minister of India, Dr. Subbarao, Governor, Reserve Bank of India, Ambassador Richard Boucher, Deputy Secretary General, OECD, Mrs. Shyamala Gopinath, Mrs. Usha Thorat, Dr. K.C.Chakrabarty and Dr. Subir Gokarn, Deputy Governors, Reserve Bank of India, Mr. S.V. Ranganath, Chief Secretary to the Govt. Of Karnataka, Mr. Hans-Helmut Kotz, Member of Deutsche Bundesbank Executive Board and Chair of OECD Committee on Financial Markets, Ms. Flore-Anne Messy, Principal Administrator, OECD, senior officials of Ministry of Finance, Government of India and Government of Karnataka, Chairmen and Managing Directors & Chief Executive Officers of banks, distinguished invitees and guests, delegates to this Workshop, members of the electronic and print media, ladies and gentlemen.

2. First of all, on behalf of the Reserve Bank of India, I would like to profusely thank Hon'ble Finance Minister for making it convenient to grace this occasion and delivering his truly pace-setting and very keenly perceptive keynote address. Sir, your illuminating account of the Indian and international experience clearly bears out that the national and international agenda of financial literacy and education will have to be driven, in a mission mode, by public policy. Sir, we are sure, that your profound thoughts, and perspectives, will inspire the engagement over the next two days and will make this Workshop a truly high impact event. Thank you very much, Sir.

3. We cannot thank enough respected Dr. Subbarao, Governor, Reserve Bank of India for being the guiding spirit and inspiration behind conceptualising and designing this

* Vote of Thanks by Shri V. K. Sharma, Executive Director, Reserve Bank of India on the occasion of RBI-OECD Workshop on Delivering Financial Literacy, at Bengaluru on March 23, 2010.

ambitious Workshop. Governor, Sir, your today's address was, like always, intellectually stirring, incisive and truly insightful. In particular, your conceptual construct of financial literacy constituting the demand side and financial inclusion, the supply side, provides a truly new analytical and operational perspective. No less so were your words of advice on the research agenda on the way forward and these would surely inform the serious engagement over the next two days. Thank you, Sir.

4. As the Governor so aptly put it, partnering with OECD in hosting this Workshop is a huge and valuable learning experience for India. Ambassador Boucher, Sir, your address today truly summed up coordinated initiatives that are being taken globally for advancing the cause of financial literacy and education. Sir, there cannot be a more eloquent testimony to you and OECD than the Governor's observation that OECD has been an intellectual leader in the field of financial literacy. Sir, thank you very much for lending a helping hand in our inexorable and indefatigable pursuit of our national agendum of financial literacy.

5. I also thank Dr. K.C.Chakrabarty, Deputy Governor, Reserve Bank of India, for having kindly agreed to deliver the welcome address. Sir, your address brought out the imperatives of credible and effective financial literacy and education in consumer protection and consumer empowerment. I also thank our Deputy Governors, Mrs. Shyamala Gopinath, Mrs. Usha Thorat and Dr. Subir Gokarn for having made it convenient to be with us to guide us. I also thank the delegates to the Workshop for making it convenient to attend the Workshop.

6. I would also like to thank the Government of Karnataka for their unstinting support and co-operation. I also thank the members of the electronic and print media for covering this event and helping us in taking the message of this Workshop to a much wider audience.

7. Last but not the least, it would not have been possible to hold an event of such scale and magnitude without the sincere and untiring efforts and unflinching commitment of our colleagues in the Reserve Bank of India, Bengaluru, ably led by the Regional Director. I thank them all for this.

*Inflation Dynamics in India: Issues and Concerns**

Deepak Mohanty

I thank the Bombay Chamber of Commerce and Industry for giving me this opportunity to speak on inflation which is of immediate concern for our economy. I will begin with the trends in inflation, then briefly touch upon the costs of inflation, followed by an analysis of current inflation dynamics. I will conclude by flagging the areas of policy concern.

Trends in Inflation

There are expectations that the high levels of slack in resource utilisation and stable inflation expectations will contain global inflationary pressures in 2010[1]. The IMF projected the headline inflation in advanced economies at 1.3 per cent in 2010 and in emerging and developing economies at 6.2 per cent. In divergence with the global trend, India has witnessed a sharp increase in WPI inflation from a negative terrain during June-August 2009 to 9.9 per cent by February 2010. The increase in consumer prices are even higher in the range of 14.9 – 16.9 per cent (Table 1).

While there is this issue of divergence between wholesale price and consumer price based inflation measures, I do not propose to delve into that in this lecture[2]. I will, however, make two points. First, though the inflation indices have shown divergence in the past, the annual inflation

* Speech by Shri Deepak Mohanty, Executive Director, Reserve Bank of India, delivered at the Bombay Chamber of Commerce and Industry, on 4th March, 2010. The assistance by Dr. O.P. Mall is acknowledged.

[1] January 2010 update of the World Economic Outlook, International Monetary Fund (IMF).

[2] For a detailed analysis of this, please see Deepak Mohanty (2010): "Measures of Inflation in India: Issues and Perspectives", speech delivered at the Conference of Indian Association for Research in National Income and Wealth at the Centre for Development Studies (CDS), Thiruvanthapuram, on January 9.

Table 1: Inflation Rates for Different Commodity Groups

(Per cent)

Wholesale Price Index (WPI)	Year-on-Year Inflation Rate	
	February 2009	February 2010
WPI - All Commodities	3.5	9.9
WPI - Primary Articles	6.9	15.5
WPI - Food Articles	9.4	17.8
WPI - Fuel Group	-3.4	10.2
WPI - Manufactured Products	4.8	7.4
WPI - Manufactured Food Products	9.3	20.4
WPI – excl. Food Articles and Food Products	1.5	6.5
WPI – Manufacturing Products excl. Food Products	3.8	4.3
WPI – Essential Commodities *	10.5	21.6
Consumer Price Indices (CPIs)	**February 2009**	**February 2010**
CPI - Industrial Workers	9.6	14.9
CPI - Agricultural Labourers	10.8	16.5
CPI - Rural Labourers	10.8	16.5
CPI - Urban Non-manual Employees#	10.4	16.9

: Pertains to January.

* : Essential commodities in WPI basket include rice, wheat, jowar, bajra, pulses, potatoes, onions, milk, fish-inland, mutton, chillies (dry), tea, coking coal, kerosene, atta, sugar, gur, salt, hydrogenated vanaspati, rape & mustard oil, coconut oil, groundnut oil, long cloth/sheeting, dhoties, sarees & voiles, household laundry soap and safety matches.

based on the wholesale price index (WPI), consumer price index for industrial workers (CPI-IW), gross domestic product (GDP) deflator, and private final consumption expenditure (PFCE) deflator have, on an average, followed a similar path over long time spans (Table 2). Second, the current divergence could largely be attributed to different weightage of food in WPI and CPIs.

Table 2: Inflation in India: Medium to Long-term

(Per cent)

Decades	WPI	CPI-IW	GDP Deflator	PFCE Deflator
1	2	3	4	5
1951-52 to 1960-61	1.9	2.1	1.6	1.6
1961-62 to 1970-71	6.2	6.5	6.2	6.3
1971-72 to 1980-81	10.3	8.3	8.8	8.4
1981-82 to 1990-91	7.1	9.0	8.7	8.3
1991-92 to 2000-01	7.8	8.7	8.1	8.5
2001-02 to 2008-09	5.2	5.3	4.6	4.4
Long-term Trend 1971-72 to 2008-09 (Longer term 1951-52 to 2008-09)	7.7 (6.4)	8.0 (6.7)	7.7 (6.3)	7.6 (6.3)

Costs of Inflation

It is, however, important to recognise that by any measure the current inflation rate in India is high. Why is inflation a concern? It is a cause of concern for public policy because of the associated costs, especially when a large part of the population has no hedge against inflation.

First, inflation erodes the purchasing power of money. Fixed-income earners and pensioners see a decline in their disposable income and standard of living.

Second, there is diminution of real value of savings as real interest rates turn negative and return on savings does not fully compensate for price rise.

Third, economic agents base their consumption and investment decisions on their current and expected future income as well as their expectations on future inflation rates. Persistent high inflation alters inflationary expectations and apprehension arising from price uncertainty does lead to cut in spending by individuals and slowdown in investment by corporates which hurts economic growth in the long run.

Fourth, if the inflation rate is increasing faster than those in other countries then domestic products become less competitive which has adverse impact on growth, employment and the balance of payments.

Fifth, high inflation worsens inequality due to arbitrary redistribution of income where the poor suffer the most as the rich can hedge against inflation.

Finally, the policy measures for reducing inflation have their externalities and associated costs in terms of reduction in aggregate demand in the short to medium run.

Inflation Dynamics

Milton Friedman famously said, "inflation is always and everywhere a monetary phenomenon."[3] It is believed that short-run inflation dynamics is largely dependent on supply-demand conditions and monetary expansion influences inflationary condition in the long-run. Monetary expansion could be caused by persistence of high fiscal deficit and the need to finance the same by monetisation. Consequently, high monetary growth could lead to continued excess demand for a prolonged period without matching increase in output and productivity. On the other hand, supply conditions have strong influence on the inflation dynamics in the short run.

In a rapidly growing developing economy like ours, both structural and idiosyncratic factors could play a significant role in the determination of inflation. In the recent years, the inward looking nature of Indian economy has been changing. Activities in almost all the sectors in varying degrees are influenced by global factors, be it trade in commodities, provision of services, financing conditions, or consumer taste. Now domestic prices are more influenced by changes in global commodity prices for a wide range of goods – a sea change from the 1970s and 1980s when crude prices were major global influencing factors.

Taking into account the influence of global and domestic factors, the overall WPI basket can be divided into four commodity groups which have differential behaviour (Chart 1).

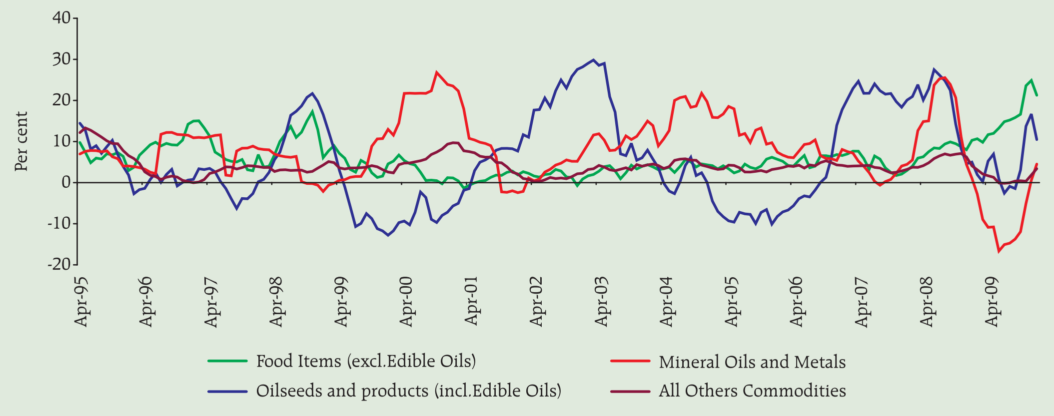
First, *food items excluding oilseed products (weight in WPI: 24.2 per cent)*: Prices of this group of commodities are largely determined by domestic factors and, in the event of supply shortage, imports influences international prices too.

Second, *oilseeds and products (weight in WPI: 6.8 per cent)*: This relatively small commodity group has often induced sudden surge in headline WPI as there is a structural shortage and nearly a third of domestic consumption of edible oils is met from imports.

Third, *mineral oils and metals (weight in WPI: 15.3 per cent)*: Prices of this group of commodities are largely determined by international prices and the volatility in headline WPI inflation in recent years can largely be attributed to fluctuations in the international prices.

[3] Milton Friedman (1963): *Inflation: Causes and Consequences* , Asia Publishing House, New York

Chart 1: Inflation Rate for WPI Commodity Groups



Fourth, *other commodities (weight in WPI: 53.7 per cent)*: These remaining commodities, largely manufactured products, constitute more than half of the WPI basket and their prices have been more stable than the other three groups.

Empirical evidence suggests that among the above four groups, there is transmission of prices from *mineral oils and metals* to the *other commodities* group within a quarter. The full transmissions of *food prices* to *other commodities* takes longer, almost a year.

A comparison of domestic and global commodity price movement reveal the following. First, the direction of price movements has been similar, but the overall global commodity price movements have been more volatile, with a pronounced spike in 2007 and 2008 (Chart 2). Second, the increase in metal prices have been closely followed the global prices. Third, domestic prices of petroleum products have been less volatile than the corresponding international prices reflecting administered prices in this group. Fourth, increase in domestic food prices, excepting the global spike in 2007 and 2008 has been higher reflecting structural and domestic factors (Table 3).

Food prices in India are primarily determined by domestic demand supply factors and domestic price policy. India meets the bulk of its large food demand through domestic production, barring few

Chart 2: Movement of the Overall Commodity Price Index: Global and Domestic

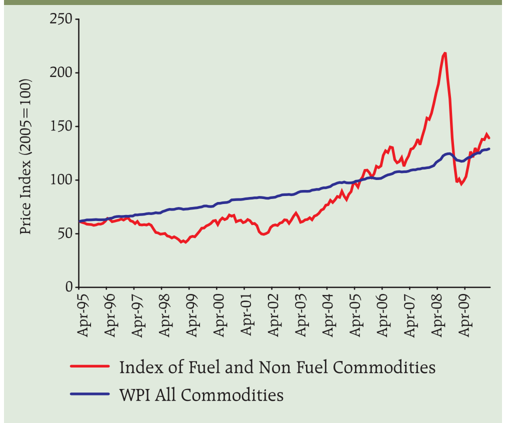


Chart 3: Movement in Global and Domestic Prices of Select Commodities

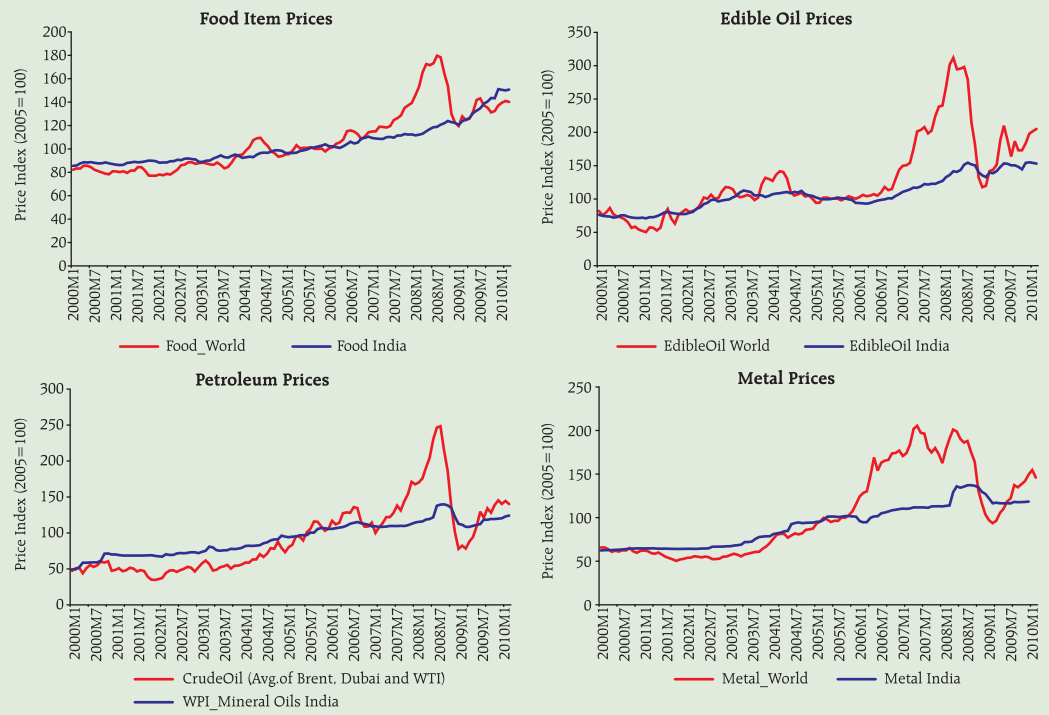


Table 3: Commodity Price Changes: Global and Domestic

(Per cent)

Commodity Group	Annual Growth Rate (Log-linear trend: 1993-2009)		Coefficient of Variation	
	India	World	India	World
1	2	3	4	5
All Commodities	4.9	7.3	0.30	1.69
Of which:				
Food Items (excl.Edible Oils)	4.4	1.8	0.61	2.85
Oilseeds and products (incl.Edible Oils)	4.5	1.5	1.82	4.60
Mineral Oils	11.0	12.4	0.92	1.79
Metals	6.4	6.8	0.84	2.88

Note: For World Prices, price index closest to the corresponding WPI group is used from the IMF Commodity Price database.

commodities like edible oils and pulses where the import dependence is about 35 per cent and 15 per cent, respectively. In occasional shortage years, the country has also resorted to imports for wheat and sugar though it is generally an exporter in these commodities (Table 4). India's occasional imports of such commodities translate into higher global food prices as the import demand is large. Hence, imports do not necessarily lead to domestic prices moving lower.

One important determinant of prices of agricultural production in India has been the minimum support price (MSP) announced by the Government for procurement of various commodities. The high increase in MSP since 2007-08 has

Table 4: Production-Consumption Gap in Major Food items in India

(million tonnes)

	Rice	Wheat	Pulses	Sugar	Oilseeds
1	2	3	4	5	6
2004-05	2.3	-4.2	-0.9	-4.1	-4.6
2005-06	6.7	-0.4	-1.0	0.7	-1.9
2006-07	6.6	2.4	-1.6	8.3	-6.2
2007-08	6.2	2.2	-2.6	5.1	-4.0
2008-09 P	6.0	9.8	-2.2	-8.1	-4.7
2009-10 P	-2.8	2.1	-2.3	-7.5	-6.0

P: Projected (-): Indicates shortage

Source: Estimated from data from Ministry of Agriculture and US Department of Agriculture

given an upward bias to agricultural prices (Table 5).

Reduced availability of foodgrains also tends to keep food prices high. As per the Economic Survey 2009-10, per capita net availability per day of cereals and pulses has been lower than that observed in the previous four decades. The per capita daily availability of foodgrains was 447 grams in the 1960s and 1970s, which successively increased to 459 grams in the 1980s and 478 grams in the 1990s but came down to 446 grams during 2000-08 and stood still lower at 436 grams in 2008. Severe drought in major parts of the country during the current year has perceptibly worsened food availability further. In particular, the situation is far more worrisome for pulses: its per capita net availability per day has gone down from around 60-70 grams during the 1950s to around 30 grams currently.

Table 5: Agricultural Commodities - Variations in MSP and WPI

(Per cent)

Commodity		Average Annual Growth Rate	
		2003-04 to 2006-07	2007-08 to 2009-10
1	2	3	4
Paddy	MSP	2.3	18.3
	WPI	2.0	10.9
Wheat	MSP	5.1	14.4
	WPI	5.5	6.7
Tur	MSP	1.7	18.0
	WPI	3.9	26.3
Moong	MSP	3.4	23.2
	WPI	11.3	13.2

MSP : Minimum Support Price WPI for 2009-10 is averaged up to February 2010

Source: Ministry of Agriculture and Office of Economic Adviser, Ministry of Commerce and Industry.

On the demand side, a major economic transformation in India in the recent years has been the surge in rural demand which has now lower dependence on the farm sector. As per the National Sample Survey (NSS) data, the share of rural consumption in overall consumption was about 58 per cent in 2006-07. The non-farm sector consumption accounts for about 55-60 per cent of the total rural consumption. While farm sector demand is more prone to the vagaries of weather, non-farm rural sector has imparted more stability in the recent years due to increased focus on the rural development, particularly through enhanced outlays under various public schemes.

Given the stage of our economic development, the demand for food items would increase with economic growth and rise in income levels. Demographic dividend which has been contributing towards India's growth and productivity, has also raised consumption demand, particularly on food. As per the United Nations projection, high-consumption cohort in the age-group of 15-59 individuals comprising around 65 per cent of India's total population will continue dominate demand till 2040.

Thus, lower per capita availability of foodgrains and structural shortage of key agricultural commodities like oilseeds and pulses combined with the rising demand have kept food price inflation high. This process has got further accentuated by spikes in global food prices.

Conclusions

Recent surge in inflation has raised the concern whether the supply-driven increase could spillover to the generalised inflation process. Prolonged high inflation even if originating from supply side would give rise to increase inflation expectations and cause general prices to rise. Poorly anchored in inflation expectations makes long-term financial planning more complex with potential adverse effects on investment and growth. It is, therefore, important to keep inflation expectations anchored so that consumers do not mark up their long-run inflation expectations by reacting to a short period of higher-than-expected inflation.

Higher the inflation rate, the longer it takes for the inflation to revert to its trend. Slow return of inflation rate to its equilibrium level after a supply shock is known as "inflation persistence", which is important in the determination of the pace of monetary policy adjustment to achieve the desired target. In our context, empirical analysis shows a high degree of persistence, especially in the case of food and edible oil groups. This hinders supply responses to work in a timely fashion.

Even though the supply side factors dominate the current inflationary pressures, given the risks of spillover into a wider inflationary process, there is need for policy response. Accordingly, the Reserve Bank began its exit from expansionary monetary policy in October 2009 by reducing the potential liquidity. This process was carried forward in January 2010 with an increase in cash reserve ratio (CRR) of banks by 75 basis points and then increase in policy reverse repo and repo rates by 25 basis points each in March 2010. While monetary policy action will anchor inflation expectations, there is an urgent need to address the issue of structural supply constraints, particularly in agriculture, so that these do not become a binding constraint in the long run making the task of inflation management more difficult.

*Implementation of Monetary Policy in India**

Deepak Mohanty

I thank the Bankers Club, Bhubaneswar for providing me this opportunity to speak to you this evening. How does the Reserve Bank of India implement monetary policy? This is the question I would like to address. But before doing that I will briefly touch upon the objectives and framework of monetary policy, as they have evolved, to set the context for discussion on operational aspects of monetary policy. I will conclude with a discussion on the process of monetary policy formulation and communication.

Objectives and Framework

In India, the objectives of monetary policy evolved as maintaining price stability and ensuring adequate flow of credit to the productive sectors of the economy. With progressive liberalisation and increasing globalisation of the economy, maintaining orderly conditions in the financial markets emerged as an additional policy objective. Thus, monetary policy in India endeavours to maintain a judicious balance between price stability, economic growth and financial stability.

The monetary policy framework in India from the mid-1980s till 1997-98 can be characterized as a monetary targeting framework on the lines recommended by Chakravarty Committee (1985). Because of the reasonable stability of the money demand function, the annual growth in broad money (M_3) was used as an intermediate target of monetary policy to achieve the final objectives. Monetary management involved working out M_3 growth consistent with projected GDP growth and a tolerable level of inflation. In practice, however, the monetary targeting approach was used in a flexible manner with 'feedback'

* Speech by Shri Deepak Mohanty, Executive Director, Reserve Bank of India, delivered at the Bankers Club, Bhubaneswar on 15th March 2010. The assistance provided by Shri Bhupal Singh and Shri Binod B. Bhoi is acknowledged.

from the developments in the real sector. For example, if the real GDP growth was expected to be higher, M_3 projection was revised upwards.

In the 1990s, the increasing market orientation of the financial system and greater capital inflows imparted instability to the money demand function. Consequently, there was a shift to multiple indicators approach in the late 1990s. Under this approach, interest rates or rates of return in different markets along with movements in currency, credit, fiscal position, trade, capital flows, inflation rate, exchange rate, refinancing and transactions in foreign exchange – available on a high frequency basis – are juxtaposed with output data for drawing policy perspectives. The multiple indicators approach continued to evolve and was augmented by forward looking indicators and a panel of parsimonious time series models. The forward looking indicators are drawn from the Reserve Bank's industrial outlook survey, capacity utilization survey, professional forecasters' survey and inflation expectations survey. The assessment from these indicators and models feed into the projection of growth and inflation. Thus, the current framework of monetary policy can be termed as augmented multiple indicators approach[1].

Operating Procedure

Operating procedure refers to the day to day management of monetary conditions consistent with the overall stance of monetary policy. It is in essence the 'nuts and bolts' of monetary policy. It involves: first, the choice of the operational target; second, the nature, extent and the frequency of different money market operations by the central bank; third, the use and width of the corridor for very short-term market interest rates and; finally, the manner of signalling policy intentions. The choice of the operating target is crucial as this variable is at the beginning of the monetary transmission process. The operating target of a central bank could be bank reserves, base money or a benchmark interest rate. While actions of a central bank could influence all these variables, the final outcome is determined by the response of financial markets and institutions to the central bank action. I will briefly survey the international experience before turning to our own experience.

International Experience

Among the two operating targets - bank reserves and interest rates - the focus increasingly shifted towards interest rates in the early 1990s reflecting greater significance of interest rates in the monetary transmission mechanism as markets developed in a deregulated environment. Consequently, the overnight rate emerged as the most commonly pursued operating target in the conduct of monetary policy. For example, developed countries such as the US, the UK, Japan, Canada and Australia focus on the overnight inter-bank rate as the key operative target. The European Central Bank (ECB) follows a corridor approach for short-term market interest rates with a floor provided by its deposit facility and the ceiling by its marginal lending facility. The ECB

[1] Mohanty, Deepak (2010), "Monetary Policy Framework in India: Experience with Multiple-Indicators Approach", Speech delivered at the Conference of the Orissa Economic Association in Baripada, Orissa, on February 21, 2010.

provides liquidity through its main refinancing operations to ensure that the demand-supply conditions in the inter-bank market support a short-term inter-bank market interest rate consistent with its interest rate target. While many emerging market economies (EMEs) target overnight interest rate, there is also a preference for an interest rate corridor.

Literature on the central banks' own accounts in the industrial countries attribute five main reasons for reforms in their operating procedures during the 1980s and the 1990s[2].

First, monetary policy instruments were changed to adapt to the new operational frameworks of the respective monetary authorities.

Second, with financial deepening occurring more or less entirely outside the central banks' balance sheets, the share of the financial system over which monetary authorities had direct control was reduced, warranting indirect, price-oriented as opposed to quantity-oriented instruments, ways to control the non-monetary components of liquidity in the financial system.

Third, in the wake of expansion, diversification and integration of financial markets and the narrowing of differentials between rates of return in different currencies, there was a need for instruments that could impart flexibility to liquidity management in terms of timing, magnitude and accuracy.

Fourth, the growing importance of expectations in financial markets favoured the adoption of instruments that were better suited for signalling the stance of monetary policy.

Fifth, there was a growing urge on the part of central banks to stimulate money market activity and improve monetary policy transmission while emphasising the separation of monetary and government debt management objectives.

Thus, during the 1990s there was continuous reduction in reserve requirements with increasing emphasis on active liquidity management accompanied by a greater transparency in the policy signals relating to desired interest rate levels. Most central banks prefer open market operations (OMO) as a tool of monetary policy, which allow them to adjust market liquidity and influence the term structure of interest rates.

The Indian Experience

Consistent with the objectives and policy framework, the operating procedure of monetary policy in India has also witnessed significant changes. The choice of targets, instruments and operating procedure was circumscribed to a large extent by the nature of the financial markets and the institutional arrangements. During the monetary targeting period (1985-1998), while M_3 growth provided the nominal anchor, reserve money was used as the operating target and cash reserve ratio (CRR) was used as the principal operating instrument. Besides CRR, in the pre-reform period prior to 1991, given the command and control nature of the economy, the Reserve Bank had to resort to direct instruments like interest

[2] Mehran H., Laurens, B. and M. Quintyn (eds.) (1996), *Interest Rate Liberalization and Money Market Development: Selected Country Experiences*, Washington, DC: International Monetary Fund.

rate regulations and selective credit control. These instruments were used intermittently to neutralize the expansionary impact of large fiscal deficits which were partly monetised. The administered interest rate regime kept the yield rate of the government securities artificially low. The demand for them was created through periodic hikes in the Statutory Liquidity Ratio (SLR) for banks. The task before the Reserve Bank was, therefore, to develop the financial markets to prepare the ground for indirect operations.

The year 1992-93 was a landmark in the sense that the market borrowing programme of the government was put through the auction process. This was buttressed by a phased deregulation of lending rates in the credit market. The Reserve Bank also brought down the SLR to its statutory minimum of 25 per cent by October 1997, while CRR was brought down from 15 per cent of net demand and time liabilities (NDTL) of banks to 9.5 per cent by November 1997. The automatic monetization of deficits was also phased out in April 1997. All these developments resulted in a decline in pre-emption of resources from the banking system from a peak of 63 per cent in 1992 to 35 per cent by 1997.

The Narsimham Committee (1998), however, noted that the money market continued to remain lopsided, thin and volatile and the Reserve Bank also had no effective presence in the market. Therefore, it reiterated the need to transform the call money market into a pure inter-bank market and recommended the Reserve Bank's operations to be market-based. Following these recommendations, the Reserve Bank introduced the liquidity adjustment facility (LAF) in June 2000 to manage market liquidity on a daily basis and also to transmit interest rate signals to the market. Under the LAF, the Reserve Bank's policy reverse repo and repo rates set the corridor for overnight market interest rates. Thus, OMO including LAF emerged as the dominant instrument of monetary policy, though CRR continued to be used as an additional instrument of policy.

The call money market was transformed into a pure inter-bank market by August 2005 in a phased manner. Concomitantly, to enable a smooth exit of non-banks, new instruments such as the collateralized borrowing and lending obligations (CBLO) were introduced in January 2003. With the introduction of prudential limits on borrowing and lending by banks in the call money market, the collateralized money market segments developed rapidly. Maturities of other money market instruments such as commercial papers (CPs) and certificates of deposit (CD) were gradually shortened to seven days in order to align the maturity structure.

Managing large and persistent capital inflows in excess of the absorptive capacity of the economy added another dimension to the liquidity management operations during the 2000s. Although, initially the liquidity impact of large capital inflows were sterilised through OMOs and LAF operations, given the finite stock of government securities in the Reserve Bank's portfolio and the legal restrictions on issuance of its own paper, additional instruments were needed to contain liquidity of a more enduring nature. This led to the introduction of the market stabilisation scheme (MSS) in April 2004. Under this scheme, short-term government securities were issued but the amount remained impounded in the Reserve Bank's balance sheet for sterilisation purposes. Interestingly, in the face of reversal of capital flows during the recent crisis, unwinding of such sterilised liquidity under the MSS helped to ease liquidity conditions.

In response to the measures taken to develop the money market, over the years the turnover in various market segments increased significantly. All these reforms have also led to improvement in liquidity management operations by the Reserve Bank as evident from the stability in call money rates, which also helped improve integration of various money market segments and thereby effective transmission of policy signals (Charts 1). The rule-based fiscal policy pursued under the Fiscal Responsibility and Budget Management (FRBM) Act, by easing fiscal dominance, contributed to overall improvement in monetary management.

Notwithstanding such improvements at the short-end of the financial market spectrum, the transmission of the policy signals to banks' lending rates has been rather slow given the rigidities in the system, particularly the preference for fixed interest rate on term deposits. Against the backdrop of ample liquidity in the system more recently, as banks have reduced their deposit rates, the effective lending rates would have shown further moderation (Chart 2).

Policy Formulation Processes

The process of monetary policy in India had traditionally been largely internal with only the end product of actions being made public. The process has overtime become more consultative, participative and articulate with external orientation. The internal work processes have also been re-engineered to focus on technical analysis, coordination, horizontal management and more market orientation. The process

Chart 1: Money Market Integration and Policy Rates

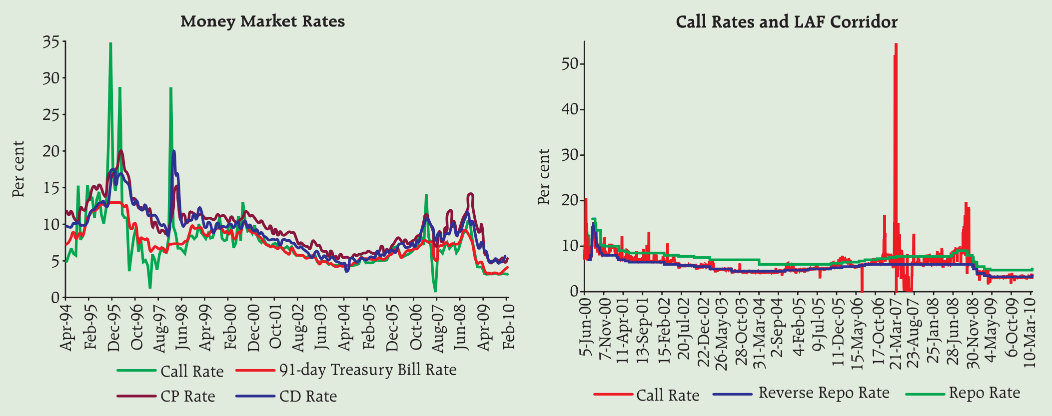
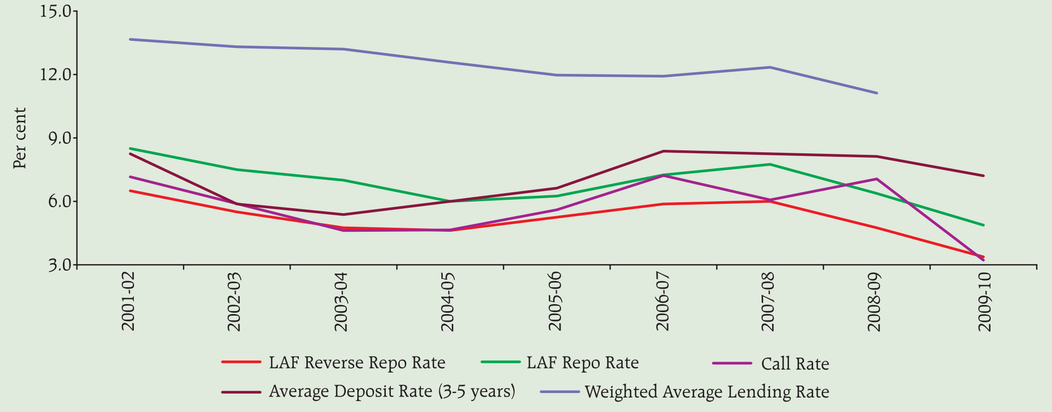


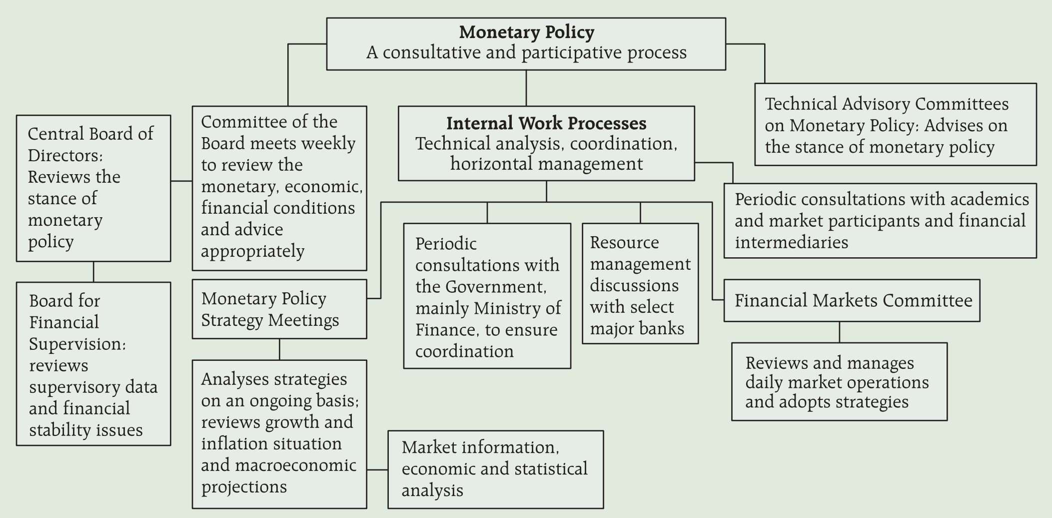
Chart 2: Transmission of Policy Rate to Lending Rate



leading to monetary policy actions entails a wide range of inputs involving the internal staff, market participants, academics, financial market experts and the Bank's Board (Chart 3).

Several new institutional arrangements and work processes have been put in place to meet the needs of policy making in a complex and fast changing economic environment. At the apex of the policy process is the Governor, assisted closely by Deputy Governors and guided by deliberations of the Board of Directors. A Committee of the Board meets every week to review the monetary, economic and

Chart 3: Processes of Monetary Policy Formulation



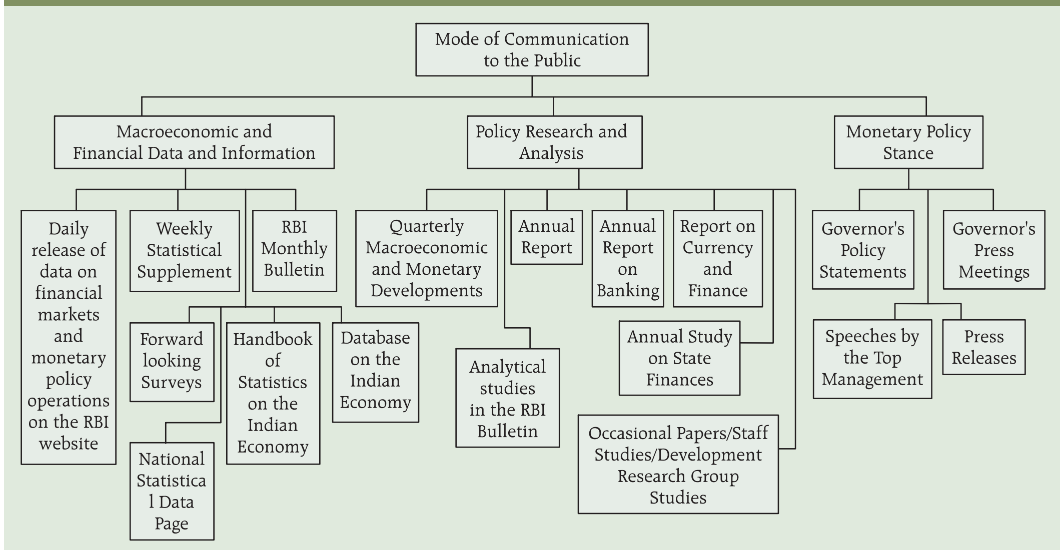
financial conditions and renders advice on policy. There are several other standing and *ad hoc* committees or groups which play a critical role with regard to policy advice. An interdepartmental Financial Markets Committee focuses on day-to-day market operations and tactics while periodic monetary policy strategy meetings analyse strategies on an ongoing basis.

Information Dissemination and Policy Communication

It is generally believed that greater information dissemination and policy communication could lead to better policy outcome. It is, however, not clear as to what extent the communication would result in shaping and managing expectations. For example, the US Federal Reserve, since 1994, appears to have been providing forward guidance, while the ECB appears to be in the mould of keeping the markets informed rather than guiding it. In India, a middle path is followed by sharing of both information and analysis.

The stance of monetary policy and the rationale are communicated to the public in a variety of ways, the Governor's most important being the quarterly monetary policy statements. Further, the policy measures are analysed in various statutory and non-statutory publications, speeches and press releases. Information on areas relating to the economy, banking and financial sector is released with stringent standards of quality and timeliness. Dissemination of information takes place through several channels (Chart 4). The Reserve Bank has also developed a real time database on the Indian economy, which is available to the public through its website.

Chart 4: Information Dissemination and Policy Communication



Conclusions

With the changing framework of monetary policy in Indian from monetary targeting to an augmented multiple indictors approach, the operating targets and processes have also undergone a change. There has been a shift from quantitative intermediate targets to interest rates, as the development of financial markets enabled transmission of policy signals through the interest rate channel. At the same time, availability of multiple instruments such as CRR, OMO including LAF and MSS has provided necessary flexibility to monetary operations. While monetary policy formulation is a technical process, it has become more consultative and participative with the involvement of market participant, academics and experts. The internal process has also been re-engineered with more technical analysis and market orientation. In order to enhance transparency in communication the focus has been on dissemination of information and analysis to the public through the Governor's monetary policy statements and also through regular sharing of policy research and macroeconomic and financial information.

Articles

*Remittances from Overseas Indians: Modes of Transfer, Transaction Cost and Time Taken**

This study, based on the sample survey of the bank branches across the major centres in India, reveals that electronic wires/ SWIFT transfers are the most dominant and efficient mode of remitting money. The cost of remittances across various modes of transfers have come down significantly in the current survey as compared to the earlier survey conducted in July 2006. North America continues to be the most important source region of remittances to India. A major portion of remittances received are utilized for family maintenance. There has been sharp decline in the proportion of remittances invested in land/ property/ equity shares in the current survey as compared to the findings of the previous survey of July 2006.

Introduction

Workers' remittances have remained an important source of external finance for India since last three decades. These flows have not only been a dominant component of India's invisibles, their trend has also been stable over the years as in the case of many other developing countries. Even at the back of global financial crisis, remittances remained relatively resilient, unlike capital flows which registered a sharp reversal. As per the latest estimates released by World Bank (2009b), the remittance flows to developing countries are expected to be a shade lower at US$ 317 billion in 2009, as against US$ 338 billion in 2008.

Remittances essentially represent household income received from foreign

* Study was prepared in the Division of International Finance, Department of Economic Analysis and Policy (DEAP), Reserve Bank of India, Mumbai. The Survey work was undertaken by the Regional offices of DEAP and Foreign Exchange Department (FED) viz. Ahmedabad, Bangaluru, Bhubaneswar, Chandigarh, Delhi, Guwahati, Hyderabad, Jaipur, Kochi, Kolkata and Patna, and the Division of International Finance, DEAP, CO, Mumbai. Logistic support for survey work was provided by the Financial Market Monitoring Unit, DEAP, CO, Mumbai.

economies arising mainly from the temporary or permanent movement of people to those economies. Remittances in the context of India's balance of payments include funds that flow through formal channels, such as banking, postal, money changers and transfers in kind. According to the Compiler's Guide of the IMF, remittances are derived from mainly two components in the balance of payments – (i) personal transfers and (ii) compensation of employees. In India, private transfers, which are termed as personal transfers by the IMF, are considered as remittances and the compensation of employees data are separately presented under income account.

As remittances grew in size over the years, authorities set out to fine tune conceptual framework and compilation procedure of these flows. With a view to track the micro aspects of remittances such as the modes of transfer, transaction cost, speed of delivery, frequency of transfers and how the remittances are utilized, Reserve Bank of India had conducted a survey in July 2006 and the results of the survey were published in the November 2006 issue of the RBI monthly Bulletin as part of the article on Invisibles in India's Balance of Payments.

A similar survey has been conducted in November 2009 focusing on the following aspects of remittances to India:

- Mode of money transfers,
- Cost and efficiency of the existing systems,
- Sources of inward remittances,
- Utilisation of remittances received,
- Impact of global recession on remittances at the regional level.

Survey was conducted through a sample survey[1] of the bank branches across major centres in India - Ahmedabad, Bangaluru, Bhubaneswar, Chandigarh, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Patna, Kochi and Ranchi. From this sample information, all-India averages have been estimated assigning different weights to each centre based on its share in remittances. Section I of the study analyses the instruments and current arrangement for remittance transfers. Size and the frequency of remittance transfers are discussed in Section II. The cost and the speed, which are vital dimensions of remittances, are examined in Section III. Section IV and V attempt to explore the source regions of remittances and the utilisation pattern of remittances, respectively. The observations with regard to the impact of remittance flows in the light of global financial crisis are explained in Section VI, while suggestions received from the respondents to further improve the flow of remittances are presented in Section VII. The main conclusions of the study are summarised in Section VIII.

Section I: Instruments and Arrangements for Remittance Transfers

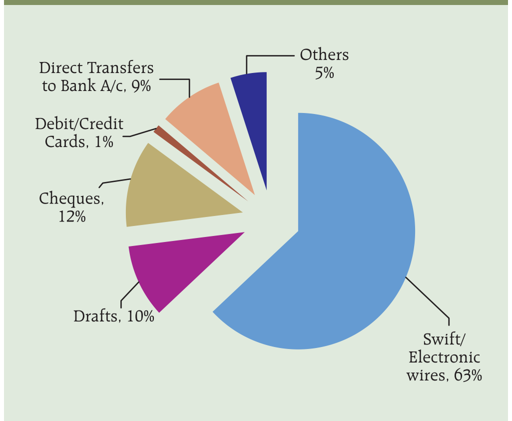
The main instruments used by the migrant workers to send remittances to India include Electronic Wires/SWIFT, Drafts, Cheques, Debit/Credit cards, Money Orders and Direct Transfers to Bank Accounts. Apart from these instruments, few banks recently provide online remittance transfer facilities which are both

[1] The questionnaire of the survey is given in Annex.

cost effective and less time consuming. For example, State Bank of India is facilitating SBI EXPRESS REMIT to remit to India from USA / UK with services 24 X 7 without visiting any branch/bank. This facility is provided with best conversion rates and nil or nominal transaction fee. Similarly, ICICI Bank also provides web based wire transfer facilities called Power Transfer to remit money to India in as short a time as 48 hours. It eliminates the errors associated with a normal wire transfer by giving remitters a printed wire instruction form and a tracking number to track the remittance online.

The survey, based on the information received from major Authorized Dealers (ADs) branches spread across 12 cities reveals that electronic wires/SWIFT has been used as a dominant mode of transferring remittances from abroad by the overseas Indians (Chart 1). Although it is argued that the SWIFT/wire transfer is a costlier means of transfer for small value remittance transactions and more cost effective for the higher value trade and other transactions, a higher use of this mode can be attributable to a relatively wider network of the Indian bank branches abroad to provide electronic fund transfer and less penetration of money transfer operators (MTOs). The higher use of swift *vis-à-vis* the other modes of transfers can also be attributed to the minimum time taken in remitting the funds as compared to other means of transfer. The traditional banking modes of remittance transfer *i.e.,* drafts and cheques continue to be other major means of remitting money to India. All India average share of remittance transfer through drafts and cheques works out to 22 per cent.

Chart 1 : Instruments used for Remittances Inflows into India



While there is no major variation across the centres, in terms of the share of remittances through different instruments, the remittance through the direct transfer to bank account has been significantly large in two major receiving centres, viz., Kochi (30 per cent) and Ahmedabad (18 per cent) (Table 1).

According to the survey, the instant transfer of money through 'direct transfer to bank accounts' is gaining popularity. This is operated through the special arrangement with overseas correspondent banks or using automated clearing house (ACH) facility in countries such as the US. In the Gulf Region, Indian banks are very few and services provided by other banks situated in this region for remitting money to India is somewhat limited. Hence, Private Exchange Houses (PEHs) have come up in this region to facilitate remittances. Banks in India have entered into Rupee Drawing Arrangements (RDA) with PEHs in the Gulf Region and also in Singapore and Hong Kong. The tie ups are with the agencies such as UAE Exchange Centre, Al-Fardan Exchange, UAE, Bahrain/ Oman/Gulf Exchange Company, Kuwait-

Table 1: Instruments used for Sending Remittances to India (Percentage Share in total Remittances)

Centre	SWIFT/ Electronic Wires	Drafts	Cheques	Debit/ Credit Cards	Money Orders	Direct transfers to Bank Account	Others	Total
1	2	3	4	5	6	7	8	9
Ahmedabad	51	9	12	2	–	18	8	100
Bangaluru	64	11	17	–	–	5	3	100
Bhubaneswar	85	3	3	–	–	8	1	100
Chandigarh	63	11	15	–	1	7	3	100
Delhi	72	6	8	–	–	9	5	100
Hyderabad	65	12	17	–	–	4	2	100
Jaipur	56	–	13	2	1	9	19	100
Kochi	21	24	25	–	–	30	–	100
Kolkata	54	11	20	–	1	4	10	100
Mumbai	67	8	10	1	–	8	6	100
Patna	64	7	19	–	–	3	7	100
Ranchi	74	5	6	2	–	2	11	100
All India	**63**	**10**	**12**	**1**	**–**	**9**	**5**	**100**

India International Exchange Co., Mustafa Sultan Exchange Co. At present, around 35 banks have entered into 200 RDA's with Exchange Houses. The use of such formats is rising significantly in the case of Kerala. Many of the bank branches of north-eastern regions, as revealed by the survey, have made arrangements with Western Union Money Transfer to facilitate remittance into India. Xpress Money, Remit 2 India, Money Gram etc. are also being used for easy flow of remittances in the northern region.

Section II: Size and Frequency of Remittances

The size and frequency of remittances reflect upon the utilization pattern. Frequent remittances of a lesser amount indicate that the remittance is used mostly for family maintenance. However, less frequent and high size of remittances may be directed towards the investment purposes rather than for the family maintenance needs. The average size of remittance reflects on a number of factors such as the average earning level of the migrants and their skill category, duration of stay (generally an inverse relationship between the duration of stay and the propensity to remit), economic activity in the host country.

The important observations in respect of size and frequency of remittances are set out below (Table 2):

- The average size of individual remittance of Rs.50,000/- and above is relatively higher as such remittances accounted for 42 per cent of the total value of remittances.
- The centres such as, Ahmedabad, Bhubaneswar, Chandigarh, Delhi and Jaipur receive more than 40 per cent of their total remittances in individual lots of Rs. one lakh and above.
- Relatively lower value transactions (*i.e.,* less than Rs.50,000/-) are concentrated

Table 2: Size of Remittances sent by Overseas Indians (Percentage share in total Remittances)

Centre	Above 1 lakh	50,000-1,00,000	20,000-50,000	10,000-20,000	5,000-10,000	1,000-5,000	Below 1,000	Total
1	2	3	4	5	6	7	8	9
Ahmedabad	50	20	14	7	4	4	1	100
Bangaluru	16	23	26	10	7	10	8	100
Bhubaneshwar	60	15	20	3	2	–	–	100
Chandigarh	41	18	9	6	11	10	5	100
Delhi	46	12	15	9	9	6	3	100
Hyderabad	36	15	13	8	10	14	4	100
Jaipur	43	28	7	5	4	10	3	100
Kochi	24	18	20	20	16	2	0	100
Kolkata	23	24	26	14	7	3	3	100
Mumbai	27	13	13	13	18	5	11	100
Patna	9	22	15	18	12	13	11	100
Ranchi	24	33	24	12	4	2	1	100
All India	**27**	**15**	**15**	**13**	**15**	**6**	**9**	**100**

in centres such as Bangaluru, Kochi, Kolkata, Mumbai, Patna and Ranchi.

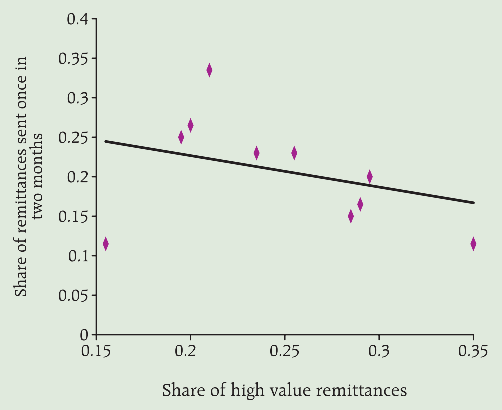
- Remittances with an average size of less than Rs.20,000/- constitute 43 per cent of the total remittances.
- About 15 per cent of the total remittances are of an average size of less than Rs.5,000/-.

The survey results indicate that about 65 per cent of the total remittance inflows are received with a frequency of at least once a quarter, while 53 per cent of the total remittances are received with a frequency of two months (Table 3). Further, 42 per cent of the total remittances are received at monthly frequency, while 13 per cent of the total remittances are received once a year.

Table 3: Frequency of sending Remittances by Overseas Indians (Percentage share in total Remittances)

Centre	Once in a Month	Once in 2 Months	Once in 3 Months	Once in 6 Months	Once in a Year	Others	Total
1	2	3	4	5	6	7	8
Ahmedabad	19	4	25	20	27	5	100
Bangaluru	43	14	23	6	13	1	100
Bhubaneswar	44	10	5	12	16	13	100
Chandigarh	25	15	18	17	21	4	100
Delhi	21	12	21	14	24	8	100
Hyderabad	32	14	17	12	14	11	100
Jaipur	28	10	16	14	32	–	100
Kochi	45	22	16	7	10	–	100
Kolkata	31	15	20	8	10	16	100
Mumbai	44	9	9	7	13	18	100
Patna	14	9	16	12	32	17	100
Ranchi	20	10	16	16	15	23	100
All India	**42**	**11**	**12**	**8**	**13**	**14**	**100**

Chart 2 : Relationship between size and frequency of remittances



A cross-section analysis of the relationship between the size of remittances and the frequency of sending remittances reveals an inverse relationship between the size and the frequency (Chart 2). This broadly indicates that the centres, which receive remittances of smaller magnitude, receive them more frequently and are generally meant for family maintenance.

Section III: Speed and Cost of Remittance Transfers

There are two important aspects of remittances such as (i) time taken to deliver remittances from senders to the recipients, and (ii) cost of remitting the funds paid by both sender and the recipient. As the cost of sending remittances is determined by the remitting overseas financial institution, these are difficult to obtain. The cost that can be gathered from the resident recipient institutions relate mainly to the charges paid by the recipient at the receiving end relating to handling charges of banks.

Speed of Remittance Transfers

The time taken to deliver the remittances may vary depending on the geographical location of the sender and the recipient, and the modes of transfer used. While the time taken in delivering remittances is important concern for the remitter, sometimes, the decision on the time efficiency is also influenced by the higher costs associated with quicker delivery. The major findings emerged from the analysis of the survey results are given below (Table 4).

- Swift and direct online transfers are the most time efficient means of remitting money as they depend on electronic/ telegraphic transfer of funds. The average time taken in delivering such funds to India is mostly 1-3 days.
- Remittances made through cheques and drafts are the most time consuming. The maximum time taken in remitting funds through these instruments can be as long as 30 days.
- Remittances made through money orders are also time consuming and reported to be taking 3 to 30 days.
- Transfers made through debit/credit cards are less time consuming (1-4 days) as these are some form of electronic transfers.

Cost of Sending Remittances

The cost of remittances can be of two types: (a) explicit cost – amount charged on remitting money and (b) hidden cost – the implicit charge in the form of exchange rate charged on conversion of foreign currency into domestic funds. It is often argued that small remittance transactions for family maintenance are offered less favourable

Table 4: Time Taken to deliver Remittances

(No. of days)

Centre	SWIFT/ Electronic Wires	Drafts	Cheques	Debit/Credit Cards	Money Orders
1	2	3	4	5	6
Ahmedabad	1-3	7-30	15-30	1-4	–
Bangaluru	1-3	1-30	3-30	3-4	–
Bhubaneswar	1-2	7-25	14-25	2	–
Chandigarh	2	20	16	–	–
Delhi	1-2	7-21	14-28	–	–
Hyderabad	2	6	13	–	10
Jaipur	1-2	1-30	3-45	1	4
Kochi	2	5	22	–	30
Kolkata	1-4	3-30	30	1	3
Mumbai	1-5	2-30	4-30	2	1-15
Patna	1-7	1-30	3-30	–	–
Ranchi	0-4	2-30	10-30	–	–
All India	**1-7**	**1-30**	**3-45**	**1-4**	**1-15**

exchange rate and the cost on this account can be exorbitant for some countries with less developed exchange markets. However, in the Indian context, it is understood that the exchange rates applied for conversion into domestic funds are reasonably transparent and do not constitute the cost in any significant measure. In case of transfer of funds from the Gulf countries that are remitted through exchange houses, conversion into rupees is made at the point of origin and the recipient in India does not bear any exchange risk.

It is often difficult to find out the cost of remitting money as the cost is paid by the remitter to the overseas MTO or the correspondent bank. The cost of transfer also has two elements (i) the cost paid by the sender while remitting money (ii) the cost paid by the receiver domestically in the form of handling charges. The latter includes the charges levied by the receiving bank when the beneficiary is customer of another domestic bank. Charges are also levied when the receiver is in remote locations where the funds are delivered by the receiving bank by making a rupee demand draft. Some studies have estimated the cost of remitting funds from UK to India at 6 per cent (World Bank, 2005)

An attempt was made to collect the charges levied on bank to bank transfer of funds from locations such as US to India[2]. Information was collected from ten commercial banks which had their overseas branches or the correspondent relationship with the remitting overseas banks. As summarised in Table 5, the following are the main points emerging on the cost of remitting through banks:

- Swift is the costlier means of transferring funds *vis-à-vis* drafts and cheques. While the cost of sending up to US $ 500 from US to India is less than

[2] Here handling charges by the receiving banks and implicit charges in the form of differential exchange rates used for conversion not considered.

1 per cent to 5 per cent in the case of SWIFT, it is much lower at less than 2 per cent in the case of drafts/cheques.

- There is a strong tapering effect in the cost structure of remitting funds to India. The cost of remitting more than US $ 500 to US $ 1,000 works out much lower in the range of 0.25-2.5 per cent for SWIFT, less than or equal to 1 per cent of funds transfers in the case of drafts/cheques.
- Time efficiency and cost elements associated with different modes of transfer reveal an inverse relationship between the speed and the cost of transfer.
- Besides the above mentioned charges paid on remitting funds from overseas locations, the handling charges imposed domestically on rerouting funds to deliver to non-customers or remote locations are found to be in the range of 0.1-0.6 per cent of the total value of funds.
- The cost of remittances across various modes of transfers have been lower in the current survey as compared to the previous one, reflecting increasing competition and introduction of fast money transferring infrastructure.
- Between the survey periods, the cost of remittances to India has come down significantly. In the case of SWIFT, cost has declined from the range of 2.5-8.0 per cent to 0.1-5.0 per cent. Similarly, the cost of transfer of funds through

Table 5: Instrument-wise Cost of Remitting Funds: A Select Case of Some Banks

(US dollar)

Bank	SWIFT		Drafts		Cheques	
	<=500	**<=1000**	<=500	**<=1000**	<=500	**<=1000**
1	2	3	4	5	6	7
State Bank of India	1 to 25 *(0.2-5.0%)*		2 to 10 *(0.4-2.0%)*	10 *(1.0%)*	0.5 to 6 *(0.1-1.2%)*	1 to 6 *(0.2-1.2%)*
BOI	5 *(1%)*					
PNB	3 to 7 *(0.6-1.00%)*		5 to 8 *(1-2 %)*	5 to 8 *(<1%)*	0.5 *(0.1%)*	1 *(0.1%)*
Axis Bank	1 to 20 *(1 to 4 %)*	*(< 2%)*			5 to 8 *(1-1.6%)*	5 to 8 *(< 1%)*
Oriental Bank of Commerce	5 *(1%)*	5 to 20 *(0.5 to 2%)*			5 *(1.0%)*	10 *(1.0%)*
Indian Overseas Bank	1to8 (0.2 to 1.6%)	2 to 8 (0.2 to 0.8%)	5 *(1%)*	10 *(1%)*	1.25 *(0.25%)*	2.5 *(0.25%)*
Canara Bank	1 *(0.2%)*	2 *(0.1%)*				
ICICI	2.5 *(0.5%)*	2.5 *(0.25%)*	2 *(0.4%)*	2.5 *(0.25%)*	2.5 *(0.5%)*	2.5 *(0.25%)*
Standard Chartered Bank	1.25 *(0.25%)*	2.5 *(0.25%)*	1.25 *(0.25%)*	2.5 *(0.25%)*	1.25 *(0.25%)*	2.5| *(0.25%)*
Kotak Mahindra Bank	10 to 25 *(2 to 5%)*	10 to 25 *(1.0-2.5%)*	5 *(1%)*	10 *(1%)*	10 *(2%)*	10 *(1%)*

Note: Figure in bracket represent the cost as percentage of the funds remitted.

draft declined from the range of 0.5-2.0 per cent to 0.25-2.0 per cent. The cost of transfer of funds through cheques too contracted from the range of 0.4-2.0 per cent to 0.1-2.0 per cent.

Section IV: Source Regions of Remittance Inflows

Based on the earlier survey and the present survey coupled with available information on country profile of Non-resident Indian deposits, the region-wise inflows of private transfers to India is estimated for 2006-07 to 2009-10 (April-September) (Table 6). The remittances received from different destinations broadly reveal the migration pattern, skill content of the migrants and the earning levels.

There was a significant increase in private transfers from Gulf regions, Europe and Africa, while the private transfer receipts from North America and East Asia declined during 2008-09 as compared with that of 2007-08. The major observations in respect of the sources of remittances are as under:

- North America continues to be the most important source region of remittances to India despite its share in total remittances falling to 38 per cent (44 per cent during the 2006 Survey) (Chart 3). This is in line with the fact that a large proportion of migrants to North America (US and Canada) work in software and other Information and Communication Technologies (ICT) related areas which have relatively higher average earning levels.
- The Gulf region accounts for an average of 27 per cent of the total remittance inflows to India, with major source countries being UAE and Saudi Arabia.

Chart 3 : Sources of Remittance Inflows into India

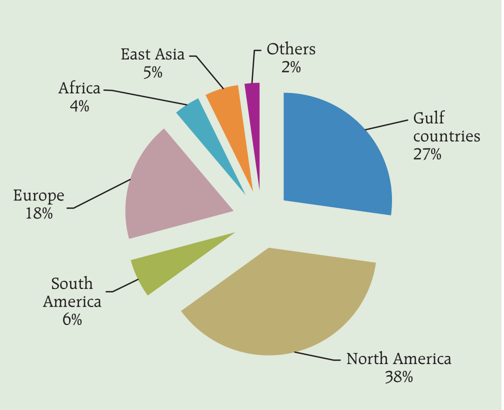


Table 6: Region-wise Distribution of Private Transfers Inflows to India

(US$ million)

Period	Gulf Countries	North America	South America	Europe	Africa	East Asia	Others	Total
1	2	3	4	5	6	7	8	9
2006-07	9,012	10,022	1,264	5,239	690	1,749	2,859	30,835
2007-08	12,670	14,242	1,800	7,357	971	2,488	3,979	43,508
2008-09	14,430	13,790	1,891	9,163	1,503	1,952	4,174	46,903
2008 (Apr – Sept)	8,079	7,832	1,080	5,137	851	1,106	2,287	26,371
2009 (Apr – Sep)	8,428	8,174	1,127	5,359	888	1,154	2,384	27,515

Table 7: Source Regions of Remittance Inflows
(Percentage share in total Remittances)

Period	Gulf Countries	North America	South America	Europe	Africa	East Asia	Others	Total
1	2	3	4	5	6	7	8	9
Ahmedabad	10	55	–	25	7	1	2	100
Bangaluru	24	46	8	13	1	5	3	100
Bhubaneswar	20	27	8	13	14	8	10	100
Chandigarh	15	33	7	30	3	3	9	100
Delhi	19	46	7	18	1	5	4	100
Hyderabad	18	56	8	11	2	2	3	100
Jaipur	27	43	5	6	6	12	1	100
Kochi	50	26	–	18	2	2	2	100
Kolkata	30	35	–	25	–	10	–	100
Mumbai	52	19	6	15	2	2	4	100
Patna	30	37	6	17	2	2	6	100
Ranchi	30	30	3	24	2	9	2	100

- While Kochi and Mumbai receive above 50 per cent of their remittances from Gulf region; Ahmedabad, Bangaluru, Chandigarh, Delhi, Hyderabad and Kolkata received more than 60 per cent of their inward remittances from North America and Europe together (Table 7). These variations in sources of remittances are reflective of underlying migration pattern.

Section V: Utilisation Pattern of Remittances

The issue of consumption *versus* investment enhancing effect of worker's remittances is widely debated. Country studies provide conflicting evidence on this issue and no consensus has been reached so far (Jadhav, 2003). The Inter American Development Bank's Multilateral Investment Fund (2004) determined that consumption accounted for between 60 and 80 per cent of the remittance use in a sample of five Latin American countries, and the World Bank (2006) also identified similar pattern for a large sample of Latin American countries. While consumption bias of workers' remittances is well documented and could be true for India as well, the attractive returns in Indian capital market is often cited as a key factor for higher remittances to India. Keeping the above debate in the backdrop, the survey attempted to find out the possible end-use of the funds remitted by the Overseas Indians to their families back home (Chart 4). The major findings are:

- A predominant portion of the remittances received (61 per cent) are

Chart 4 : Average Utilisation Pattern of Remittances sent to India

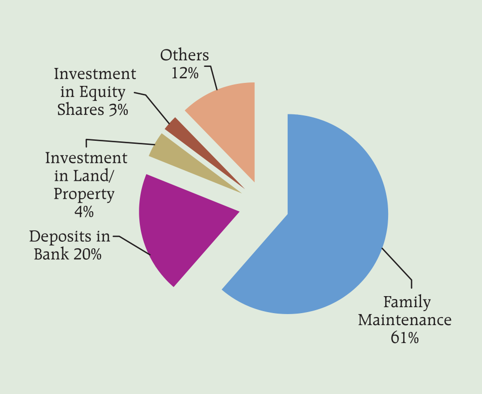


Chart 5 : Utilisation pattern of remittances for family maintanence and Investment in Property/shares

utilized for family maintenance *i.e.*, to meet the requirements of migrant families regarding food, education, health etc.

- On an average, about 20 per cent of the funds received are deposited in the bank accounts. A relatively higher portion of remittances are put in bank deposits in centres such as Ahmedabad, Chandigarh, Delhi, Jaipur and Kochi.
- The regional pattern of investment reveals that a relatively smaller share of the total remittances is invested in land/ property/equity shares. As per current survey, about 4 per cent of the funds received were invested in land/property/ securities. Significantly larger proportion (20-25 per cent) of remittances was invested in land/ property/ equity shares as per the survey conducted in July 2006. These findings seem to corroborate general perception that higher returns tend to influence utilization pattern of remittances (Chart 5 & Table 8).

Table 8: Utilisation Pattern of Remittances (Percentage share in total Remittances)

Centre	Family Maintenance	Deposits in Bank	Investment in Land/ Property	Investment in Equity Shares	Others	Total
1	2	3	4	5	6	7
Ahmedabad	35	30	7	5	23	100
Bangaluru	70	12	8	–	10	100
Bhubaneshwar	70	17	0	0	13	100
Chandigarh	56	25	3	1	15	100
Delhi	51	31	4	2	12	100
Hyderabad	58	13	6	3	20	100
Jaipur	68	24	–	1	7	100
Kochi	61	25	5	3	6	100
Kolkata	68	18	2	2	10	100
Mumbai	59	18	4	7	12	100
Patna	67	15	4	1	13	100
Ranchi	72	9	1	–	18	100

- The investment in land/ property/ equity shares is comparatively large in centres like Ahmedabad, Mumbai, Hyderabad and Bangaluru.
- The share of bank deposits in total remittances is also quite significant in most of the centres. More than 25 per cent of the total remittances are kept in bank deposits in centres such as Ahmedabad, Delhi, Kochi and Chandigarh.

Section VI: Impact of Global Recession on Remittances

It was feared that the global recession could impact migrant workers more severely. Even if there is no lay-off, workers would often have to accept lower wages as employers worldwide are seeking to cut costs in an attempt to cope with the financial crisis. Fears have also been expressed in several quarters about reverse migration of Indian labourers working in Gulf countries, which may result in decline in remittances and NRI deposits in India. However, inward remittances in India have not been impacted significantly by the global economic crisis. This may be attributed to a number of factors, such as, depreciation of rupee resulting in the rise in inflows through rupee denominated NRI accounts to take advantage of the depreciation, hike in interest rate ceilings on NRI deposits since September 2008 and uncertainties in oil-prices, which might have induced the workers to remit their money to India as a hedging mechanism due to its relatively better growth prospects.

While larger numbers of the bank branches, that were surveyed, have reported negligible impact of global crisis on flow of remittances, responses have been mixed across the regions. Majority of the respondents in Delhi and Chandigarh centres said that ongoing recession led to decline in the remittances, while in Ahmedabad centre, the majority of the respondents did not see any significant decline in the flows of remittances in the region. Again, respondents in Kochi region observed substantive decline in remittances while respondents from Jaipur region had mixed observations (Table 9).

Table 9: Response on Impact of Global Crisis on Remittances to India

(in per cent)

Centres	Yes	No	No Comments
1	2	3	4
Ahmedabad	20	46	34
Bangaluru	–	–	–
Bhubaneshwar	–	67	33
Chandigarh	53	47	–
Delhi	52	48	–
Hyderabad	–	–	–
Jaipur	40	40	20
Kochi	58	42	–
Kolkata	–	–	–
Mumbai	10	80	10
Patna	–	–	–
Ranchi	–	–	–

– : Not responded.

Section VII: Suggestions on improving the flow of remittances

The suggestions received from respondents to further improve the flow of remittances are summarized as under:

- Building infrastructure to include all the post offices in the electronic clearing and settlement systems like NEFT. This will enhance the outreach of distribution channels to upcountry locations.

- Online remittances such as direct transfers to bank accounts, being convenient and low cost to the remitters, should be popularized, patronized and propagated to the immigrant population.
- Bank arrangements with overseas exchange houses / money transfer agencies will really improve the flow of remittances.
- Use of micro-finance institutions and Non-Banking Financial Corporations (NBFCs) to disburse remittances to beneficiaries would help strengthen the formal channels but also create a catalyst for greater financial inclusion.
- For remittances originated by exchange houses under Rupee Drawing Arrangement, cash disbursement can be permitted with certain limits on value and number of transactions.
- The current list of permissible purpose of remittances needs to be further expanded in accordance with the requirements of the remitters abroad.
- For speed remittance arrangements with exchange houses, the account is required to be pre-funded. It is suggested that the collateral requirement for the same may be completely waived-off, whenever it exists.
- A new system may be introduced to credit the beneficiaries account directly from the remitters' accounts with foreign banks abroad.
- Technological improvement and simplification of procedure would help in reducing the turn-around time in remittance transfer.
- Regulatory guidance to improve web based remittance platform.

Section VIII: Conclusions

The study based on the sample survey of the micro aspects of remittances reveals the following important dimensions of inward remittances from overseas Indians.

(i) Electronic wires/SWIFT has been the dominant mode of transferring remittances by the overseas Indians. The higher use of swift *vis-à-vis* other modes of transfers may be attributed to preference of the senders for time efficient modes, and relatively wider network of Indian bank branches abroad offering electronic fund transfer facilities.

(ii) In the recent period, there is a significant increase in share of remittances transmitted through direct transfer to bank accounts.

(iii) Out of the total remittance transfers to India, the high value remittances (Rs. 50,000/- and above) accounted for 53 per cent of the total value of remittance inflows.

(iv) A cross-section analysis of the relationship between the size of remittances and the frequency of sending remittances reveals an inverse relationship between the size and the frequency.

(v) Swift/ online transfers are the most time efficient means of remitting money as they depend on electronic/ telegraphic transfer of funds with average time taken being mostly 1-3 days.

(vi) The share of total remittances through debit/credit cards is relatively low even though this mode is also fairly time efficient (1-4 days).

(vii) Remittances made through cheques, drafts and money orders are the most time consuming. The maximum time taken in remitting funds through these instruments can be as long as 30 days.

(viii) Swift is the costliest means of transferring funds vis-à-vis other modes of transfer. The cost of remitting US$ 500 amounts to around 5 per cent of the fund remitted.

(ix) The cost of remittances across various modes of transfers has come down significantly in the current survey (November 2009) as compared to the previous one (July 2006), reflecting increasing competition and introduction of fast money transferring infrastructure.

(x) North America continues to be the most important source region of remittances to India (about 38 per cent of the total remittances), while Asian region (Gulf and East Asia) contributes about 32 per cent of total remittance.

(xi) A predominant portion of the remittances received (61 per cent) are utilized for family maintenance. On an average, about 20 per cent of the funds received are deposited in the bank accounts and 4 per cent of the funds received are invested in land/property/ equity shares. Notably, the share of investment in land/property/ equity shares in the current survey (November 2009) registered a significant decline as compared to the share of 20-25 per cent recorded in the previous survey conducted in July 2006.

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Annex

RESERVE BANK OF INDIA

Department of Economic Analysis and Policy and Foreign Exchange Department

RBI, Regional Office.........

Study on Inward Remittances from NRIs: November 2009

Schedule for the Survey among the Authorized Dealers (ADs)

Data may be provided for the latest reference year or for any current quarter

1. Details of the Branch

Name of the Bank Branch	
Address of the Branch	
Phone No.	
Category of AD Licence (A/B/C)	

2. Generally what is the size of a single family remittance transaction received by your branch? Please specify

Month	Minimum (Rs. / US$)	Maximum (Rs. / US$)	Average (Rs. / US$)

3. Instruments/methods used for sending remittances

Instrument used to transfer remittances	% share of each instruments in the total personal remittances received in your branch
Electronic wires/SWIFT	
Drafts	
Cheques	
Debit/Credit cards	
Money orders	
Direct Transfers to Bank Account	
Other methods, please specify	
Total	100.0

4. Frequency of remittances made by NRIs

Frequency	% of NRIs sending money through your branch
i) Once a month	
ii) Once in two months	
iii) Once in three months	
iv) Once in six months	
v) Once a year	
vi) Any Other, Please specify	
Total	100.0

Annex *(Contd.)*

5. Currency denomination used for sending remittances

Currency Unit	% share of each currency in the total personal remittances received in your branch
Saudi Riyal	
UAE Dirham	
US Dollar	
GB Pound	
Euro	
Others	
Total	100.0

6. Size of personal remittances sent by NRIs through your branch

Amount (Rs.)	% Share of total remittances received through your branch
Less than 1,000	
1,000 – 5,000	
5,000 – 10,000	
10,000 – 20,000	
20,000 – 50,000	
50,000 – 1,00, 000	
Above Rs. 1 lakh	
Total	100.0

7. Source of remittances

Region	Major Country(ies) from the region	% of total remittances received through your branch
Gulf Countries		
North America		
South America		
Europe		
Africa		
East Asia (including Japan)		
Australia/New Zealand		
Total		100.0

8. Cost of sending remittances - from a foreign country to your branch

Instrument	Average Cost incurred by the sender (% of amount remitted)	Details of the cost incurred, if known
Electronic wires		
Drafts		
Cheques		
Money orders		
Pre-paid Cards		
Others		

Annex *(Contd.)*

9. Do you have arrangement with international money transfer agencies for remittance transfer to India? If yes, kindly specify the name of the institutions/exchange houses/money transfer companies and features of the arrangement (Attach Separate Sheet, if need be).

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10. Approximate time taken to deliver remittances (time from amount remitted by the NRI abroad to time of receipt of money by the beneficiary in India)

Type of Instrument used for remittances	No. of Days Taken
Electronic wires/SWIFT	
Drafts	
Cheques	
Debit cards	
Money orders	
Pre-paid cards	
Other methods, please specify	

11. Purpose of Remittances (if known)

Purpose	% of total remittances received through your branch
Family maintenance	
Deposit in banks	
Investment in land and property	
Investment in equity/shares, etc	
For social/religious functions	
Others	
Total	100.0

12. Your suggestions for encouraging migrants to transfer remittances through banks/recognised money transfer agencies

Suggestion	Please Indicate your suggestion (✓) and offer your comments
Allow remittances to be delivered in international currencies not just in local currency.	
Improve postal service infrastructure to deliver remittances to more locations	
Use of online methods of remittances	
Use of microfinance institutions for delivering remittances	
Arrangements with overseas exchange houses/ money transfer agencies.	
Any other, please specify	

Annex *(Concld.)*

13. Generally, what is the size of inflows in the Non-Resident External Rupee Account (NRERA) and Non-Resident Ordinary (NRO) Accounts in last one year.

Period	Minimum (Rs. / US$)	Maximum (Rs. / US$)	Average (Rs. / US$)

14. What amount under the NRERA and NRO Accounts was withdrawn locally in India in last one year.

Period	Minimum (Rs. / US$)	Maximum (Rs. / US$)	Average (Rs. / US$)

15. For what purpose generally the amounts from NRERA and NRO Accounts mentioned at (13) above were withdrawn.

Purpose	% of total withdrawn from NRI deposits through your branch
Family maintenance	
Deposit in banks	
Investment in land and property	
Investment in equity/shares, etc	
For social/religious functions	
Others	
Total	100.0

16. In the light of ongoing global crises, is there any evidence of substantial decline in remittances?

17. Whether the remittances received through your bank pertain to your state only.

18. Any other Observations/suggestions for improving the flow of remittances: (attach Separate Sheet, if need be)

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Finances of State Governments –2009-10: Highlights[*]

This article presents the highlights of the State Governments budgets for 2009-10. A detailed analysis is presented in "State Finances: A Study of Budgets of 2009-10" that was released in February 2010[1].

The period up to 2007-08 witnessed a considerable improvement in the consolidated fiscal position of State governments. States were given incentives by the Twelfth Finance Commission (TwFC) to implement their own Fiscal Responsibility Legislation (FRL) in the form of conditional debt restructuring and interest rate relief. However, the economic slowdown following the knock-on effect of the global financial crisis and the accompanying moderation in the pace of revenue growth adversely affected the finances of the States in 2008-09.

The State governments presented their budgets for 2009-10[2] in an environment marked by an uncertain growth scenario. It is evident that the tax revenue buoyancy achieved till 2007-08 could not be realised during 2008-09 (RE). States may also be under pressure to increase expenditure to boost demand in the economy. In addition, the impact of the implementation of the Sixth Central Pay Commission (CPC)/State

* This Study was prepared in the Division of State and Local Finance (DSLF) of the Department of Economic Analysis and Policy with the support of the Division of Central Finances and the Regional Offices of DEAP. Support was also received from Department of Government and Bank Accounts (DGBA) and Internal Debt Management Department (IDMD) of the Reserve Bank. The technical support received from Finance Departments of 28 State Governments and Government of NCT Delhi and Puducherry and valuable inputs received from the Ministry of Finance, Government of India, Planning Commission and the Office of the Comptroller and Auditor General (CAG) of India, New Delhi are gratefully acknowledged.

1 The publication "State Finances: A Study of Budgets of 2009-10" is available on the Reserve Bank's website (www.rbi.org.in).

2 An analysis of the consolidated fiscal position of State governments based on the State budgets of twenty seven states for 2009-10 has been published in the Reserve Bank of India Annual Report, 2008-09. This study provides further details on the consolidated fiscal position of twenty eight State Government as also State-wise analysis covering budgetary data as well as additional information obtained from the State Governments and the Government of India. Information in respect of NCT Delhi and Puducherry are provided additionally as memo item.

Own Pay Commissions (SPCs) by many State governments had implications for their revenue expenditure during 2008-09 (RE) and 2009-10 (BE). In short, the pace of fiscal correction and consolidation witnessed during the recent past is likely to suffer a setback. States, while presenting their budgets for 2009-10, seem to have taken into account the likely impact of a slowdown in their tax collections and Central transfers. In order to deal with the slowdown, a few State governments announced dedicated fiscal stimulus packages to boost demand, while many other States announced sector specific tax reductions. However, the focus of the additional expenditure in 2009-10 appears to be through revenue expenditure as reflected in higher revenue expenditure as a ratio to gross state domestic product (GSDP) in many States, rather than capital expenditure. In fact, a majority of the State governments have budgeted a lower capital outlay as percentage to GSDP for 2009-10.

Recognising the need for reviving economic growth, the Government of India permitted the State governments to borrow an additional 0.5 per cent of their GSDP by relaxing the fiscal deficit target under FRL from 3.0 per cent to 3.5 per cent in 2008-09 and further to 4.0 per cent of their GSDP in 2009-10. In the Union Budget 2009-10, it was announced that a goods and services tax (GST) would be introduced by April 1, 2010 after due consultations with all stakeholders. The implementation of GST is, however, likely to be postponed to a future date. In order to facilitate the process of a further convergence of central excise duty rates to a mean rate (currently 8 per cent), various policy measures with regard to tax rates were proposed by reviewing the list of items. The Reserve Bank in its role as banker, debt manager and monetary authority has also been taking various initiatives to improve the financial condition of the State governments. A non-competitive bidding facility has been introduced to State Development Loans (SDLs) since the auction held on August 25, 2009.

The policy initiatives of State Governments, the Government of India, and of the Reserve Bank of India are presented hereunder, followed by an analysis and assessment of the budgetary position of the State Governments for the year 2007-08 (Accounts), 2008-09 (Revised Estimates) and 2009-10 (Budget Estimates). As a special theme, an analysis of the 'Expenditure of State Governments : Trend and Composition' is presented. The Issues and Perspectives are provided at the end.

Policy Initiatives

State budgets for 2009-10, with a focus on economic revival, announced a number of policy initiatives aimed at directing expenditure towards welfare and developmental activities. On the taxation front, these measures include exemption/ reduction in value added tax (VAT) and excise duties on certain goods while on the expenditure side, higher allocation for various welfare schemes/infrastructure and release of Pay Commission awards are proposed. Many States have announced that they will step up investments, more particularly on projects like irrigation, housing and other infrastructure projects like power generation, good road networks, airports and industrial parks. Recognising the fact that the industrial sector must remain vibrant and growing, the States are also trying to attract private investment for the creation of infrastructure through the public-private partnership (PPP) mode. This section briefly discusses policy initiatives and schemes that have been proposed by the State governments, the Government of India and the Reserve Bank of India.

State Governments

In view of overall slowdown in economic activity, most of the States have taken proactive measures to streamline revenue generation at the State level and also simplified the procedures in general. The simplified procedures include rules, inspections, registrations and the introduction of the single window clearance system for industries and businesses to carry on their operations (Andhra Pradesh and Maharashtra). As a part of fiscal stimulus measures on taxation, the States have reduced the rate of stamp duty on sale of land/property in urban and rural areas (Haryana, Rajasthan, Uttarakhand and Kerala). In order to encourage tax compliance, VAT has been reduced on a number of items by most of the States. Besides increasing tax compliance, the other measures include early VAT refunds, recovery of profession tax, reduction in penalty under VAT, relief to hotel dealers under VAT, extension of exemption on food grains and reduction/rationalisation of luxury tax in Goa, Rajasthan, NCT Delhi and Karnataka. Furthermore, to streamline and improve the quality of services, complete e-filing of returns/computerisation of the sales tax departments have been implemented in Kerala and Uttarakhand. To compensate the loss of revenue through tax reductions/exemptions under the fiscal stimulus package, the measures taken by the State governments include: (i) a new scheme of 'one time settlement' of tax arrears for pending under-valuation with respect to stamp duty cases in Kerala; (ii) broadening the tax net to include petty dealers in Kerala; and (iii) installation of water supply meters in Nagaland. To disclose suppressed turnover and to pay taxes thereon, the 'Voluntary Disclosure Scheme' has also been announced in Kerala. The Punjab government has formulated a comprehensive policy prescribing collection of External Development Charges (EDCs), License/Permission Fee and Change of Land Use (CLU) charges to generate sufficient revenues to provide ultra modern urban infrastructure. In Delhi, a major initiative was taken to reform the excise duty structure. Accordingly a new bill will be introduced which will incorporate a simplified duty structure.

In the backdrop of moderation in economic activities, many States have initiated fiscal stimulus packages to get the economy going by continuing all developmental and welfare programmes. Agriculture and allied activities have received top priority with a plethora of incentives, write-offs and concessions, support for organic farming and free power to farmers (Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Puducherry, Orissa, Maharashtra and West Bengal). The initiatives are focused on irrigation projects, particularly, minor irrigation (Meghalaya) and providing fertilisers, seeds and pesticides at subsidised rates (Orissa). The other initiatives include insurance schemes for crops (Himachal Pradesh and Tamil

Nadu), setting up of 'Agriclinics' in Tamil Nadu, adopting a village as a 'Model Village', developing an Agri–HUB and Agri-Processing Zone under Public Private Partnership (PPP) arrangement in Assam, 'Bio-Villages' in West Bengal, providing direct computer connectivity and establishing an 'Agriculture Knowledge Center' in Madhya Pradesh, debt relief scheme for farmers in Maharashtra and free power to farmers in some States. Some of the other measures include dairy development and milk production (Tripura, West Bengal, Tamil Nadu and Puducherry) and a novel scheme of a 'Land Bank' where land purchased from the farmers at market prices is resold for industrial use in West Bengal.

Recognising the fact that the industrial sector must remain vibrant and growing, special focus has been given to identifying a large pool of land having access to National Highways, building Special Economic Zones (SEZs) and industrial estates and making these available for development of industry through the PPP mode in many States. Almost all the States have announced policy measures to upgrade their overall infrastructure and West Bengal and Punjab have accorded priority to the development of infrastructure for clusters of industries in the small scale sector so that new small scale units can develop alongside traditional industries. Some States have proposed a 'New Industrial Policy' (Rajasthan) while others are in the process (Meghalaya), Industrial Model Towns (Haryana) and 'Economic Hubs' in select places. In order to augment their power generation capacities some States, *viz.*, Maharashtra, Tamil Nadu and Mizoram are focusing attention on the generation of power (through the PPP mode).

Many States have initiated schemes relating to education and socio-economic development and social security of Scheduled Castes (SCs), Scheduled Tribes (STs), Backward Classes, minorities and the disabled. Various States have announced measures towards the betterment of educational facilities. These include a restructured mid-day meal programme with add-ons such as providing meals beyond the elementary education level, distribution of books, including more nutritious food items, diet money for the children and mothers (Punjab), comprehensive computer education/broadband connectivity and computer labs in all schools and colleges (Andhra Pradesh, Haryana, Tamil Nadu, Puducherry, Punjab, Rajasthan and Himachal Pradesh) and upgrading the existing infrastructure of professional medical and engineering colleges or setting up new colleges through PPP model. For social change and empowerment, equitable access to education is ensured by special schemes for the welfare of children of physically and mentally challenged parents by providing them free education and accessories and financial honorariums to their parents (NCT Delhi, Haryana, Puducherry and Bihar) and skill training for self-employment in various fields for school dropouts. For the welfare of the weaker sections of society, various proposals have been announced including enhanced funds under the Scheduled Caste Component Plan and the Tribal Sub-Plan for developmental activities (Assam) and allocation of free-of-cost residential plots under a new scheme of the Mahatma Gandhi Gramin Basti Yojana to all eligible SCs, Backward Classes (A category) and Below Poverty Line (BPL) households (Haryana).

Housing too has received high priority with schemes such as loans at subsidised rates of interest, housing plots, financial assistance and building materials/repairing/renovation of old houses (Puducherry, Kerala, Punjab, Himachal Pradesh, Tamil Nadu and Haryana). In the health sector, Haryana, Punjab, Maharashtra, Puducherry, Tamil Nadu and Karnataka have proposed health insurance schemes, medical camps and upgrading government hospitals. To provide minimum basic amenities to urban people, most of the States have paid special emphasis on water supply, sewerage, transport, integrated housing and solid waste management. Recognising the growing importance of climate change, several initiatives have been taken by various State governments in this field as well. Measures towards the empowerment of women include direct loans to women entrepreneurs at very low rates of interest along with a number of other innovative developmental and welfare programmes focused on the girl child and women in States like Kerala, Tamil Nadu, Puducherry, Punjab, Rajasthan, Assam, Bihar and Haryana. Many State governments encourage 'women self-help groups (SHGs)' as a means of faster empowerment of women with schemes such as soft loans to SHGs (Tripura) and training institutes for self-employment of women (Meghalaya).

On the institutional measures, States have gradually put in place legislations with respect to various fiscal parameters such as Fiscal Responsibility Legislations (FRLs), Value Added Tax (VAT), New Pension Schemes (NPS), Consolidated Sinking Fund (CSF) and Guarantee Redemption Fund (GRF). The progress so far has been quite encouraging as far as the implementation of VAT is concerned as all the States have implemented VAT while Twenty Six States have enacted FRLs.

Many State governments have taken up several initiatives in the form of appointing task forces and committees/commissions. Assam proposes to set up a Water Resource Management Commission to make suggestions for the prevention of floods and erosion of land and land reclamation. Besides, two developmental councils, one each for women and youth are proposed to be set up, a Women Entrepreneurs Council are also being set up to promote women entrepreneurs. Towards the welfare of children and to protect their rights, the State Children Rights Protection Commission and a Commission for Elementary and Secondary Education to suggest a roadmap and policies for improving the quality of school education are being set up in Assam. There is also a proposal for setting up the Knowledge Commission to advise the Assam government on the overall education policy. In Haryana, a common committee, the Village Health and Sanitation Committee, has been set up to promote convergence and it is also proposed that a number of skill development centers will be established in the State. The government of Jammu and Kashmir is appointing a multi task force comprising of experts from all relevant fields to look into various aspects of mulberry culture, sericulture, weaving and the silk industry. The task force will also identify and create opportunities for employment in sectors like tourism, horticulture, floriculture, fisheries, health and sericulture. Kerala has proposed to set up an expert committee to scientifically develop an agricultural calendar to reduce the need to close the Thanneermukkom Bund. In order to formulate a comprehensive social security scheme a committee is being set up to study the feasibility of this. The Kerala government has set up a 'Monitoring Commission for Administrative Reforms' in order to tone up the overall administrative machinery at the State government level. Assam has proposed a 'Development Council' to formulate policies and coordinate schemes for the all round development of minorities. Meghalaya has proposed to put in place a system to achieve 100 per cent registration of births and deaths in the State. The Tamil Nadu government has initiated steps to set up a 'National Center for Geriatrics Research'.

In order to promote people's participation in the formulation and implementation of Plan schemes, 'Ward Committees' in municipalities are proposed to be set up by West Bengal. The West Bengal government has also proposed to create a 'Special Assistance Fund' of Rs.100 crore to impart job-oriented training and extend other necessary assistance to those who have lost their land because of the setting up of industries. A 'Special Fund' has been created for the welfare of artists in distress and an 'Incentive Fund' to reward innovations in science and technology in Assam have also been started. The States of Himachal Pradesh, Punjab, Kerala, Tamil Nadu, Puducherry and Jammu and Kashmir have undertaken efforts to promote tourism in their respective States.

Government of India

In order to cope with the impact of the economic slowdown, State governments have been permitted to borrow an additional 0.5 per cent of their GSDP during 2009-10 by relaxing the fiscal deficit target under FRLs from 3.5 per cent to 4.0 per cent of their GSDP. This will enable the State governments to raise additional open market borrowings of about Rs.21,000 crore in the current year.

Although immediate interim relief has been provided from the Calamity Relief Fund (CRF) for the devastation caused by Cyclone Aila on the coast of West Bengal, the Union Government has also proposed to draw up a programme for rebuilding the damaged infrastructure in the State. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been an important scheme for refocusing the attention of State governments on the importance of urban infrastructure. In recognition of JNNURM's role, allocation under the scheme is being stepped up. Further, in order to improve the lot of urban poor, by providing housing and basic amenities to urban poor, the provisions under the Rajiv Awas Yojana (RAY) has also been enhanced. In Maharashtra, in order to address the problem of flooding in Mumbai, the Brihan Mumbai Storm Water Drainage Project (BRIMSTOWA) was initiated in 2007 and the entire estimated cost of the project at Rs.1,200 crore is being met through Central assistance. In Assam, the capital subsidy for the Gas Cracker Project is to be provided by the Central Government. Allocations for the Rashtriya Krishi Vikas Yojana (RKVY) are also being stepped up. With a view to insulating employment-oriented export sectors in States, the Union Government had provided an interest subvention of 2 per cent on pre-shipment credit for the 7 sectors of textiles including handlooms, handicrafts, carpets, leather, gems and jewellery, marine products and small and medium exporters. The interest subvention is being proposed to be extended up to March 31, 2010.

As Micro, Small and Medium Enterprises (MSMEs) have been severely affected by the slowdown in exports and the indirect effect of the global financial crisis on domestic demand, it is proposed to facilitate the flow of credit at reasonable rates by providing a special fund to the Small Industries Development Bank of India (SIDBI) out of the Rural Infrastructure Development Fund (RIDF). This will help State governments as it will incentivise banks and State Finance Corporations (SFCs) to lend to MSMEs by refinancing 50 per cent of incremental lending to MSMEs. The National Rural Employment Guarantee Scheme, is planned to be converged with other schemes relating to agriculture, forests, water resources, land resources and rural roads. A total of 115 pilot districts have been selected for such a convergence in the first phase.

Bharat Nirman with its six schemes, including the Pradhan Mantri Gram Sadak Yojana (PMGSY), the Rajiv Gandhi Grameen Viduytikaran Yojana (RGGVY) and the Indira Awaas Yojana (IAY) is an important initiative for bridging the gap between rural and urban areas and for improving the quality of life of the people, particularly the poor, in rural areas. The allocation for Bharat Nirman schemes will be stepped up by 45 per cent in 2009-10. To broaden the pace of rural housing, from the shortfall in the priority sector lending of commercial banks, a sum of Rs.2,000 crore for Rural Housing Fund in the National Housing Bank (NHB) is proposed to be allocated.

A new scheme called the Pradhan Mantri Adarsh Gram Yojana (PMAGY) is being launched on a pilot basis for the integrated development of 1,000 villages across the States where the Scheduled Caste population is more than 50 per cent. Each village will be able to avail gap funding of Rs.10 lakh over and above the allocations under the Rural Development and Poverty Alleviation Schemes. The Swarna Jayanti Gram Swarozgar Yojana (SGSY) is being restructured as the National Rural Livelihood Mission to make it universal in application, focused in approach and time bound for poverty eradication by 2014-15. Apart from providing capital subsidy at an enhanced rate, it is also proposed to provide an interest subsidy to poor households for loans up to Rs. one lakh from banks. The women's SHG movement is bringing about a profound transformation in rural areas. It is aimed that at least 50 per cent of all rural women in India will be enrolled as members of SHGs over the next five years and these SHGs will be linked to banks. In recognition of Rashtriya Mahila Kosh's role as an instrument of socio-economic change and development, the corpus of the Kosh will be raised to Rs.500 crore over the next few years. A National Mission for Female Literacy, with focus on minorities, Scheduled Castes, Scheduled Tribes and other marginalised groups will be launched to reduce the current levels of female illiteracy by half in the next three years. As far as child development is concerned, the Government is committed to the universalisation of the Integrated Child Development Services (ICDS) Scheme in the country and by March 2012 all services under ICDS to be extended, with quality, to every child under the age of 6 years.

On the education front, to enable students from economically weaker sections to access higher education, it is proposed to introduce a scheme to provide them full interest subsidy during the period of moratorium. It is estimated that over 5 lakh students will avail of this benefit. Under the Multi-Sectoral Development Programme for Minorities in selected minority concentration districts, the grant-in-aid to the Maulana Azad Education Foundation has been doubled, and provisions have been made for National Minorities Development and Finance Corporation and Pre-Matric and Post-Matric Scholarships for Minorities. Allocations have also been made for new schemes of National Fellowship for Students from the Minority Community and Grants-in-aid to Central Wakf Council for computerization of records of State Wakf Boards. In order to impart the right education and skills and to take a dynamic economic advantage, the provision under the 'Mission in Education through ICT', has been substantially increased to Rs.900 crore. Similarly, the provision for the setting up and up-gradation of polytechnics under the Skill Development Mission has been increased. The Central Government plans to have one Central University in each uncovered State by allocating funds. Separate allocation of Rs.2,113 crore for Indian Institute of Technology (IITs) and National Institute of Technology NITs including a provision of Rs.450 crore for new IITs and NITs has been made. The overall Plan budget for higher education is proposed to be increased by Rs.2,000 crore over Interim Budget Estimates.

On the health front, the National Rural Health Mission (NRHM) is an essential instrument for achieving the goal of 'Health for All'. Allocation under this scheme is proposed to be increased by Rs.2,057 crore over and above the Rs.12,070 crore provided in the Interim Budget. Towards social security measures for the unorganised sector, the Unorganised Workers Social Security Bill, 2007 has been passed by both the Houses of Parliament. Action has been initiated to ensure that social security schemes for weavers, fishermen and women, toddy tappers, leather and handicraft workers, plantation labor, construction labor, mine workers, bidi workers and rikshaw pullers are being implemented. The Rashtriya Swasthya Bima Yojana (RSBY) was operationalised last year and the initial response to this has been very encouraging with more than 46 lakh BPL families in 18 States and UTs being issued biometric smart cards. The Government proposes to cover all BPL families under this scheme.

In line with last year's successful implementation of two mega handloom clusters in Varanasi and Sibsagar and two mega power loom clusters in Erode and Bhiwandi, it is proposed that one handloom mega cluster each in West Bengal and Tamil Nadu and one power loom mega cluster in Rajasthan will be set up. These will help preserve textile traditions in these States and generate thousands of jobs. It is also proposed that new mega clusters for carpets in Srinagar (Jammu and Kashmir) and Mirzapur (Uttar Pradesh) will be added.

Reserve Bank of India

As indicated in the Mid-Term Review of October 2008, recommendations made by the Internal Working Group (Chairman: H.R. Khan) involving the Reserve Bank such as reduction of the time gap between bid submission and declaration of auction results have already been implemented. The other recommendations of the Working Group on withdrawal of the facility of bidding in physical form and submission of competitive bids only through the Negotiated Dealing System (NDS) have been implemented since August 25, 2009. In order to widen the investor base and enhance the liquidity for State Development Loans (SDLs), a scheme for non-competitive bidding in the auction of SDLs was notified by all the State governments on July 20, 2007. Subsequent to the announcement in the Mid-Term Review of October 2008, the necessary system changes required to handle non-competitive bidding in the auction of SDLs have been carried out in the NDS auction platform developed by Clearing Corporation of India Limited (CCIL). A non-competitive bidding facility has been introduced in the SDLs since the auction held on August 25, 2009. Introduction of embedded derivative options in the issuance of SDLs is an innovative way of price discovery and reducing the States' cost of borrowings. Hence, provisions were made in the general notification issued by State governments on December 15, 2003, which enabled them to issue SDLs with call/put option in terms of Clauses 7 and 8.2 of the notification. The government of West Bengal was the first to exercise the option of issuing SDLs with put option on three tranches of auctions held during September/October 2009, which will be exercisable by investors after the completion of four years for the first two tranches and five years for the third tranche. Under the put option, the holders of government stock will have the discretion to exercise put option after giving a notice of two months in the prescribed format for premature redemption after completion of the option tenure from the date of issuance of the government stock on any coupon payment date falling thereafter. In that event, interest shall cease to accrue on the redeemed government stock from the coupon payment date of premature redemption. Issuance of SDLs with put option, however, entails the States with premature redemption risk, which may lead to a roll-over risk.

Accounts: 2007-08

At the consolidated level, the States witnessed a marked improvement in key deficit indicators when the revised estimates of 2007-08 translated into accounts. While the surplus on the revenue account almost doubled in absolute terms, GFD declined by around 30 per cent than the revised estimates. The consolidated revenue surplus increased from 0.5 per cent of GDP in 2007-08 (RE) to 0.9 per cent of GDP in 2007-08 (Accounts). The improvement in 2007-08 (Accounts) over 2007-08 (RE) was mainly due to a decline in revenue expenditure by 0.5 per cent of GDP. The decline in developmental expenditure in 2007-08 (Accounts) over 2007-08 (RE) by Rs. 17,762 crore accounted for around 70 per cent of the total decline in revenue expenditure. Reduction in expenditure on education, sports and art and culture by 5.4 per cent mainly contributed to the decline in development expenditure. Furthermore, around 28 per cent of the decline in revenue expenditure in 2007-08 (Accounts) over 2007-08 (RE) was contributed by the decline in non-development expenditure. Within non-development expenditure, committed expenditure comprising administrative services, pension and interest payments declined by 2.8 per cent in 2007-08 (Accounts) over 2007-08 (RE), contributing around 22.7 per cent of the total decline in revenue expenditure. On the revenue receipt side, there was a decline of 0.8 per cent in 2007-08 (Accounts) over the revised estimates which is attributed to a fall in own tax revenue and a fall in grants from the Centre. Although own tax revenue (OTR) declined by 2.3 per cent in 2007-08 (Accounts) over revised estimates, it was partly compensated for by an increase of 2.2 per cent in States' share in Central taxes. Under non-tax revenue, grants from the Centre were significantly lower by 12.9 per cent than the revised estimates. However, as per 2007-08 (Accounts), States' performances in terms of collection of own non-tax revenues (ONTRs) recorded a substantial improvement of 23.3 per cent over the revised estimates. Capital outlay in 2007-08 (Accounts) was lower to the extent of 7.4 per cent over the revised estimates. As a result of the increase in revenue surplus and decline in capital outlay, the consolidated GFD of the States declined from Rs.1,07,958 crore in 2007-08 (RE) to Rs.75,455 crore in 2007-08 (Accounts). As a ratio to GDP, GFD declined to 1.5 per cent of GDP in 2007-08 (Account) from 2.2 per cent of GDP in the revised estimates. As a result of significant decline in GFD, the States were able to generate a primary surplus of Rs. 24,376 crore in 2007-08 (Accounts) for the second successive year (Table 1).

Revised Estimates: 2008-09

State finances in 2008-09 (RE) were impacted by the overall macroeconomic slowdown and revenue expenditure obligations arising out of the implementation of the Sixth CPC/SPCs for some State governments. As a result, increase in revenue expenditure (5.2 per cent) in 2008-09 (RE) over 2008-09 (BE) outstripped the increase in revenue receipts (2.5 per cent) which led to a decline in revenue surplus by 62.4 per cent in 2008-09 (RE) over the budget estimates. The revenue surplus as percentage to GDP squeezed from 0.5 per cent in 2008-09 (BE) to 0.2 per cent in 2008-09 (RE). On the revenue account, decline in States' own tax revenue (OTR) by 1.9 per cent in 2008-09 (RE) over 2008-09 (BE) mainly affected the revenue receipts of State governments. This decline was mainly because the States could not realise the budget estimates of stamp duty and registration fees, sales tax/VAT and taxes on vehicles, State excise duties and taxes on passengers and goods in 2008-09 (RE). On the contrary, States' collections under own non-tax revenues (ONTRs) recorded an increase of 19.1 per cent in 2008-09 (RE) over 2008-09 (BE). Increase in revenue expenditure by Rs. 35,756 crore over 2008-09 (BE) could be entirely attributed to an increase in development expenditure pertaining to power; education, sports and art and culture; relief on account of natural calamities; and transport and communication. The States were able to contain their non-development expenditure mainly committed expenditure by Rs. 7,765

Table 1: Variation in Major Items - 2007-08 (Accounts) over 2007-08 (RE)

(Amount in Rs. crore)

Item	2007-08 (RE)	2007-08 (Accounts)	Variation		Contribution* (Per cent)
			Amount	Per cent	
1	2	3	4	5	6
I. Revenue Receipts (i+ii)	**6,28,742**	**6,23,748**	**-4,994**	**-0.8**	**100.0**
(i) Tax Revenue (a+b)	4,41,526	4,37,948	-3,578	-0.8	71.6
(a) Own Tax Revenue	2,93,392	2,86,546	-6,846	-2.3	137.1
of which: Sales Tax	1,78,198	1,73,422	-4,776	-2.7	95.6
(b) Share in Central Taxes	1,48,134	1,51,402	3,268	2.2	-65.4
(ii) Non-Tax Revenue	1,87,216	1,85,799	-1,417	-0.8	28.4
(a) States' Own Non-Tax Revenue	62,578	77,178	14,600	23.3	-292.3
(b) Grants from Centre	1,24,638	1,08,622	-16,016	-12.9	320.7
II. Revenue Expenditure	**6,06,216**	**5,80,805**	**-25,411**	**-4.2**	**100.0**
of which:					
(i) Development Expenditure	3,55,099	3,37,337	-17,762	-5.0	69.9
Education, Sports, Art and Culture	1,06,474	1,00,775	-5,699	-5.4	22.4
Power	28,599	30,729	2,130	7.4	-8.4
(ii) Non-Development Expenditure	2,34,386	2,27,235	-7,151	-3.1	28.1
of which:					
Administrative Services	47,694	44,866	-2,828	-5.9	11.1
Pension	56,002	56,098	96	0.2	-0.4
Interest Payments	1,02,878	99,831	-3,047	-3.0	12.0
III. Capital Receipts	**1,34,635**	**1,41,987**	**7,352**	**5.5**	**100.0**
of which:					
Non-Debt Capital Receipts	8,400	6,955	-1,445	-17.2	-19.7
IV. Capital Expenditure	**1,81,273**	**1,71,520**	**-9,753**	**-5.4**	**100.0**
of which:					
Capital Outlay	1,28,331	1,18,862	-9,469	-7.4	97.1
of which:					
Capital Outlay on Irrigation & Flood Control	39,128	37,005	-2,123	-5.4	21.8
Capital Outlay on Transport	25,275	23,767	-1,508	-6.0	15.5
Memo Item :					
Revenue Deficit	-22,526	-42,943	-20,417	90.6	
Gross Fiscal Deficit	1,07,958	75,455	-32,503	-30.1	
Primary Deficit	5,080	-24,376	-29,456	-579.8	

RE : Revised Estimates. * : Denotes percentage share in relevant total.

Note : 1. Negative (–) sign in deficit indicators indicates surplus.

2. Capital receipts include public accounts on a net basis while capital expenditure excludes public accounts.

Source : Budget Documents of the State Governments.

crore in 2008-09 (RE) over the budget estimates. As per 2008-09 (RE), administrative services and interest payments were lower to the extent of Rs.5,761 crore and Rs.2,163 crore, respectively than their budget estimates. Most States had apparently taken into account the imminent increase in wages and salaries on account of the Sixth CPC/SPCs, while presenting their budget estimates for 2008-09. As a result, an increase in expenditure on administrative services in 2008-09 (RE) appears to be more pronounced over 2007-08 (Accounts) rather than over 2008-09 (BE) (Table 2). Capital outlay rose by 8.3 per cent over the budget estimates of 2008-09. Accordingly, capital outlay as percentage to GDP stood at 2.8 per cent in

Table 2: Variation in Major Items – 2008-09 (RE) over 2008-09 (BE)

(Amount in Rs. crore)

Item	2008-09 (BE)	2008-09 (RE)	Variation		Contribution* (Per cent)
			Amount	Per cent	
1	2	3	4	5	6
I. Revenue Receipts (i+ii)	**7,19,835**	**7,37,865**	**18,030**	**2.5**	**100.0**
(i) Tax Revenue (a+b)	5,09,957	5,03,878	-6,079	-1.2	-33.7
(a) Own Tax Revenue	3,36,810	3,30,405	-6,405	-1.9	-35.5
of which: Sales Tax	2,03,623	2,02,610	-1,013	-0.5	-5.6
(b) Share in Central Taxes	1,73,147	1,73,473	326	0.2	1.8
(ii) Non-Tax Revenue	2,09,878	2,33,987	24,109	11.5	133.7
(a) States Own Non-Tax Revenue	66,848	79,614	12,765	19.1	70.8
(b) Grants from Centre	1,43,030	1,54,373	11,343	7.9	62.9
II. Revenue Expenditure	**6,91,409**	**7,27,165**	**35,756**	**5.2**	**100.0**
of which:					
(i) Development Expenditure	4,02,810	4,45,889	43,080	10.7	120.5
of which:					
Education, Sports, Art and Culture	1,22,072	1,29,706	7,634	6.3	21.4
Transport and Communication	18,525	19,975	1,451	7.8	4.1
Power	26,270	36,715	10,445	39.8	29.2
Relief on account of Natural Calamities	5,491	10,076	4,585	83.5	12.8
(ii) Non-Development Expenditure	2,68,665	2,60,899	-7,765	-2.9	-21.7
of which:					
Administrative Services	62,905	57,144	-5,761	-9.2	-16.1
Pension	62,729	66,938	4,210	6.7	11.8
Interest Payments	1,08,383	1,06,220	-2,163	-2.0	-6.0
III. Capital Receipts	**1,75,306**	**1,86,201**	**10,894**	**6.2**	**100.0**
of which:					
Non-Debt Capital Receipts	15,000	5,314	-9,686	-64.6	-88.9
IV. Capital Expenditure	**2,01,374**	**2,13,259**	**11,885**	**5.9**	**100.0**
of which:					
Capital Outlay	1,45,159	1,57,254	12,095	8.3	101.8
of which:					
Capital Outlay on Irrigation and Flood Control	44,525	48,727	4,202	9.4	35.4
Capital Outlay on Transport	27,618	29,614	1,996	7.2	16.8
Memo Item:					
Revenue Deficit	-28,426	-10,701	17,725	-62.4	
Gross Fiscal Deficit	1,12,653	1,46,349	33,695	29.9	
Primary Deficit	4,270	40,128	35,858	839.7	

BE: Budget Estimates. RE: Revised Estimates. * : Denotes percentage share in relevant total.

Note : 1. Negative (–) sign in deficit indicators indicates surplus.
2. Capital receipts include public accounts on a net basis while capital expenditure excludes public accounts.

Source : Budget Documents of the State Governments.

2008-09 (RE) as compared with the budget estimate of 2.6 per cent. Increase in capital outlay was largely due to higher capital spending on irrigation and flood control and the transport sector. As a result of a decline in revenue surplus and an increase in capital outlay, consolidated GFD rose by 29.9 per cent in 2008-09 (RE) over the budget estimates. As a ratio to GDP, GFD moved up to 2.6 per cent in 2008-09 (RE) from 2.0 per cent in the budget estimates. The primary deficit re-emerged at 0.7 per cent of GDP in 2008-09 (RE) as compared with budget estimates of 0.1 per cent after remaining in surplus during the previous two years. The process of fiscal correction and consolidation at the State level experienced a slippage in 2008-09 on account of the overall macroeconomic slowdown following the global financial crisis. Furthermore, many of the State governments started implementing recommendations of the Sixth CPC/ SPCs for their employees which had implications on their revenue expenditure. Consequently, the key deficit indicators deteriorated in 2008-09 (RE) as compared with 2008-09 (BE) as well as 2007-08 (Accounts). In order to address the overall macroeconomic slowdown, the Central Government allowed the States to increase the limit of fiscal deficit to 3.5 per cent of GDP during 2008-09 (as stated in the interim Union Budget 2009-10). Thus, the States were allowed to raise additional market borrowings to the extent of 0.5 per cent of GSDP. This additional fiscal space was to be utilised for undertaking capital investments (also see Statements 1 and 2).

Budget Estimates: 2009-10

Setback to States' fiscal position witnessed during 2008-09 is estimated to worsen further in 2009-10 as is evident from budget estimates of key deficit indicators. A few State governments announced fiscal stimulus packages envisaging higher spending and lower tax rates for certain sectors in order to boost aggregate demand. An additional factor likely to influence State finances during 2009-10 but with positive implications for aggregate demand is the implementation of the Sixth CPC/SPCs. The consolidated revenue account of State governments for 2009-10 is budgeted to turn into deficit after remaining in surplus over the previous three years on account of a higher budgeted increase in revenue expenditure in relation to revenue receipts. The consolidated revenue deficit is budgeted at Rs.32,295 crore in 2009-10 compared to the revenue surplus of Rs.10,701 crore in 2008-09 (RE). As a ratio to GDP, at the consolidated level the revenue surplus of 0.2 per cent in 2008-09 (RE) is budgeted to turn out to a deficit of 0.5 per cent of GDP in 2009-10. The deterioration in the revenue account of State governments during 2009-10 (BE) reflects the combined impact of sluggishness in tax revenue along with higher expenditure on: (i) administrative services (ii) pensions; and (iii) interest payments. Consequent upon the revenue account turning from surplus to deficit and the higher net lending in 2009-10 (BE), the GFD at the consolidated level is budgeted to increase to 3.2 per cent of GDP as compared with 2.6 per cent of GDP in 2008-09 (RE). In absolute terms, the size of GFD is budgeted to expand by 36.3 per cent in 2009-10 (BE) over 2008-09 (RE). In line with the surging GFD, primary deficit is also likely to double from Rs. 40,128 crore in 2008-09 (RE) to Rs. 83,083 crore in 2009-10 (BE). As percentage to GDP, consolidated primary deficit has been budgeted at 1.3 per cent in 2009-10 (BE) as compared with 0.7 per cent in 2008-09 (RE) (Table 3 and Statement 1).

Re-emergence of revenue deficit after three years and the increasing size of the GFD indicate that borrowed resources would be used for current expenditures rather than capital investment during 2009-10. In 2009-10 (BE), around 16 per cent of the GFD would be used for undertaking revenue expenditure. This raises the issue of the quality of fiscal deficit and shows that this proportion of government borrowing

Table 3: Variation in Major Items – 2009-10 (BE) over 2008-09 (RE)

(Amount in Rs. crore)

Item	2008-09 (RE)	2009-10 (BE)	Variation		Contribution* (Per cent)
			Amount	Per cent	
1	2	3	4	5	6
I. Revenue Receipts (i+ii)	**7,37,865**	**8,04,943**	**67,078**	**9.1**	**100.0**
(i) Tax Revenue (a+b)	5,03,878	5,52,243	48,365	9.6	72.1
(a) Own Tax Revenue	3,30,405	3,66,523	36,118	10.9	53.8
of which: Sales Tax	2,02,610	2,25,009	22,399	11.1	33.4
(b) Share in Central Taxes	1,73,473	1,85,720	12,247	7.1	18.3
(ii) Non-Tax Revenue	2,33,987	2,52,701	18,713	8.0	27.9
(a) States Own Non-Tax Revenue	79,614	84,017	4,403	5.5	6.6
(b) Grants from Centre	1,54,373	1,68,683	14,310	9.3	21.3
II. Revenue Expenditure	**7,27,165**	**8,37,238**	**1,10,074**	**15.1**	**100.0**
of which:					
(i) Development Expenditure	4,45,889	4,92,443	46,553	10.4	42.3
of which:					
Education, Sports, Art and Culture	1,29,706	1,54,781	25,075	19.3	22.8
Power	36,715	32,020	-4,695	-12.8	-4.3
Rural Development	30,040	43,147	13,107	43.6	11.9
(ii) Non-Development Expenditure	2,60,899	3,21,907	61,008	23.4	55.4
of which:					
Administrative Services	57,144	74,389	17,245	30.2	15.7
Pension	66,938	87,220	20,282	30.3	18.4
Interest Payments	1,06,220	1,16,427	10,207	9.6	9.3
III. Capital Receipts	**1,86,201**	**2,25,114**	**38,914**	**20.9**	**100.0**
of which:					
Non-Debt Capital Receipts	5,314	2,216	-3,098	-58.3	-8.0
IV. Capital Expenditure	**2,13,259**	**2,18,540**	**5,281**	**2.5**	**100.0**
of which:					
Capital Outlay	1,57,254	1,60,247	2,993	1.9	56.7
of which:					
Capital Outlay on Irrigation & Flood Control	48,727	45,905	-2,821	-5.8	-53.4
Capital Outlay on Energy	18,728	15,478	-3,251	-17.4	-61.6
Capital Outlay on Transport	29,614	28,859	-755	-2.5	-14.3
Memo Item:					
Revenue Deficit	-10,701	32,295	42,996	-401.8	
Gross Fiscal Deficit	1,46,349	1,99,510	53,161	36.3	
Primary Deficit	40,128	83,083	42,954	107.0	

RE: Revised Estimates. BE: Budget Estimates. * : Denotes percentage share in relevant total.

Note : 1. Negative (–) sign in deficit indicators indicates surplus.

2. Capital receipts include public accounts on a net basis while capital expenditure excludes public accounts.

Source: Budget Documents of the State Governments.

would not lead to the creation of assets, which would have given returns in the future to service States' debts. However, the revenue deficit (RD)-GFD ratio of 16 per cent is significantly lower than what prevailed at around 60 per cent during 1998-99 to 2002-03. Nonetheless, this underlies a weakness that emerged in the profile of State government finances during 2009-10 *albeit* due to subdued macroeconomic conditions and the implementation of revised wages and salaries. However, this may prove to be only a temporary aberration once the growth momentum in the economy accelerates and revenue buoyancy improves further.

The impact of the macroeconomic slowdown can be gauged from the fact that the States have budgeted only a moderate rise of 9.1 per cent in revenue receipts in 2009-10 (BE) as compared with an 18.3 per cent rise recorded in 2008-09 (RE) (Statement 3). Growth in all sources of revenue receipts (except States' ONTRs) is estimated to be moderate in 2009-10 (BE) as compared with the previous year. Accordingly, States' OTR is budgeted to rise by 10.9 per cent in 2009-10 as compared with 15.3 per cent in 2008-09 (RE), while their share in central taxes is estimated to increase by 7.1 per cent as compared with a 14.6 per cent increase in the previous year. The moderate rise in States' share in central taxes is in line with the lower growth in gross tax revenue budgeted at the Central level. Growth in the consolidated non-tax revenue of the States is budgeted to decelerate during 2009-10 mainly on account of grants from the Centre. Grants from the Centre to the States are budgeted to increase by 9.3 per cent in 2009-10 as against the rapid increase of 42.1 per cent in 2008-09 (RE) (Statement 4). However, growth in States' ONTR is budgeted to be marginally higher at 5.5 per cent during 2009-10 as compared with 3.2 per cent growth in 2008-09 (RE). Revenue receipts as percentage to GDP (RR-GDP) are budgeted to marginally decline from 13.2 per cent in 2008-09 (RE) to 13.1 per cent in 2009-10. The slowdown has affected the statutory transfer of tax revenues from the Centre to the States. States' share in Central taxes as percentage to GDP is estimated to fall from 3.1 per cent in 2008-09 (RE) to 3.0 per cent in 2009-10 (BE). However, grants-in-aid from the Centre to the States – a discretionary component of central transfers — as ratio to GDP are budgeted to decline from 2.8 per cent in 2008-09 (RE) to 2.7 per cent in 2009-10 (BE). Overall, Central transfers to the States are budgeted to fall from 5.9 per cent of GDP in 2008-09 (RE) to 5.7 per cent in 2009-10. On the States' own revenue collection front, the ratio of their OTR to GDP is budgeted to remain stagnant at 5.9 per cent during the same period. In 2009-10 (BE), revenue receipts from sales tax/ VAT and land revenue as percentage to GDP are budgeted to remain the same, while the same from stamp duty and registration fees and State excise duty as percentage to GDP are estimated to be lower than 2008-09 (RE). Further, the own non-tax revenue (ONTR)-GDP ratio is budgeted to remain constant at 1.4 per cent during the same period.

Implementation of VAT across most of the States has helped them to augment their sales tax/ VAT-GDP ratio in recent years. During 2009-10, sales tax/VAT are budgeted to contribute around 61 per cent of the total own tax revenue collections of States. Although sales tax/VAT as a ratio to GDP is budgeted to increase marginally from 3.6 per cent in 2008-09 (RE) to 3.7 per cent in 2009-10 (BE), growth in sales tax/VAT is estimated to decelerate from 16.8 per cent in 2008-09 (RE) to 11.1 per cent in 2009-10 reflecting the possible impact of a perceived subdued growth. Implementation of GST would be a significant step towards tax reforms. GST will replace excise duty and service tax at the Centre and VAT at the state level. A well-designed GST is supposed to lower manufacturing costs and make businesses more efficient and that the introduction of GST would introduce buoyancy in revenues both by widening the tax base and by stimulating economic growth due to lower compliance costs and lower effective tax rates on a wider base.

Within non-tax revenues, interest receipts by State governments are budgeted to decline by 21.5 per cent in 2009-10 as compared with an increase of 31.1 per cent in 2008-09 (RE), while non-tax revenue on account of economic services is budgeted to rise marginally by 4.4 per cent in 2009-10 as compared with 18.6 per cent in 2008-09 (RE). As far as the cost recovery aspect at the State level is concerned, it is estimated to be lower in 2009-10 in case of social services as compared with 2007-08. Among economic services, there has been substantial improvement in the power sector in recent years which is likely to continue in 2009-10 (BE). Similarly, the recovery rate in the road sector is also estimated to improve in 2009-10 (BE). Cost recovery in the irrigation sector recorded a steady improvement during 2006-07 to 2008-09 (RE) which, however, is likely to witness a slippage in 2009-10 (BE).

Growth in the consolidated revenue expenditure of State governments is budgeted to decelerate from 25.2 per cent in 2008-09 (RE) to 15.1 per cent in 2009-10 (BE). However, as a ratio to GDP, revenue expenditure is budgeted to increase from 13.0 per cent to 13.6 per cent during the same period. While development revenue expenditure is budgeted to increase by 10.4 per cent in 2009-10 (BE), non-development revenue expenditure would increase by 23.4 per cent. In 2009-10 (BE), increase in development revenue expenditure is budgeted to grow mainly on account of social services comprising education, sports, art and culture and medical, public health and family welfare. However, revenue expenditure on housing is budgeted to decline by 30.8 per cent in 2009-10 (BE). Among the economic services, the States have budgeted significantly higher expenditure on rural development, irrigation and flood control. Rise in non-development expenditure would contribute around 55.4 per cent of the increase in revenue expenditure in 2009-10 (BE). Increase in budgeted expenditure on committed expenditure comprising pensions, administrative services and interest payments would contribute 78.2 per cent of the total increase in the non-development expenditure. Committed expenditure as a ratio to revenue receipts is also budgeted to increase from 31.2 per cent in 2008-09 (RE) to 34.5 per cent in 2009-10 (BE) (Statements 5 and 6).

At a consolidated level, the States have budgeted an increase of 20.9 per cent in capital receipts for 2009-10 as compared with a 31.1 per cent increase in 2008-09 (RE) mainly on account of market loans and special securities issue to National Small Savings Fund (NSSF), loans from the Centre and small saving and provident funds. During 2009-10, the States have budgeted loans from the Centre to the extent of Rs. 17,284 crore [an increase of 76.6 per cent over 2008-09 (RE)] as compared with Rs. 9,786 crore (an increase of 35.0 per cent) in the previous year. Similarly, NSSF receipts are budgeted to increase by 85.0 per cent in 2009-10 (BE). Small savings and provident fund are also estimated to increase by 48.0 per cent in 2009-10 (BE) over the previous year. However, capital receipts with respect to the recovery of loans and advances are budgeted to decline sharply by 60.2 per cent as compared with an increase of 48.9 per cent in the previous year (Statement 7).

With States' increasing dependence on market borrowings for financing their GFD in recent years in line with the recommendations of the TwFC, there are signs of declining share of NSSF and loans from the Centre in the States' total capital receipts. However, their respective share is estimated to be higher, *albeit* marginally, in 2009-10. Deposits and advances (net), which include deposits bearing interest as well as those not bearing interest, are also budgeted to increase by 65.1 per cent in 2009-10 over 2008-09 (RE) contributing about 10 per cent to the total capital receipts. In addition, the three States of Karnataka, Uttarakhand and Haryana have budgeted to mobilise capital receipts by sale of land (disinvestment). In 2008-09, two States, which had proposed to mobilise Rs.15,000 crore through disinvestment (sale of land), were able to realise only one-third of the total budgeted amount. Non-debt capital receipts are budgeted to be lower by 58.3 per cent than 2008-09 (RE). The Centre allowed State governments to raise additional market borrowings to the extent of 0.5 per cent of GSDP in 2008-09 and further 0.5 per cent in 2009-10. The purpose of this was to encourage the States to undertake additional capital investments and boost domestic aggregate demand. However, during 2009-10 (BE), States' capital expenditure is budgeted to grow by 2.5 per cent, as compared with the sharp rise of 24.3 per cent in 2008-09 (RE). Capital expenditure as a ratio to GDP is budgeted to decline from 3.8 per cent in 2008-09 (RE) to 3.5 per cent in 2009-10 (BE). The growth in capital outlay is budgeted to decelerate to 1.9 per cent in 2009-10 as compared with 32.3 per cent in 2008-09 (RE). Capital outlay as a ratio to GDP is budgeted to fall from 2.8 per cent in 2008-09 (RE) to 2.6 per cent in 2009-10. In absolute terms, while capital outlay on economic services is budgeted to grow by 2.2 per cent as compared with 28.9 per cent growth in 2008-09 (RE), the same on social services is budgeted to decline by 0.3 per cent in 2009-10 as against the 49.1 per cent rise in 2008-09 (RE). Similarly, loans and advances by the State governments for developmental purposes are budgeted to decline by 17.3 per cent in 2009-10 as compared with an increase of 16.9 per cent in 2008-09 (RE). The amount that the States have budgeted for repaying internal debt during 2009-10 is higher by 16.0 per cent over the previous year. Thus, the proposed capital outlay pattern of State governments during 2009-10 does not show any explicit counter-cyclical effort by the State governments to attenuate the concerns of the slowdown. In fact, during 2009-10, the consolidated capital expenditure of State governments in absolute terms is budgeted to be lower than the capital receipts. Thus, unlike in the previous three years, capital receipts are budgeted to be used for meeting revenue deficit in 2009-10. The share of social sector expenditure (SSE) in total expenditure (TE) is budgeted to be marginally higher at 39.4 per cent in 2009-10 as against 38.3 per cent in 2008-09 (RE) which is substantially higher than the average of the first half of the 2000s. Around 85.6 per cent of the total SSE would be spent in the form of revenue expenditure in 2009-10 as compared with 86.0 per cent in 2008-09 (RE) while the share of capital outlay in total SSE would be marginally higher during the same period. The share of wages and salaries in revenue expenditure of State governments is budgeted to increase from 29.3 per cent in 2008-09 (RE) to 32.6 per cent in 2009-10. A significant rise in wages and salaries as percentage to GDP in 2008-09 (RE) as well as in 2009-10 (BE) is on account of the implementation of the Sixth CPC/SPCs by most of the major State governments.

The overall financial position of the States had shown tremendous improvement till 2007-08 (Accounts) as is evident from the key fiscal indicators (Table 4). The enactment of FRLs aided the process of fiscal consolidation at the State level (Annex 1). In addition, fiscal consolidation at the State level was achieved on the back of growing own revenues and higher resource transfers from the Central Government enabled by an overall robust growth of the economy, and falling interest rate payments of States' due to the Debt Swap Scheme and the Debt Consolidation and Relief Facility as recommended by the TwFC. However, there appears to be a temporary halt in the fiscal consolidation process in 2008-09 (RE) and 2009-10 (BE) due to subdued economic conditions in the economy.

With revenue account turning from surplus to deficit in 2009-10 (BE), there would be a compositional shift in GFD in 2009-10. While in 2008-09 (RE), surplus in the revenue account financed the GFD to the extent of 7.3 per cent, such comfort would cease to exist in 2009-10. The re-emergence of revenue deficit in 2009-10 would contribute 16.2 per cent of GFD. In 2009-10, while capital outlay would continue to dominate as a major component of GFD, its share in GFD is budgeted to decline. Increase in net lending and decline in non-debt capital receipts would also aggravate the size of GFD in 2009-10 (BE). The financing pattern of gross fiscal deficit at the State level in recent years has undergone a significant change mainly on account of : (i) the recommendations of TwFC for phasing out loans from the Centre to the State governments; and (ii) decline in collections under NSSF. As a result, market borrowings have emerged as a major

Table 4: Trends in Major Deficit Indicators of State Governments

(Amount in Rs. crore)

Year	Revenue Deficit	Gross Fiscal Deficit	Primary Revenue Balance	Primary Deficit
1	2	3	4	5
1999-00	54,549 (2.8)	90,099 (4.6)	9,907 (0.5)	45,458 (2.3)
2000-01	55,316 (2.6)	87,923 (4.2)	4,331 (0.2)	36,937 (1.8)
2001-02	60,398 (2.7)	94,260 (4.1)	-1,198 (-0.1)	32,665 (1.4)
2002-03	57,179 (2.3)	99,726 (4.1)	-11,848 (-0.5)	30,699 (1.3)
2003-04	63,407 (2.3)	1,20,631 (4.4)	-16,989 (-0.6)	40,235 (1.5)
(Net of Power Bonds)		94,086 (3.4)		
2004-05	39,158 (1.2)	1,07,774 (3.3)	-47,263 (-1.5)	21,353 (0.7)
2005-06	7,013 (0.2)	90,084 (2.4)	-77,011 (-2.1)	6,060 (0.2)
2006-07	-24,857 (-0.6)	77,508 (1.8)	-1,18,037 (-2.8)	-15,672 (-0.4)
2007-08	-42,943 (-0.9)	75,455 (1.5)	-1,42,773 (-2.9)	-24,376 (-0.5)
2008-09 (RE)	-10,701 (-0.2)	1,46,349 (2.6)	-1,16,921 (-2.1)	40,128 (0.7)
2009-10 (BE)	32,295 (0.5)	1,99,510 (3.2)	-84,132 (-1.4)	83,083 (1.3)

RE : Revised Estimates. BE : Budget Estimates.

Note : 1. Negative (–) sign indicates surplus.
2. Figures in parentheses are percentages to GDP.
3. State Governments had issued power bonds amounting to Rs.28,984 crore during 2003-04 to CPSUs under one-time settlement scheme for dues of State Electricity Boards.

Source : Budget Documents of the State Governments.

financing item of GFD since 2007-08 as compared with dominance of borrowings from NSSF and loans from the Centre in previous years. Market borrowings, which financed more than two-third of the GFD in 2008-09 (RE), would finance around 57.9 per cent of the total GFD in 2009-10 (BE) (Table 5).

A perusal of the budgetary data provided by the Union Budget and the State budgets continue to show wide variations. In general, States over-estimate grants-in-aid and loans from the Centre and flows from NSSF, while underestimate the share in Central taxes. In 2009-10 (BE), the State budgets however, have underestimated flows from the NSSF. In contrast, State governments seem to be expecting more on account of share in Central taxes than what the Union Budget (2009-10) has proposed. The extent of over-estimation of aggregate resources to be received from the Centre appears to be significantly higher than the previous years. For instance, if an over-estimated amount of Rs. 50,194 crore (0.8 per cent of GDP) on account of share in Central taxes and grants-in-aid, remains unrealised from the Centre, this would increase the States' consolidated revenue deficit to that extent during 2009-10 under a *ceteris paribus* condition. This will place the consolidated revenue deficit at Rs. 82,489 crore in 2009-10. Such wide variations between budget estimates of the Centre and State governments would have implications for State finances. Experience of the past two years, however, shows that the receipts on account of share in Central taxes turned out to be underestimated in 2007-08 (Accounts) and 2008-09 (RE) as compared with the State's budget estimates, while the same on account of grants-in-aid from the Centre turned out to be over-estimated. Given this, the total resources received from the Centre in the form of share in Central taxes and grants-in-aid were only marginally lower than their budgetary estimates during 2007-08 (Accounts) and 2008-09 (RE). If the same pattern continues in 2009-10, there may not be much implication for the overall revenue receipts of State governments. However, it would depend on the revenue collections of the Centre and the overall macroeconomic conditions in the economy.

Table 5: Decomposition and Financing Pattern of Gross Fiscal Deficit – 2007-08 (Accounts) to 2009-10 (BE)

(Per cent to GFD)

Item	2007-08	2008-09 (RE)	2009-10 (BE)
1	2	3	4
Decomposition (1+2+3-4)	**100.0**	**100.0**	**100.0**
1. Revenue Deficit	-56.9	-7.3	16.2
2. Capital Outlay	157.5	107.5	80.3
3. Net Lending	8.6	3.5	4.6
4. Non-debt Capital Receipts	9.2	3.6	1.1
Financing (1 to 11)	**100.0**	**100.0**	**100.0**
1. Market Borrowings	71.5	68.6	57.9
2. Loans from Centre	-1.2	1.3	4.7
3. Special Securities issued to NSSF/Small Savings	7.8	2.1	4.5
4. Loans from LIC, NABARD, NCDC, SBI and Other Banks	8.3	6.2	4.2
5. Small Savings, P.F., *etc.*	16.4	10.0	10.8
6. Reserve Funds	-7.8	1.4	1.3
7. Deposits and Advances	18.0	3.9	4.7
8. Suspense and Miscellaneous	5.0	-2.2	0.2
9. Remittances	1.7	0.1	–
10. Others	-1.7	-2.5	-1.2
11. Overall Surplus (–) / Deficit (+)	-17.8	11.2	12.9

BE : Budget Estimates. RE : Revised Estimates.

Note : 1. 'Others' include Compensation and Other Bonds, Loans from Other Institutions, Appropriation to Contingency Fund, Inter-State Settlement and Contingency Fund.

Source : Budget Documents of the State Governments.

Outstanding Liabilities and Market Borrowings

The consolidated outstanding liabilities of the State governments as at end-March 1991 were placed at Rs.1,28,155 crore (22.5 per cent of GDP). The debt-GDP ratio, which was as low as 20.7 per cent as at end-March 1997, rose sharply to 32.8 per cent as at end-March 2004 on account of large and persistent revenue deficits resulting in high GFD leading to large accumulation of debt and a concomitant increase in the debt service burden during the period. Realising the sustainability issue of the high level of debt, many of the State governments have placed limits on the level of debt to be achieved within a stipulated time frame in their FRLs. The TwFC had recommended for a debt-GDP ratio of 30.8 per cent to be achieved by the States at end-March 2010. Furthermore, the TwFC had recommended an overall cap on borrowings (3.0 per cent of GSDP) to be achieved by the State governments by the end of 2009-10. The TwFC also recommended the ratio of interest payments to revenue receipts at 15 per cent to be achieved by 2009-10. The debt relief mechanism prescribed by the TwFC, incentivised by adherence to the rule-based fiscal regime by the States helped to contain the magnitude of outstanding liabilities. The structure of outstanding debt has an important bearing on interest payment as different debt instruments carry different rates of interest depending on the type of borrowing and maturity structure. It is evident that the share of market borrowings has increased sharply over the years and it would comprise almost one-third of the total outstanding liabilities as at end-March 2010. However, there has been a substantial decline in the share of loans from the Centre. The dominance of NSSF has also declined persistently since end-March 2007 and is budgeted to contribute around one-fourth of the total outstanding liabilities as at end-March 2010. The share of high cost debt instruments, *i.e.,* public accounts items like small savings and provident fund in total outstanding liabilities which had increased marginally to 26.9 per cent at end-March 2008 from 25.5 per cent at end-March 2005, thereafter showed a declining trend. Market borrowings comprising one-third of the outstanding liabilities reflect the low cost debt segment of the States (Statement 8 and Annex 2).

The share of high cost market loans (interest rate over 10.0 per cent) of State governments declined during 2008-09. As at end-March 2009, the share of outstanding stock of market loans with interest rate of 10 per cent and above declined to 10.1 per cent from 18.4 per cent as at end-March 2008. Another encouraging trend observed in 2008-09 (RE) is the increase in the share of outstanding market loans with interest rate of less than 8 per cent. However, the share of outstanding market loans with interest rates ranging between 8-10 per cent increased from 27.3 per cent in end-March 2008 to 34.4 per cent as at end-March 2009. During 2009-10 (up to February 8, 2010), the States had raised market loans amounting to Rs.1,14,091 crore (or 96.1 per cent of the budgeted allocation) through auctions with a cut-off rate in the range of 7.04-8.49 per cent. In 2009-10 (upto February 8, 2010), the entire amount of market borrowings was raised through the auction route as was the case in the previous two years, indicating State governments intention to raise market borrowings based on their improved financial conditions (Table 6). The weighted average interest rate on market borrowings which had declined since the mid-1990s upto 2003-04, firmed up to 8.25 per cent during 2007-08 in line with the general upward movement in interest rates. However, thereafter, the weighted average yield of State government securities issued during 2008-09 and 2009-10 (upto February 8, 2010), was lower than 2007-08, despite a significant increase in market borrowings by the States.

Based on information made available by select State governments, the outstanding guarantees of State governments increased sharply from Rs. 1,32,029 crore (6.8 per cent of GDP) as at the end –March 2000 to Rs. 2,19,658 crore (8 per cent of GDP) as at end-March 2004.The outstanding guarantees of the State governments have declined thereafter to Rs. 1,71,058 crore (3.5 per cent of GDP) as at end-March 2008.

Table 6: Market Borrowings of State Governments#

(Rs. crore)

Item	2007-08	2008-09	2009-10
1	2	3	4
1. Net Allocation	28,781	51,719	1,02,458 ^
2. Additional Allocation	4,454	14,326	–
3. Additional Allocation on account of NSSF shortfall	35,780	19,768	–
4. Additional Allocation towards second stimulus package		28,896	–
5. Total (1+2+3+4)	69,015	1,14,709	1,02,458
6. Repayments	11,555	14,371	16,238
7. Gross Allocation (5+6)	80,570	1,29,080	1,18,696
8. Total Amount Raised (i + ii)	67,779	1,18,138	1,14,091
(i) Tap Issues	–	–	–
(ii) Auctions	67,779	1,18,138	1,14,091 *
9. Net Amount Raised (8-6)	56,224	1,03,767	97,853
Memo item:			
(i) Coupon/Cut-off Yield Range (%)	7.84-8.90	8.39-9.90	7.04-8.49
(ii) Weighted Average Interest Rate (%)	8.25	7.90	8.06
(iii) Average Maturity (in years)	10.00	10.00	10.00

* : Amount raised upto February 8, 2010.

^ : Net Allocation has not been finalised for Andhra Pradesh, Jharkhand and Maharashtra.

: Includes the Union territory of Puducherry.

Note : Data on market borrowing as per RBI records may differ from that reported in the budget documents of the State Governments.

Source : Reserve Bank records.

Liquidity Position and Cash Management

Keeping in view the cash surplus position of the State governments, the WMA limits of State governments have been left unchanged since 2006-07. Accordingly, the extant State-wise normal WMA limit was fixed at Rs.9,925 crore for 2008-09 (inclusive of Rs.50 crore for the Union Territory of Puducherry) and the limit has been retained for 2009-10 as well. The rate of interest on normal and special WMA and OD continued to be linked to the repo rate. During 2008-09, the average utilisation of normal WMA, special WMA and overdrafts by the States remained low reflecting an improvement in the overall cash position resulting in a build-up of high levels of surplus cash balances by most of the State governments. During 2008-09, six States, *viz.,* Kerala, Madhya Pradesh, Nagaland, Punjab, West Bengal and Uttarakhand resorted to WMA as against eight States, *viz.,* Kerala, Nagaland, Punjab, West Bengal, Himachal Pradesh, Manipur, Mizoram and Uttarakhand in the previous year. However, during 2009-10, the situation deteriorated as the number of States that availed WMA increased to ten comprising Andhra Pradesh, Haryana, Kerala, Madhya Pradesh, Punjab, Uttar Pradesh, West Bengal, Mizoram, Nagaland and Uttarakhand.

During 2009-10 so far (February 11, 2010), Punjab availed of WMA for a maximum 93 days, followed by Nagaland (45 days) and West Bengal (15 days).

Special Theme: Expenditure of State Governments - Trend and Composition

As a special theme for the present study, an analysis of the trend and pattern of States' expenditure is presented in this section. The theme is aimed at a focused analysis of the expenditure of State governments covering the period 1980-81 to 2009-10. Trend analysis shows that the aggregate expenditure of State governments as percentage of GDP accelerated during the 1980s and decelerated during the 1990s. Aggregate expenditure as percentage of GDP moved upward during 2000-05. However, compression in the consolidated expenditure of State governments can be observed during 2005-10 mainly on account of some rationalisation of revenue expenditure during the fiscal responsibility legislation (FRL) period. This is evident from a decline in the RE-GDP ratio from 13.3 per cent in 2000-05 to 12.4 per cent during 2005-10 (Table 7).

As far as a broad composition of the total expenditure of State governments is concerned, revenue spending showed a steady increase during the 1980s and 1990s. Since the beginning of the 2000s, there has been a modest decline in the share of revenue expenditure to total expenditure. With the concomitant rise in the share of capital expenditure to total expenditure from 16.8 per cent during 1995-00 to 21.2 per cent during 2000-05, there was an increase in the capital outlay by 0.2 percentage points during the same period (Table 7). However, the share of capital outlay in aggregate expenditure rose sharply from 9.6 per cent during 2000-05 to 15.4 per cent during 2005-10. Nevertheless, the spending patterns of State governments show persisting domination of revenue expenditure with marginal significance for their long term growth potential as they are generally considered to be consumption spending of the State governments unlike capital expenditure. Moreover, the rising share of revenue expenditure reflects structural rigidities in expenditure patterns making expenditure management of State governments difficult. Furthermore, the compound annual rate of growth (CARG) in revenue expenditure during 1980-81 to 2009-10 is found to be higher than capital expenditure.

As far as the composition of revenue expenditure is concerned, it continues to be dominated by development expenditure which mainly comprises spending by States on social and economic services. Development expenditure accounted for 71 per cent of the total revenue expenditure of

Table 7: Trend in Expenditure of the State Governments

(Per cent to GDP)

Period	Revenue Expenditure	Capital Expenditure	*of which:* Capital Outlay	Total Expenditure
1	2	3	4	5
1980-85	10.6	4.5	2.0	15.1
1985-90	12.2	3.9	1.8	16.1
1990-95	12.7	3.2	1.5	15.9
1995-2000	12.4	2.5	1.4	14.9
2000-05	13.3	3.6	1.6	17.0
2005-10	12.4	3.5	2.4	15.9
CARG	14.9	12.4	14.4	14.2

CARG : Compound Annual Rate of Growth.
Source : Budget Documents of the State Governments.

the States during 1980-85. However, its share in total revenue expenditure steadily declined till 2000-05 (54.7 per cent) before rising marginally in subsequent years (58.0 per cent during 2005-10). The share of non-development revenue expenditure in total revenue expenditure witnessed a concomitant increase till 2004-05 and a moderate decline thereafter. Development revenue expenditure continues to be dominated by social services. Social services—accounting for 57.5 per cent of the total development revenue expenditure during 1980-85—have witnessed a marginal increase in their share since 1995-2000. In contrast, the average share of economic services recorded a marginal increase during 1985-90 and 1990-95 but declined in subsequent sub-periods. Development revenue expenditure as percentage to GDP (DRE-GDP) which stood at 7.5 per cent during 1980-85, rose to 8.5 per cent during 1985-90 due to a rise in revenue spending on social as well as economic services. However, the DRE-GDP ratio has witnessed a secular decline since 1990-95 mainly due to declining revenue expenditure on economic services as percentage to GDP. Revenue expenditure on social services as percentage to GDP has also declined since 1985-90 *albeit* at a slower pace compared to economic services. The major categories of revenue expenditure on social services, *viz.*, education, sports, art and culture; medical and public health; and water supply and sanitation witnessed a decline in terms of GDP. Among the economic services, agriculture and allied activities accounted for a major decline in the DRE-GDP ratio over the years. However, the States have gradually increased their revenue spending on the energy sector from 0.1 per cent in 1980-85 to 0.7 per cent of GDP during 2000-05.

Interest payments, administrative services and pensions account for a dominant portion of the non-development revenue expenditure. These expenditures are of committed nature and has a first charge on the government's resources. Thus, such expenditure renders the expenditure management process less flexible for the State governments. Committed expenditure as percentage to GDP rose substantially from 2.3 per cent during 1980-85 to 5.0 per cent during 2000-05. This was mainly on account of a sharp increase in interest payments by State governments to service their outstanding debts comprising mainly of loans from the Centre, internal debt, small savings and provident funds. Between 1980-85 and 2000-05, around 66 per cent of the total increase in committed expenditure could be attributed to a rise in interest payments. The debt servicing burden soared with high cost borrowings financing current expenditure amidst growing fiscal imbalances, particularly during 1986-87 to 1997-98 (Table 8).

Before the initiation of the National Small Saving Fund, loans from the Centre

Table 8: Committed Expenditure and its Composition

(Per cent to GDP)

Period	Interest Payments	Adminis-trative Services	Pensions	Committed Expenditure
1	2	3	4	5
1980-85	0.9	1.1	0.3	2.3
1985-90	1.3	1.2	0.5	3.0
1990-95	1.7	1.2	0.6	3.5
1995-2000	2.0	1.1	0.8	3.9
2000-05	2.7	1.1	1.2	5.0
2005-10	2.1	1.0	1.2	4.3

Source : Budget Documents of the State Governments.

were a major source of financing of fiscal deficits of the States till 1998-99. Thus, interest payment on these loans remained a major component in the total interest payments of the States till 2003-04. Thereafter, there has been a significant decline in interest payment on loans from the Centre partly due to the Debt Swap Scheme (DSS) operated during 2002-05 and the Debt Consolidation and Relief Facility (DCRF) recommended by the TwFC. A similar trend has been observed in interest payment as percentage to revenue receipts (IP-RR). The IP-RR ratio moved progressively from 7.5 per cent during 1980-81 to 26.0 per cent during 2003-04. Subsequently, the IP-RR ratio declined sharply to 15.1 per cent during 2008-09. This broadly complies with the sustainability level of below 15.0 per cent prescribed with respect to the IP-RR ratio of the States by the TwFC. Interest payments as percentage of GDP also showed a secular increasing trend till 2003-04 and a declining trend thereafter. In the light of the Centre's decision to discontinue Plan loans to the States with effect from April 2005 as recommended by the TwFC, the States had to mobilise resources for funding their GFD mainly through market borrowings and special securities issued to NSSF. Consequently, interest payments on market loans and NSSF loans have gradually risen in the recent period. Since the interest rate for NSSF loans is the highest of all the borrowings of the States, it puts enormous strain on interest payments. However, interest payment on small savings and provident funds as percentage to GDP has remained almost stable in recent years (Table 9).

Another encouraging trend that has emerged in recent years is the rising share of capital outlay in total capital expenditure of State governments. The share of capital outlay in total capital expenditure increased from 44.4 per cent in 1980-81 to 68.6 per cent during 2009-10. This reflects an increasing role of State governments in generating productive capacity and enhancing their growth potential. Although growth in capital outlay has shown fluctuating trends over the years, CARG during 1980-81 to 2009-10 was found to be higher than that of capital expenditure of State government. Capital outlay mainly comprises spending on developmental

Table 9: Trend in Interest Payments of State Governments

(Per cent of GDP)

Item	1980-85	1985-90	1990-95	1995-2000	2000-05	2005-10
1	2	3	4	5	6	7
Interest Payments (i to iv)*	0.9	1.3	1.7	2.0	2.7	2.1
i) Interest on Loans from the Centre	0.6	0.8	1.0	1.1	1.1	0.3
ii) Interest on Internal Debt	0.2	0.2	0.3	0.4	1.2	1.4
of which:						
Interest on Market Loans	0.1	0.2	0.3	0.4	0.5	0.5
Interest on NSSF					0.1	0.8
iii) Interest on Small Savings, Provident Funds, etc.	0.1	0.2	0.3	0.3	0.4	0.3
iv) Others	–	–	–	0.1	0.1	0.1

– : Nil / Negligible / Not Applicable. * : Due to rounding of figures may differ as given in other Tables.
Source : Budget Documents of the State Governments.

activities pertaining to social and economic services. Developmental capital outlay as percentage to GDP (DCO-GDP) persistently declined from 2.0 per cent during 1980-85 to 1.3 per cent during 1995-2000. However, with increasing focus of State governments on economic services pertaining to rural development, irrigation activities, energy and transport in subsequent years, the DCO-GDP ratio rose to 1.6 per cent during 2000-05 and 2.4 per cent during 2005-10. Developmental capital outlay on economic services as percentage to GDP rose from 1.1 per cent during 1995-2000 to 1.9 per cent during 2005-10. The development capital outlay of State governments on the transport sector as percentage to GDP has witnessed a considerable increase, particularly since the beginning of the 2000s. Similarly, an increase in development capital outlay on the energy sector as percentage to GDP from 0.15 per cent to 0.30 per cent during 2009-10 reflects the State governments' focus on meeting their energy requirements. Furthermore, developmental capital outlay on social services as percentage to GDP also increased from 0.3 per cent to 0.5 per cent during 1995-2000 and 2005-10. Within the social services, capital outlay was mainly allocated in the sectors, *viz.*, water supply and sanitation followed by education, sports, art and culture and medical and public health.

A composition of aggregate expenditure by State governments showed that it has been largely spent for developmental purposes. Development expenditure as percentage of GDP (DE-GDP), in general, showed a declining trend during 1987-88 and 2004-05. However, the DE-GDP ratio rose thereafter. While development capital outlay as a percentage of GDP has shown a significant rise during 2000-05 and 2005-10, development revenue expenditure as percentage of GDP continued to show a declining trend (Table 10).

Issues and Perspectives

The fiscal correction and consolidation witnessed in State finances in the recent past is under pressure due to the economic slowdown. This has an adverse impact on the overall tax revenue of the States— both on their own tax revenue as also devolution from the Centre to States in terms of sharable taxes and grants from the Centre. The slowdown in the economy may result

Table 10 : Composition of Development Expenditure

(Per cent of GDP)

Item	1980-85	1985-90	1990-95	1995-2000	2000-05	2005-10	CARG
1	2	3	4	5	6	7	8
Development Expenditure (i+ii)	10.9	11.4	10.7	9.4	9.4	9.8	13.7
Of which:							
(i) Revenue	7.5	8.5	8.3	7.5	7.3	7.2	14.2
(ii) Capital	3.4	2.9	2.4	1.9	2.1	2.6	12.5
Non-Development Expenditure	3.1	3.7	4.3	4.8	5.9	5.0	16.1
Others	1.3	1.1	0.9	0.7	1.7	1.1	12.2
Total	**15.3**	**16.1**	**15.9**	**14.9**	**17.0**	**15.9**	**14.2**

Source: Budget Documents of the State Governments.

in lower revenue mobilisation for the States from VAT, stamp duty and other taxes. Incipient signs are visible in terms of a decline in States' own tax revenue during 2008-09 (RE) over budget estimates (BE). The State governments, therefore, need to reinvigorate their efforts to expand the scope and size of revenue flows into the budget so as to ensure adequate funds for development activities. The decline in the States' own tax revenues is a matter of concern. The States may need to consider expediting measures on revenue augmentation through improvements on the tax front, *viz.*, including checking under-valuation of property to improve collections under stamp duty and registration fees and phasing out exemptions under sales tax. On the non-tax front, the States' own non-tax revenue at around 10 per cent of the total revenue receipts appears to be low by international standards. The States may, therefore, make efforts to increase their reliance on non-tax revenues by levying appropriate user charges. The expenditure pattern of the State governments suffers from inherent structural rigidities from components such as subsidies, salaries and wages and interest payments. As the States have an important role in the development of social and economic infrastructure, expenditure compressions should focus on non-essential expenditure.

Many countries have embarked on a massive effort of 'government reengineering' to better target dwindling budgetary resources towards higher priority uses. This relates to both size and sectoral allocations aimed at removing inefficiencies arising from misallocation, design and implementation of schemes and delivery of services. This process seeks to deepen reforms and strengthen capacity for an effective and efficient delivery of basic public services.

In strengthening the fiscal rule framework, the States need to keep in view that a policy rule faces important trade-offs between targets and varies widely, reflecting State specific circumstances and policy priorities. To minimise the credibility-flexibility trade-off, in practice combinations of targets are often used, but it is important to keep the rule operationally simple and transparent. Based on their experiences of FRLs, the States may consider strengthening the rule based formula by incorporating the following elements:

- A counter-cyclical fiscal policy framework which *inter alia* may include setting up of a fiscal stabilisation fund;
- A target for debt-GSDP and interest payments-revenue receipts with a view to attaining debt sustainability. In addition, a rule may be prescribed for primary revenue balance (PRB), *i.e.,* PRB should be in surplus and adequate enough to meet the interest payments of the States;
- Numerical targets with respect to certain categories of expenditure such as non-interest revenue expenditure with sub-targets for revenue expenditure on social services and on economic services;
- Institutional reforms such as common budgetary practices, transparency rules, accounting system, public expenditure management and outcome budgeting; and

- Independent audit mechanisms and transparent oversight and monitoring.

Despite the fact that most of the States have introduced FRLs, vast gaps still exist in terms of disclosure of adequate information. Therefore, States lacking disclosures and transparency standards need to gradually improve keeping in view the best benchmarks set forth by some other States.

The build-up of large cash balances at the State level in recent years raises issues regarding cash management by State governments. Since the States earn a lower rate of return on their investments, instead of over-borrowing, the States may consider using surplus cash balances to finance their GFD. Alternatively, the cash surplus may be used for repaying old high cost debt. Further, the States may make efforts towards building up capacity for better cash management. It is suggested that apart from greater coordination among the government entities required for making realistic assessments of their cash needs, the States may also attempt to avoid a build-up of cash surplus by adopting advanced forecasting and monitoring mechanisms keeping in view the best practices across advanced economies.

Keeping in view the need for spurring aggregate demand in the economy, the Central Government allowed the States to raise additional market borrowings of 0.5 per cent of Gross State Domestic Product (GSDP), thus increasing the limit of GFD to 4.0 per cent of GSDP during 2009-10 (3.5 per cent of GSDP during 2008-09). The prevailing global crisis has shifted the focus of fiscal policy to providing growth stimulus at the State level too and accordingly some of the states have undertaken stimulus measures. In view of these, the States' fiscal position in the coming period would, however, largely hinge upon: (i) how fast the economy recovers with implications for recovery in tax collections by the States as well as the Centre; and (ii) how effectively the additional fiscal space is utilised. As soon as the Indian economy begins to recover, the State governments will need to re-affirm their commitment to fiscal responsibility and revert back to the path of fiscal consolidation.

The recommendations of the Sixth CPC have been implemented by the Central Government. A number of States have announced the implementation of the recommendations of the Sixth CPC/ SPCs in 2008-09 and 2009-10. It is difficult to gauge the precise impact of the Sixth CPC/ SPCs award as implementation has not been uniform across States. Provisioning for pay has created an additional burden for the States, thus limiting the available space for developmental expenditure.

Conclusion

An analysis of the fiscal position of the State governments indicates deterioration in key deficit indicators in 2008-09 (RE) *vis-à-vis* the budget estimates. This setback has been due to a combination of factors such as the recent economic slowdown with its corresponding decline in revenue and in turn an increase in expenditure on account of stimulus measures undertaken by many States. Incentives provided by the TwFC and budgetary rules have played a positive role in creating fiscal space for the States to embark on stimulus packages. As a part of counter-cyclical measures to minimise the impact of the global financial crisis and economic slowdown, the Central government allowed the States to increase the limit of fiscal deficit to 3.5 per cent of their respective GSDP during 2008-09 and further to 4.0 per cent of their GSDP in 2009-10. This additional fiscal space needs to be utilised for making capital investment. An improvement in the quality of expenditure, a reorientation of expenditure towards productive purposes may necessitate adherence to the principles of public expenditure management. Closely related to expenditure management is the issue of monitoring and evaluation of government programmes. A fiscal strategy based on revenue maximisation would also provide the necessary flexibility to shift the pattern of expenditure towards developmental purposes. To augment the States' resources, State governments need to reinvigorate the efforts to expand the scope and size of revenue flows into the budget through improvement in tax administration and the rationalisation of user charges. The foremost concern before the State governments is to bring State finances back on the path of fiscal correction.

Statement 1: Major Deficit Indicators of State Governments

(Amount in Rs. crore)

Year	Gross Fiscal Deficit	Revenue Deficit	Conventional Deficit	Primary Deficit	Net RBI Credit to States
1	2	3	4	5	6
1990-91	18,787	5,309	-72	10,132	420
	(3.3)	(0.9)	(-0.0)	(1.8)	(0.1)
1991-92	18,900	5,651	156	7,956	-340
	(2.9)	(0.9)	(0.0)	(1.2)	(-0.1)
1992-93	20,891	5,114	-1,829	7,681	176
	(2.8)	(0.7)	(-0.2)	(1.0)	(0.0)
1993-94	20,364	3,872	363	4,564	591
	(2.4)	(0.4)	(0.0)	(0.5)	(0.1)
1994-95	27,308	6,706	-4,346	7,895	48
	(2.7)	(0.7)	(-0.4)	(0.8)	0.0
1995-96	30,870	8,620	-2,680	9,031	16
	(2.6)	(0.7)	(-0.2)	(0.8)	(0.0)
1996-97	36,561	16,878	7,202	11,175	898
	(2.7)	(1.2)	(0.5)	(0.8)	(0.1)
1997-98	43,474	17,492	-1,803	13,675	1,543
	(2.8)	(1.1)	(-0.1)	(0.9)	(0.1)
1998-99	73,295	44,462	3,268	37,854	5,579
	(4.2)	(2.5)	(0.2)	(2.2)	(0.3)
1999-00	90,099	54,548	3,125	45,458	1,312
	(4.6)	(2.8)	(0.2)	(2.3)	(0.1)
2000-01	87,923	55,316	-2,379	36,937	-1,092
	(4.2)	(2.6)	(-0.1)	(1.8)	(-0.1)
2001-02	94,260	60,398	3,545	32,665	3,451
	(4.1)	(2.7)	(0.2)	(1.4)	(0.2)
2002-03	99,726	57,179	-4,291	30,699	-3,100
	(4.1)	(2.3)	(-0.2)	(1.3)	(-0.1)
2003-04	1,20,631	63,407	-526	40,235	293
	(4.4)	(2.3)	(-0.0)	(1.5)	(0.0)
2004-05	1,07,774	39,158	-10,232	21,353	-2,705
	(3.3)	(1.2)	(-0.3)	(0.7)	(-0.1)
2005-06	90,084	7,013	-33,947	6,060	2,425
	(2.4)	(0.2)	(-0.9)	(0.2)	(0.1)
2006-07	77,508	-24,857	-16,324	-15,672	640
	(1.8)	(-0.6)	(-0.4)	(-0.4)	(0.0)
2007-08	75,455	-42,943	-13,410	-24,376	1,140
	(1.5)	(-0.9)	(-0.3)	(-0.5)	(0.0)
2008-09 (BE)	1,12,653	-28,426	-2,358	4,270	–
	(2.0)	(-0.5)	(-0.0)	(0.1)	(0.0)
2008-09 (RE)	1,46,349	-10,701	16,357	40,128	602
	(2.6)	(-0.2)	(0.3)	(0.7)	(0.0)
2009-10 (BE)	1,99,510	32,295	25,721	83,083	–
	(3.2)	(0.5)	(0.4)	(1.3)	–

RE: Revised Estimates. BE: Budget Estimates. '–' : Not Available.

Note : 1. Negative (-) sign indicates surplus in deficit indicators.
2. Conventional deficit represents the difference between aggregate disbursements and aggregate receipts. Aggregate receipts include: (i) revenue receipts; (ii) capital receipts excluding Ways and Means Advances and Overdraft from RBI, and (iii) net receipts under Public Account excluding withdrawals from Cash Balance Investment Account and deposit with RBI. Aggregate disbursements include: (i) revenue expenditure and (ii) capital disbursements excluding repayments of Ways and Means Advances and Overdraft from RBI.
3. Revenue deficit is the difference between revenue expenditure and revenue receipts.
4. Gross fiscal deficit is aggregate disbursements (net of debt repayments) less revenue receipts, non-debt capital receipts and recovery of loans and advances.
5. Primary deficit is gross fiscal deficit less of interest payments.
6. Figures in brackets are as percentage to GDP.
7. Figures in respect of Jammu and Kashmir from 1990-91 to 2007-08 and for Jharkhand from 2001-02 to 2007-08 relate to Revised Estimates.
8. The net RBI credit to State Governments refers to variations in loans and advances given to them by the RBI net of their incremental deposits with the RBI.

Source : Budget Documents of the State Governments and the Reserve Bank records.

Statement 2: Consolidated Budgetary Position at a Glance

(Amount in Rs. crore)

Item	2007-08 (Accounts)	2008-09 (Budget Estimates)	2008-09 (Revised Estimates)	2009-10 (Budget Estimates)	Variation					
					Col.4 over Col.2		Col.4 over Col.3		Col.5 over Col.4	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11
I. Revenue Account										
A. Receipts	6,23,748	7,19,835	7,37,865	8,04,943	1,14,118	18.3	18,030	2.5	67,078	9.1
B. Expenditure	5,80,805	6,91,409	7,27,165	8,37,238	1,46,360	25.2	35,756	5.2	1,10,074	15.1
C. Surplus(+)/Deficit(-) (IA-IB)	42,943	28,426	10,701	-32,295						
II. Capital Account*										
A. Receipts	1,41,987	1,75,306	1,86,201	2,25,114	44,213	31.1	10,894	6.2	38,914	20.9
B. Disbursements	1,71,520	2,01,374	2,13,259	2,18,540	41,739	24.3	11,885	5.9	5,281	2.5
C. Surplus(+)/Deficit(-) (IIA-IIB)	-29,532	-26,068	-27,058	6,575						
III. Aggregate Receipts	**7,65,735**	**8,95,141**	**9,24,066**	**10,30,057**	**1,58,331**	**20.7**	**28,925**	**3.2**	**1,05,991**	**11.5**
IV. Aggregate Disbursements	**7,52,324**	**8,92,783**	**9,40,423**	**10,55,778**	**1,88,099**	**25.0**	**47,640**	**5.3**	**1,15,355**	**12.3**
V. Overall Surplus(+)/Deficit(-) (III-IV)	**13,410**	**2,358**	**-16,357**	**-25,721**						
VI. Financing of Overall Surplus(+)/ Deficit(-) [V=VI(A+B+C)]										
A. Increase (+)/Decrease (-) in Cash Balances (Net)	-8,793	1,547	-13,371	-15,499						
B. Additions to (+)/Withdrawals from (-)Cash Balance Investment Account (Net)	22,160	901	-3,027	-8,751						
C. Repayment of (+)/Increase in (-)Ways and Means Advances and Overdrafts from RBI (Net)	43	-90	40	-1,470						

* : Excluding (i) WMA from RBI, (ii) Purchase/Sale of Securities from Cash Balance Investment Account, and (iii) Deposit with RBI. Capital Receipts include Public Accounts on a net basis while Capital Expenditure are given exclusive of Public Accounts.

Note : 1. Figures for 2007-08 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.
2. Also see Notes to Appendices. Source : Budget Documents of the State Governments

Source : Budget Documents of the State Governments.

Statement 3: Reveune Receipts

(Amount in Rs. crore)

Item	2007-08 (Accounts)	2008-09 (Budget Estimates)	2008-09 (Revised Estimates)	2009-10 (Budget Estimates)	Variation					
					Col.4 over Col.2		Col.4 over Col.3		Col.5 over Col.4	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11
Total Revenue (I+II)	**6,23,748**	**7,19,835**	**7,37,865**	**8,04,943**	**1,14,118**	**18.3**	**18,030**	**2.5**	**67,078**	**9.1**
I. Tax Revenue (A+B)	**4,37,948**	**5,09,957**	**5,03,878**	**5,52,243**	**65,930**	**15.1**	**-6,079**	**-1.2**	**48,365**	**9.6**
A. Revenue from States' Taxes (i to iii)	**2,86,546**	**3,36,810**	**3,30,405**	**3,66,523**	**43,859**	**15.3**	**-6,405**	**-1.9**	**36,118**	**10.9**
(i) Taxes on Income (a+b)	3,318	3,362	3,338	3,804	21	0.6	-24	-0.7	466	13.9
(a) Agricultural Income Tax	26	13	22	34	-4	-14.0	9	65.2	11	50.6
(b) Tax on Professions, Trades, Callings and Employment	3,292	3,349	3,316	3,771	24	0.7	-32	-1.0	454	13.7
(ii) Taxes on Property and Capital Transactions (a to c)	41,460	49,295	45,978	48,218	4,518	10.9	-3,316	-6.7	2,240	4.9
(a) Stamps and Registration Fees	37,162	44,629	40,875	42,937	3,713	10.0	-3,754	-8.4	2,062	5.0
(b) Land Revenue	3,969	4,351	4,624	4,780	655	16.5	273	6.3	156	3.4
(c) Urban Immovable Property Tax	329	315	479	500	150	45.6	164	52.2	21	4.5
(iii) Taxes on Commodities and Services (a to g)	2,41,768	2,84,153	2,81,088	3,14,501	39,320	16.3	-3,064	-1.1	33,412	11.9
(a) Sales Tax*	1,73,422	2,03,623	2,02,610	2,25,009	29,189	16.8	-1,013	-0.5	22,399	11.1
(b) State Excise Duties	34,127	39,463	39,167	45,961	5,040	14.8	-296	-0.8	6,794	17.3
(c) Taxes on Vehicles	15,143	17,905	16,834	18,695	1,691	11.2	-1,071	-6.0	1,860	11.1
(d) Taxes on Passengers and Goods	6,808	8,910	8,463	9,552	1,655	24.3	-448	-5.0	1,089	12.9
(e) Electricity Duties	9,239	10,713	10,704	11,745	1,465	15.9	-10	-0.1	1,041	9.7
(f) Entertainment tax	1,083	831	777	869	-306	-28.2	-54	-6.5	92	11.8
(g) Other taxes and duties	1,946	2,706	2,533	2,669	587	30.1	-173	-6.4	136	5.4
B. Share in Central Taxes	**1,51,402**	**1,73,147**	**1,73,473**	**1,85,720**	**22,070**	**14.6**	**326**	**0.2**	**12,247**	**7.1**
II. Non-tax Revenue (C + D)	**1,85,799**	**2,09,878**	**2,33,987**	**2,52,700**	**48,188**	**25.9**	**24,109**	**11.5**	**18,713**	**8.0**
C. Grants from the Centre	**1,08,622**	**1,43,030**	**1,54,373**	**1,68,683**	**45,752**	**42.1**	**11,343**	**7.9**	**14,310**	**9.3**
D. States' Own Non-Tax Revenue (a to f)	**77,178**	**66,848**	**79,614**	**84,017**	**2,436**	**3.2**	**12,765**	**19.1**	**4,403**	**5.5**
(a) Interest Receipts	12,637	12,686	16,572	13,010	3,935	31.1	3,886	30.6	-3,562	-21.5
(b) Dividends and Profits	570	442	477	497	-92	-16.2	35	8.0	20	4.2
(c) General Services	26,397	14,106	20,547	26,706	-5,850	-22.2	6,441	45.7	6,159	30.0
of which:										
State Lotteries	5,130	5,998	5,213	5,860	83	1.6	-785	-13.1	647	12.4
(d) Social Services	7,889	5,861	6,785	7,055	-1,104	-14.0	924	15.8	269	4.0
(e) Economic Services	29,684	33,754	35,210	36,749	5,526	18.6	1,456	4.3	1,539	4.4
(f) Fiscal Services	–	–	22	–	22	–	22	–	-22	–

* : Comprises General Sales Tax/VAT, Central Sales Tax, Sales Tax on Motor Spirit and Purchase Tax on Sugarcane, etc.

'–' : Negligible/Nil.

Notes : Figures for 2007-08 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

Source : Budget Documents of the State Governments.

Statement 4: Devolution and Transfer of Resources from the Centre

(Amount in Rs. crore)

Item	2007-08 (Accounts)	2008-09 (Budget Estimates)	2008-09 (Revised Estimates)	2009-10 (Budget Estimates)	Variation					
					Col.4 over Col.2		Col.4 over Col.3		Col.5 over Col.4	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11
I. States' Share in Central Taxes	**1,51,402**	**1,73,147**	**1,73,473**	**1,85,720**	**22,070**	**14.6**	**326**	**0.2**	**12,247**	**7.1**
II. Grants from the Centre (1 to 5)	**1,08,622**	**1,43,030**	**1,54,373**	**1,68,683**	**45,752**	**42.1**	**11,343**	**7.9**	**14,310**	**9.3**
1. State Plan Schemes	49,548	66,624	68,880	82,807	19,333	39.0	2,256	3.4	13,927	20.2
2. Central Plan Schemes	2,274	6,830	7,288	6,889	5,014	220.5	458	6.7	-399	-5.5
3. Centrally Sponsored Schemes	21,871	31,215	34,964	35,956	13,093	59.9	3,749	12.0	992	2.8
4. NEC/Special Plan Schemes	621	1,052	1,084	927	463	74.5	32	3.1	-158	-14.5
5. Non-Plan Grants (a to c)	34,309	37,309	42,157	42,105	7,848	22.9	4,848	13.0	-52	-0.1
a) Statutory Grants	19,792	16,525	17,175	16,642	-2,617	-13.2	650	3.9	-533	-3.1
b) Grants for Natural Calamities	2,639	2,904	4,277	2,866	1,638	62.1	1,373	47.3	-1,411	-33.0
c) Non-Plan Non-Statutory Grants	11,878	17,880	20,705	22,597	8,827	74.3	2,825	15.8	1,892	9.1
III. Gross Loans from the Centre (i+ii)	**7,252**	**15,348**	**9,786**	**17,284**	**2,535**	**35.0**	**-5,562**	**-36.2**	**7,498**	**76.6**
i) Plan Loans	7,235	14,975	9,736	16,877	2,501	34.6	-5,240	-35.0	7,142	73.4
ii) Non-Plan Loans*	17	373	50	407	34	203.4	-322	-86.5	356	–
IV. Gross Transfer (I+II+III)	**2,67,276**	**3,31,525**	**3,37,633**	**3,71,688**	**70,357**	**26.3**	**6,108**	**1.8**	**34,055**	**10.1**
V. Repayment of Loans and Interest Payments Liabilities (a+b)	**19,977**	**21,089**	**20,340**	**20,591**	**363**	**1.8**	**-750**	**-3.6**	**251**	**1.2**
a) Repayment of Loans to the Centre	8,185	8,406	7,865	7,993	-320	-3.9	-541	-6.4	128	1.6
b) Interest Payments on the Loans from the Centre	11,792	12,683	12,475	12,598	683	5.8	-209	-1.6	124	1.0
VI. Net Transfer of Resources from the Centre (IV-V)	**2,47,299**	**3,10,436**	**3,17,293**	**3,51,097**	**69,994**	**28.3**	**6,857**	**2.2**	**33,804**	**10.7**

* : Include Ways and Means Advances from the Centre. NEC : North Eastern Council.

Note : Figures for 2007-08 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

Source: Budget Documents of the State Governments

Statement 5: Developmental Expenditure - Major Heads

(Amount in Rs. crore)

Item	2007-08 (Accounts)	2008-09 (Budget Estimates)	2008-09 (Revised Estimates)	2009-10 (Budget Estimates)	Percentage Variation		
					Col.4 over Col.2	Col.4 over Col.3	Col.5 over Col.4
1	2	3	4	5	6	7	8
I. Development Expenditure (Revenue and Capital) (A + B)	**4,50,922**	**5,41,822**	**5,96,963**	**6,45,967**	**32.4**	**10.2**	**8.2**
A. Social Services (1 to 11)	2,26,756	2,84,772	3,10,317	3,44,106	36.9	9.0	10.9
	(48.8)	(51.1)	(50.6)	(52.2)			
1. Education, Sports, Art and Culture	1,04,136	1,26,707	1,35,417	1,59,164	30.0	6.9	17.5
2. Medical and Public Health and Family Welfare	28,908	36,961	38,579	43,848	33.5	4.4	13.7
3. Water Supply and Sanitation	19,158	21,223	22,098	22,961	15.3	4.1	3.9
4. Housing	5,026	8,177	8,625	7,046	71.6	5.5	-18.3
5. Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	16,471	20,766	23,125	22,015	40.4	11.4	-4.8
6. Labour and Labour welfare	2,351	3,013	3,222	3,586	37.0	6.9	11.3
7. Social Security and Welfare	18,129	24,358	28,269	32,556	55.9	16.1	15.2
8. Nutrition	6,178	8,594	9,061	13,784	46.7	5.4	52.1
9. Relief on account of Natural Calamities	6,657	5,491	10,076	5,540	51.4	83.5	-45.0
10. Urban development	16,676	26,267	28,277	30,205	69.6	7.7	6.8
11. Others*	3,065	3,215	3,569	3,401	16.4	11.0	-4.7
B. Economic Services (1 to 9)	2,24,166	2,57,051	2,86,647	3,01,861	27.9	11.5	5.3
	(48.3)	(46.1)	(46.8)	(45.8)			
1. Agriculture and Allied Activities	35,741	40,693	48,529	47,533	35.8	19.3	-2.1
2. Rural Development	27,932	36,416	36,601	61,558	31.0	0.5	68.2
3. Special Area Programmes	2,743	4,502	5,224	4,752	90.4	16.0	-9.0
4. Irrigation and Flood Control	53,373	64,386	69,223	68,294	29.7	7.5	-1.3
5. Energy	44,801	43,173	55,665	47,701	24.3	28.9	-14.3
6. Industry and Minerals	7,764	7,981	8,685	8,823	11.9	8.8	1.6
7. Transport and Communications	41,170	46,186	49,632	49,129	20.6	7.5	-1.0
8. Science, Technology and Environment	374	610	646	576	72.9	6.0	-10.9
9. General Economic Services	10,268	13,105	12,442	13,495	21.2	-5.1	8.5
II. Loans and Advances by State Governments for Development Purposes (A+B)	**13,542**	**15,294**	**16,048**	**13,106**	**18.5**	**4.9**	**-18.3**
A. Social Services (1 to 7)	6,180	8,018	7,393	5,839	19.6	-7.8	-21.0
	(1.3)	(1.4)	(1.2)	(0.9)			
1. Education, Sports, Art and Culture	19	11	14	15	-22.8	29.3	3.1
2. Medical and Public Health	108	180	143	67	32.3	-20.7	-53.4
3. Family Welfare	–	2	2	–	–	0.1	-75.0
4. Water Supply and Sanitation	1,165	1,439	1,125	1,858	-3.5	-21.8	65.3
5. Housing	3,282	4,015	3,867	608	17.8	-3.7	-84.3
6. Government Servants (Housing)	455	663	696	780	53.1	5.0	12.0
7. Others @	1,151	1,708	1,546	2,511	34.3	-9.5	62.4
B. Economic Services (1 to 10)	7,362	7,275	8,655	7,267	17.6	19.0	-16.0
	(1.6)	(1.3)	(1.4)	(1.1)			
1. Crop Husbandry	152	47	149	63	-1.9	220.0	-58.1
2. Soil and Water Conservation	4	6	–	–	–	–	–
3. Food Storage and Warehousing	1,343	1,287	1,274	1,280	-5.1	-1.1	0.5
4. Co-operation	404	402	572	352	41.7	42.4	-38.4
5. Major and Medium Irrigation, etc.	–	–	1	4	–	–	–
6. Power Projects	3,010	3,785	4,595	3,778	52.7	21.4	-17.8
7. Village and Small Industries	122	95	117	86	-4.0	23.7	-26.4
8. Other Industries and Minerals	873	606	662	474	-24.2	9.2	-28.3
9. Rural Development	3	4	6	81	118.7	43.9	–
10. Others+	1,453	1,044	1,279	1,149	-11.9	22.6	-10.2
III. Total Development Expenditure (I + II)	**4,64,464**	**5,57,116**	**6,13,011**	**6,59,073**	**32.0**	**10.0**	**7.5**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**			

'–' : Nil/Negligible. * : Include expenditure on information and publicity.

@ : Include urban development, social security and welfare, etc.

\+ : Include forest, fisheries, animal husbandry, road and water transport services, etc.

Note : 1. Figures in brackets are percentage to total development expenditure.

2. Figures for 2007-08 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

Source : Budget Documents of the State Governments.

Statement 6: Non-Developmental Expenditure: Major Heads

(Amount in Rs. crore)

Item	2007-08 (Accounts)	2008-09 (Budget Estimates)	2008-09 (Revised Estimates)	2009-10 (Budget Estimates)	Percentage Variation		
					Col.4 over Col.2	Col.4 over Col.3	Col.5 over Col.4
1	2	3	4	5	6	7	8
I. Non-Development Expenditure (General Services) on Revenue Account (i to vi)	**2,27,235**	**2,68,665**	**2,60,899**	**3,21,907**	**14.8**	**-2.9**	**23.4**
i. Organs of State	5,154	6,220	7,030	9,215	36.4	13.0	31.1
ii. Fiscal Services	8,565	10,285	11,001	12,868	28.4	7.0	17.0
iii. Interest Payments and Servicing of Debt (1+2)	1,06,886	1,15,186	1,12,910	1,25,078	5.6	-2.0	10.8
1. Appropriation for reduction or avoidance of Debt	7,056	6,803	6,689	8,651	-5.2	-1.7	29.3
2. Interest Payments	99,831	1,08,383	1,06,220	1,16,427	6.4	-2.0	9.6
iv. Administrative Services (1 to 5)	44,866	62,905	57,144	74,389	27.4	-9.2	30.2
1. Secretariat- General Services	3,239	4,896	4,099	6,640	26.6	-16.3	62.0
2. District Administration	4,679	5,667	6,031	7,274	28.9	6.4	20.6
3. Police	26,645	30,297	32,979	39,592	23.8	8.9	20.1
4. Public Works	4,645	4,873	5,450	6,734	17.3	11.8	23.5
5. Others *	5,659	17,171	8,585	14,149	51.7	-50.0	64.8
v. Pension	56,098	62,729	66,938	87,220	19.3	6.7	30.3
vi. Miscellaneous General Services	5,664	11,341	5,876	13,137	3.7	-48.2	123.6
II. Non-Development Expenditure on Capital Account (1+2)	**5,998**	**6,944**	**6,810**	**7,408**	**13.5**	**-1.9**	**8.8**
1. Non-Developmental (General Services)	5,278	6,146	6,180	6,721	17.1	0.6	8.8
2. Loans for Non-Development Purposes (a+b)	721	798	630	687	-12.6	-21.1	9.0
a) Government Servants (other than housing)	309	536	437	460	41.5	-18.5	5.3
b) Miscellaneous	412	262	193	226	-53.1	-26.3	17.2
III. Total Non-Development Expenditure (I + II)	**2,33,233**	**2,75,609**	**2,67,709**	**3,29,315**	**14.8**	**-2.9**	**23.0**
IV. III as percentage of Aggregate Receipts	**30.5**	**30.8**	**29.0**	**32.0**			
V. III as percentage of Aggregate Disbursements	**31.0**	**30.9**	**28.5**	**31.2**			

@ Include expenditure on Public Service Commission, Treasury and Administration, Jails, etc.

Note : Figures for 2007-08 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

Source : Budget Documents of the State Governments.

Statement 7: Capital Receipts

(Amount in Rs. crore)

Item	2007-08 (Accounts)	2008-09 (Budget Estimates)	2008-09 (Revised Estimates)	2009-10 (Budget Estimates)	Variations					
					Col.4 over Col.2		Col.4 over Col.3		Col.5 over Col.4	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
1	2	3	4	5	6	7	8	9	10	11
Total Capital Receipts (1 to 10)	**1,41,987**	**1,75,306**	**1,86,201**	**2,25,114**	**44,213**	**31.1**	**10,894**	**6.2**	**38,914**	**20.9**
1. Internal Debt *	94,643	1,22,535	1,40,594	1,66,845	45,951	48.6	18,059	14.7	26,251	18.7
of which:										
(i) Market Loans (Gross)	66,513	76,027	1,12,805	1,29,005	46,293	69.6	36,779	48.4	16,200	14.4
(ii) Special Securities issued to NSSF@	11,094	29,484	10,204	18,882	-890	-8.0	-19,280	-65.4	8,677	85.0
2. Loans from the Centre@	7,252	15,348	9,786	17,284	2,535	35.0	-5,562	-36.2	7,498	76.6
3. Recovery of Loans and Advances	7,770	5,172	11,568	4,609	3,798	48.9	6,397	123.7	-6,960	-60.2
4. Small Savings, Provident Funds, etc. (net)	12,338	13,001	14,602	21,617	2,264	18.3	1,601	12.3	7,015	48.0
5. Contingency Fund (net)	549	165	207	200	-341	-62.2	42	25.6	-7	-3.5
6. Reserve Funds (net)**	-5923	1,203	2,028	2,554	7,951	-134.2	825	68.6	526	25.9
7. Deposits and Advances (net)***	13,581	4,813	5,665	9,354	-7,916	-58.3	852	17.7	3,690	65.1
8. Appropriation to Contingency Fund (net) -170	-165	-415	—	-245	144.1	-250	151.5	415	-100.0	
9. Remittances (net)	1,254	85	130	3	-1,124	-89.6	44	52.0	-127	-98.0
10. Others #	10,693	13,149	2,035	2,649	-8,658	-81.0	-11,114	-84.5	614	30.2

'–' : Negligible/Nil.

* : Includes market loans, special securities issued to NSSF, land compensation bonds, cash credits and loans from State Bank of India and other banks (net) as also loans from National Rural Credit (Long-term Operations) Fund of the NABARD, National Co-operative Development Corporation, Life Insurance Corporation of India, Khadi and Village Industries Commission, etc, but excludes Ways and Means Advances and Overdrafts from the Reserve Bank of India.

@ : With the change in the system of accounting with effect from 1999-2000, States' share in small savings which was included earlier under loans from the Centre is included under internal debt and shown as special securities issued to NSSF of the Central Government.

** : Reserve funds (net) includes reserve funds bearing interest (like the depreciation reserve funds of Government Commercial Undertakings) as well as those not bearing interest (like sinking funds, famine relief fund and roads and bridges funds).

*** : Deposits and advances (net) include deposits bearing interest (like deposits of local funds) as well as those not bearing interest (like defence and postal deposits and civil advances).

\# : Includes Suspense and Miscellaneous (net) and Inter-State Settlement (net) and Miscellaneous Capital Receipts.

Note : 1. Figures for 2007-08 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

2. Capital receipts include Public Accounts on a net basis. Also see Notes to Appendices.

Source : Budget Documents of the State Governments.

Statement 8: Composition of Outstanding Liabilities of State Governments

(As at end-March)

(Rs. crore)

Year	Market Loans	Power Bonds	Compensation and Other Bonds	NSSF	WMA from RBI	Loans from LIC	Loans from GIC	Loans from NABARD	Loans from SBI and Other banks	Loans from NCDC
1	2	3	4	5	6	7	8	9	10	11
1991	15,652	–	60	–	1,050	718	241	278	303	630
1992	19,008	–	64	–	1,288	775	267	151	604	812
1993	22,480	–	72	–	1,073	894	295	25	733	885
1994	26,119	–	79	–	1,306	1,044	380	-85	807	893
1995	31,200	–	77	–	608	1,135	421	-79	943	1,071
1996	37,088	–	76	–	1,894	1,257	501	288	1,175	1,101
1997	43,602	–	74	–	2,557	1,418	–	821	1,183	1,108
1998	50,847	–	77	–	630	1,684	–	2,038	1,396	1,107
1999	61,477	–	66	–	4,858	2,203	–	3,147	2,057	1,204
2000	75,427	–	65	25,251	7,328	3,102	–	4,372	3,177	1,345
2001	86,767	–	62	56,352	6,559	4,216	–	6,501	4,390	1,439
2002	1,04,027	–	59	90,226	9,419	5,085	–	8,969	7,139	1,622
2003	1,33,066	–	63	1,39,193	2,512	6,621	–	11,546	7,896	1,611
2004	1,79,917	28,984	82	1,98,454	3,375	8,967	1,008	11,285	8,222	3,071
2005	2,13,480	29,883	83	2,82,200	1,498	11,994	990	8,226	9,486	1,577
2006	2,28,925	31,581	82	3,65,933	407	12,609	989	11,654	9,680	1,195
2007	2,42,777	26,051	82	4,25,309	299	12,197	971	15,622	9,176	1,118
2008	2,98,508	23,143	80	4,30,879	255	11,534	927	20,867	9,295	1,175
2009 (RE)	4,01,924	21,691	80	4,31,915	215	10,868	927	30,778	8,724	1,645
2010 (BE)	5,17,408	18,784	80	4,40,942	1,685	10,096	927	40,347	8,127	1,907

Year	Loans from Other Institutions	Loans from Banks and FIs	Total Internal Debt	Loans and Advances from Centre	Provident Funds, *etc.*	Reserve Fund	Deposit and Advances	Contingency Fund	Total Outstanding Liabilities
1	12	13=sum (7 to 12)	14=sum (2 to 6)+13	15	16	17	18	19	20=sum (14 to 19)
1991	343	2,513	19,274	73,521	16,861	4,734	12,769	995	1,28,155
1992	301	2,910	23,270	82,979	19,790	5,519	14,502	969	1,47,030
1993	396	3,228	26,853	91,626	23,515	6,698	18,911	762	1,68,365
1994	391	3,429	30,933	1,01,122	27,972	8,180	19,009	658	1,87,875
1995	499	3,989	35,875	1,15,238	32,894	9,013	22,963	489	2,16,473
1996	517	4,838	43,895	1,29,264	38,216	10,577	26,654	929	2,49,535
1997	575	5,106	51,338	1,46,168	44,095	12,350	31,436	511	2,85,898
1998	1,510	7,734	59,289	1,68,656	50,843	14,498	36,609	921	3,30,816
1999	2,178	10,789	77,190	1,99,007	63,256	17,320	42,357	445	3,99,576
2000	5,114	17,110	1,26,346	2,30,331	80,523	19,769	52,193	1,533	5,09,529
2001	12,667	29,213	1,81,623	2,38,655	93,629	22,868	59,328	714	5,94,147
2002	18,078	40,894	2,49,069	2,49,551	1,03,815	27,389	64,325	1,042	6,90,747
2003	23,524	51,198	3,33,753	2,49,179	1,13,678	32,188	65,036	314	7,86,430
2004	33,407	65,960	4,76,772	1,92,981	1,21,841	42,217	69,116	246	9,03,174
2005	35,648	67,921	5,95,064	1,60,045	1,30,828	52,311	75,290	527	10,14,067
2006	35,718	71,845	6,98,773	1,57,004	1,40,806	63,120	86,691	1,322	11,47,717
2007	30,253	69,338	7,63,855	1,46,653	1,49,920	78,761	1,01,068	1,319	12,41,576
2008	27,640	71,438	8,24,304	1,45,098	1,61,972	78,265	1,16,591	2,073	13,28,302
2009 (RE)	25,567	78,509	9,34,333	1,47,019	1,76,574	80,293	1,22,256	2,280	14,62,755
2010 (BE)	24,664	86,068	10,64,965	1,56,311	1,98,190	82,846	1,31,610	2,480	16,36,403

RE : Revised Estimates. BE : Budget Estimates. '–' : Not applicable/Not available/Negligible.

Note : 1. From 1997 to 2003, 'Loans from Other Institutions' also includes 'Other Loans' and 'Loans from GIC'. From 2004, 'Loans from Other Institutions' includes 'Other Loans'.

2. As detailed break-up of Discharge of Internal Debt for Arunachal Pradesh [2008-09 (RE) and 2009-10 (BE)] and Jammu and Kashmir [2008-09 (RE) and 2009-10 (BE)] were not available, the same has been included under 'Loans from Other Institutions'.

Source : 1. Combined Finance and Revenue Accounts of the Union and State Governments in India, CAG.

2. Ministry of Finance, Government of India.
3. Reserve Bank Records.
4. Budget Documents of the State Governments.
5. Finance Accounts of the Union Government, CGA, Government of India.

Annex 1: Major Fiscal Indicators

(Per cent)

State	Revenue Deficit/ Gross Fiscal Deficit			Capital Outlay/ Gross Fiscal Deficit			Net Lending/ Gross Fiscal Deficit		
	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)
1	2	3	4	5	6	7	8	9	10
I. Non-Special Category									
1. Andhra Pradesh	-1.8	-19.8	-14.9	145.4	131.4	111.3	31.1	36.4	3.6
2. Bihar	-272.3	-45.8	-165.7	357.9	136.2	254.8	14.5	9.6	10.9
3. Chhattisgarh	-2379.6	-46.5	-31.4	2451.6	153.6	139.2	49.2	-7.1	-7.7
4. Goa	-30.7	-9.3	25.1	127.3	107.2	73.2	3.4	2.0	1.7
5. Gujarat	-45.1	-2.6	32.2	142.5	101.5	65.9	4.5	1.1	1.9
6. Haryana	-176.0	-1.5	39.5	271.1	101.3	46.4	5.7	0.6	14.2
7. Jharkhand	23.9	-16.7	6.6	60.3	104.1	83.4	15.8	12.7	10.0
8. Karnataka	-70.8	-8.2	-13.6	162.2	100.8	125.0	13.2	9.5	11.0
9. Kerala	62.0	59.1	53.0	24.2	26.8	30.1	13.9	14.2	17.0
10. Madhya Pradesh	-182.8	-59.0	-26.4	245.5	123.9	105.5	37.7	35.2	20.9
11. Maharashtra	524.8	-26.3	26.8	-407.3	120.1	70.8	-17.5	6.2	2.3
12. Orissa	320.7	-29.7	39.5	-214.9	127.3	59.9	-5.8	2.4	0.7
13. Punjab	83.0	55.6	64.5	47.6	68.0	36.8	-30.6	-23.6	-1.3
14. Rajasthan	-48.5	4.3	16.7	192.3	91.4	81.5	-43.8	4.3	1.7
15. Tamil Nadu	-123.3	-0.1	8.7	202.5	96.2	85.2	20.9	3.8	6.2
16. Uttar Pradesh	-25.0	-20.0	-6.8	122.9	118.5	103.9	2.1	1.5	2.9
17. West Bengal	71.5	99.9	78.1	23.6	33.7	18.3	5.0	-33.6	3.7
Total I	**-46.5**	**-0.1**	**18.7**	**147.5**	**100.4**	**77.4**	**8.8**	**3.5**	**5.0**
II. Special Category									
1. Arunachal Pradesh	4684.5	-75.8	31.3	-4581.2	173.2	68.6	-3.3	2.6	0.1
2. Assam	326.6	-86.6	57.1	-213.7	182.3	42.6	-13.0	4.3	0.3
3. Himachal Pradesh	-154.1	-17.8	-16.1	256.3	113.3	117.0	-2.2	4.5	-0.9
4. Jammu and Kashmir	-84.9	-144.7	-210.3	183.4	243.1	307.4	1.5	1.5	2.8
5. Manipur	1190.3	-238.7	-233.0	-1084.7	337.4	331.6	-5.6	1.3	1.4
6. Meghalaya	-87.6	-416.8	-35.5	182.9	487.7	132.1	4.8	29.0	3.4
7. Mizoram	-33.5	-64.3	-83.9	139.0	167.2	186.2	-5.5	-2.9	-2.3
8. Nagaland	-106.7	-51.0	-125.2	206.8	150.5	225.9	-0.1	0.5	-0.7
9. Sikkim	-546.1	-171.6	-92.4	646.7	271.1	188.0	-0.6	0.5	4.4
10. Tripura	-5451.6	-98.4	-27.2	5569.6	194.5	125.5	-17.9	3.9	1.6
11. Uttarakhand	-36.5	-38.5	10.3	128.3	143.4	94.5	8.3	1.5	9.7
Total II	**-201.6**	**-89.9**	**-4.6**	**296.4**	**187.9**	**104.4**	**5.2**	**2.8**	**1.6**
All States (I+II)	**-56.9**	**-7.3**	**16.2**	**157.5**	**107.5**	**80.3**	**8.6**	**3.5**	**4.6**
Memo item:									
1. NCT Delhi	-251.9	-85.3	-186.7	184.5	96.4	151.0	167.5	88.9	135.7
2. Puducherry	19.6	64.1	14.1	83.1	36.2	84.0	-2.7	-0.2	1.9

(Contd.)

Annex 1: Major Fiscal Indicators *(Contd.)*

(Per cent)

State	Non-Developmental Expenditure/ Aggregate Disbursement			Interest Payment/ Revenue Expenditure			State's Own Tax Revenue/ Revenue Expenditure		
	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)
	11	12	13	14	15	16	17	18	19
I. Non-Special Category									
1. Andhra Pradesh	24.4	21.7	22.6	14.1	12.3	11.9	53.3	52.9	53.1
2. Bihar	30.0	25.8	27.8	15.7	11.5	11.7	21.6	19.3	20.5
3. Chhattisgarh	20.9	20.0	19.8	10.5	7.0	6.0	51.8	40.2	38.9
4. Goa	26.6	28.2	33.0	16.1	14.7	12.8	48.9	46.7	41.5
5. Gujarat	32.2	26.6	30.0	22.3	20.1	18.6	65.3	61.4	55.7
6. Haryana	24.8	24.2	25.1	13.4	10.8	11.6	66.3	65.9	56.7
7. Jharkhand	27.4	28.0	31.5	15.1	13.8	13.3	27.1	32.8	33.2
8. Karnataka	23.3	26.3	24.8	12.1	11.4	11.8	69.5	68.4	69.3
9. Kerala	42.7	39.2	38.9	17.4	16.7	17.0	54.9	55.3	58.5
10. Madhya Pradesh	26.7	25.9	28.3	16.4	14.1	13.0	46.9	44.1	42.0
11. Maharashtra	30.5	26.9	29.7	18.8	15.7	14.9	73.4	63.7	53.0
12. Orissa	32.7	31.1	35.7	17.9	16.6	15.9	38.7	29.5	28.4
13. Punjab	49.2	43.4	47.6	19.6	18.2	17.6	42.9	43.2	46.4
14. Rajasthan	31.5	30.6	29.7	20.4	18.0	17.0	45.6	43.7	42.2
15. Tamil Nadu	29.5	29.0	31.3	14.2	10.9	10.7	68.9	62.3	65.1
16. Uttar Pradesh	31.1	28.4	34.6	16.6	13.9	12.6	38.3	36.0	36.0
17. West Bengal	40.6	33.4	39.9	29.7	23.1	21.9	34.3	30.3	32.3
Total I	**30.8**	**28.3**	**30.9**	**17.5**	**14.9**	**14.3**	**52.4**	**48.4**	**47.0**
II. Special Category									
1. Arunachal Pradesh	21.1	18.6	20.1	6.9	7.8	7.0	4.3	3.4	3.0
2. Assam	32.8	27.3	35.6	11.9	8.9	7.2	26.4	18.9	13.8
3. Himachal Pradesh	32.9	31.6	33.4	20.5	19.4	20.0	23.6	23.7	26.4
4. Jammu and Kashmir	35.0	33.0	32.2	17.4	12.9	11.7	19.7	21.6	20.4
5. Manipur	28.0	24.8	38.8	13.0	11.2	11.0	6.4	5.7	6.0
6. Meghalaya	29.3	23.6	24.6	8.4	7.2	6.9	14.2	12.1	11.2
7. Mizoram	25.8	26.0	29.3	10.9	9.3	8.5	4.1	3.8	4.1
8. Nagaland	37.4	35.2	38.7	10.5	10.8	12.0	5.1	4.8	4.9
9. Sikkim	57.8	42.8	45.3	5.0	5.9	6.6	8.4	6.8	6.9
10. Tripura	37.0	33.2	40.4	14.2	11.4	9.1	13.3	13.1	12.8
11. Uttarakhand	28.6	32.7	30.8	15.1	15.8	13.5	37.8	37.4	31.6
Total II	**33.0**	**30.0**	**33.7**	**14.1**	**11.9**	**10.6**	**20.7**	**18.9**	**16.9**
All States (I+II)	**31.0**	**28.5**	**31.2**	**17.2**	**14.6**	**13.9**	**49.3**	**45.4**	**43.8**
Memo item:									
1. NCT Delhi	24.2	22.9	22.9	25.6	20.3	20.0	120.6	101.0	99.1
2. Puducherry	22.2	19.5	19.7	9.9	8.3	9.4	29.7	23.0	28.4

Annex 1: Major Fiscal Indicators *(Concld.)*

(Per cent)

State	State's Own Non-Tax Revenue/ Revenue Expenditure			Gross Transfers/ Aggregate Disbursmement		
	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)	2007-08 (Accounts)	2008-09 (RE)	2009-10 (BE)
	20	21	22	23	24	25
I. Non-Special Category						
1. Andhra Pradesh	13.1	12.4	16.9	25.6	29.6	27.6
2. Bihar	2.2	1.3	1.5	73.1	64.9	74.5
3. Chhattisgarh	18.6	12.8	15.2	42.3	43.1	41.2
4. Goa	37.5	34.0	30.1	17.8	17.6	20.1
5. Gujarat	13.7	11.0	10.7	22.0	21.6	20.3
6. Haryana	29.1	17.6	13.9	14.1	13.7	14.8
7. Jharkhand	12.2	14.2	16.9	35.2	42.8	38.3
8. Karnataka	9.0	4.5	4.5	26.3	23.2	23.9
9. Kerala	4.9	4.5	4.7	23.2	26.4	28.5
10. Madhya Pradesh	10.7	9.9	10.3	46.7	45.3	44.7
11. Maharashtra	26.2	13.3	14.4	19.2	22.5	21.2
12. Orissa	15.0	10.0	7.8	54.9	57.1	52.8
13. Punjab	22.8	25.3	17.9	17.0	14.9	13.9
14. Rajasthan	13.9	11.1	13.3	36.8	36.5	33.8
15. Tamil Nadu	7.7	10.2	5.7	27.6	24.1	25.0
16. Uttar Pradesh	8.9	10.3	6.1	43.8	44.1	46.3
17. West Bengal	3.8	10.0	4.5	34.8	31.0	29.2
Total I	**13.1**	**11.0**	**10.1**	**32.5**	**32.8**	**32.5**
II. Special Category						
1. Arunachal Pradesh	29.1	10.4	8.8	73.5	68.2	62.9
2. Assam	16.7	10.5	7.0	64.5	64.9	48.9
3. Himachal Pradesh	22.0	14.7	15.8	51.0	48.9	47.1
4. Jammu and Kashmir	8.4	9.1	8.3	65.3	64.0	67.6
5. Manipur	7.2	6.9	6.9	86.1	76.1	80.0
6. Meghalaya	8.8	6.2	6.7	69.5	78.7	69.2
7. Mizoram	6.8	6.6	6.4	72.0	76.9	78.5
8. Nagaland	4.6	5.2	5.2	76.7	71.4	75.3
9. Sikkim	60.2	49.9	45.7	38.8	47.8	46.4
10. Tripura	4.1	3.9	3.7	83.8	70.6	64.4
11. Uttarakhand	9.2	8.1	12.8	45.1	46.8	43.4
Total II	**14.9**	**10.8**	**9.9**	**62.7**	**62.3**	**56.9**
All States (I+II)	**13.3**	**10.9**	**10.0**	**35.5**	**35.9**	**35.2**
Memo item:						
1. NCT Delhi	18.6	17.6	18.8	7.2	6.2	12.8
2. Puducherry	28.4	18.5	31.5	36.5	32.6	31.3

RE : Revised Estimates. BE : Budget Estimates. '–' : Nil/Negligible/Not applicable.

Note : 1. Negative (-) sign indicates surplus in deficit indicators.

2. Figures for Jammu and Kashmir and Jharkhand for the year 2007-08 (Accounts) relate to Revised Estimates.

Source : Budget Documents of the State Governments.

Annex 2: Total Outstanding Liabilities of State Governments

(As at end-March)

(Rs. crore)

State	1991	1995	1996	1997	1998	1999	2000	2001
1	2	3	4	5	6	7	8	9
I. Non-Special Category								
1. Andhra Pradesh	8,150	15,224	17,778	20,201	23,313	28,301	34,829	41,809
2. Bihar	10,633	16,701	18,695	20,752	23,584	27,109	32,866	29,942
3. Chhattisgarh	–	–	–	–	–	–	–	6,967
4. Goa	903	1,183	1,275	1,402	1,568	1,936	2,510	2,822
5. Gujarat	8,076	12,999	14,889	17,006	20,419	25,068	34,190	42,781
6. Haryana	3,076	5,036	6,171	7,004	8,110	10,250	13,810	14,650
7. Jharkhand	–	–	–	–	–	–	–	8,448
8. Karnataka	5,898	9,952	11,074	12,739	14,697	17,455	21,045	25,301
9. Kerala	4,983	9,280	10,719	12,314	14,469	17,333	22,214	26,259
10. Madhya Pradesh	7,777	12,165	13,891	15,948	17,975	21,957	25,933	22,127
11. Maharashtra	12,878	21,979	26,379	30,602	37,052	44,264	58,813	67,601
12. Orissa	5,156	8,914	10,295	11,996	13,636	16,281	20,614	24,220
13. Punjab	7,071	12,454	14,040	15,618	17,904	21,823	26,610	30,763
14. Rajasthan	6,580	11,866	14,137	16,742	19,229	24,136	31,684	35,541
15. Tamil Nadu	7,044	13,541	15,134	17,257	19,512	23,189	29,568	34,541
16. Uttar Pradesh	19,760	34,253	38,998	45,630	52,428	62,103	77,934	83,098
17. West Bengal	8,857	15,128	17,716	21,114	25,173	32,192	44,042	54,929
II. Special Category								
1. Arunachal Pradesh	280	319	397	480	477	566	735	739
2. Assam	4,341	5,228	6,326	6,402	6,469	6,765	8,666	10,227
3. Himachal Pradesh	1,329	2,556	3,267	3,661	4,298	6,383	7,840	8,705
4. Jammu and Kashmir	3,358	4,448	4,628	5,294	5,736	6,429	7,739	9,101
5. Manipur	390	607	676	721	1,040	1,328	1,614	1,870
6. Meghalaya	218	450	490	475	658	862	1,117	1,388
7. Mizoram	330	444	538	574	771	842	1,178	1,375
8. Nagaland	409	624	781	753	876	1,063	1,389	1,604
9. Sikkim	142	263	292	228	260	415	593	852
10. Tripura	517	856	948	986	1,163	1,525	1,993	2,384
11. Uttarakhand	–	–	–	–	–	–	–	4,106
All States	**1,28,155**	**2,16,473**	**2,49,535**	**2,85,898**	**3,30,816**	**3,99,576**	**5,09,529**	**5,94,148**
Memo item:								
1. NCT Delhi	–	627	1,354	2,205	3,081	3,788	6,348	7,924
2. Puducherry	–	–	–	–	–	–	–	–

(Contd.)

Annex 2: Total Outstanding Liabilities of State Governments *(Concld.)*

(As at end-March)

(Rs. crore)

State	2002	2003	2004	2005	2006	2007	2008	2009 (RE)	2010 (BE)
1	10	11	12	13	14	15	16	17	18
I. Non-Special Category									
1. Andhra Pradesh	48,637	56,030	65,251	75,418	83,282	90,456	99,875	1,11,383	1,27,581
2. Bihar	34,135	38,254	39,999	43,183	47,290	49,846	52,807	56,461	60,617
3. Chhattisgarh	8,121	9,592	10,825	12,133	13,190	14,042	14,647	15,342	17,620
4. Goa	3,746	3,503	3,885	4,417	5,126	5,841	6,642	7,227	8,039
5. Gujarat	47,919	55,175	62,307	71,334	83,024	90,956	1,00,328	1,08,726	1,20,759
6. Haryana	17,726	19,948	22,450	24,900	26,979	29,308	29,911	33,061	40,324
7. Jharkhand	9,979	11,887	10,036	13,090	16,924	19,049	21,342	23,352	25,741
8. Karnataka	31,337	36,020	39,959	44,345	49,587	58,079	60,555	68,387	76,762
9. Kerala	29,536	34,312	39,151	43,695	47,883	52,318	58,503	64,989	70,761
10. Madhya Pradesh	26,043	29,882	37,967	44,586	49,647	52,731	54,909	60,254	67,190
11. Maharashtra	78,541	89,952	1,06,838	1,24,554	146,228	1,60,741	1,62,013	1,82,326	2,07,810
12. Orissa	28,161	30,869	33,850	36,982	40,724	42,938	42,975	44,547	48,619
13. Punjab	35,730	40,125	42,819	47,071	51,140	51,009	55,794	61,462	67,721
14. Rajasthan	41,634	47,534	53,109	59,968	66,239	71,173	77,166	84,156	90,972
15. Tamil Nadu	39,069	44,471	51,759	55,968	63,848	68,561	73,887	84,422	95,232
16. Uttar Pradesh	95,822	1,05,126	1,24,063	1,36,273	1,54,061	1,67,776	1,79,741	1,97,501	2,21,106
17. West Bengal	66,396	78,325	89,472	97,342	1,14,419	1,24,153	1,36,422	1,48,702	1,68,684
II. Special Category									
1. Arunachal Pradesh	790	966	1,736	2,069	2,412	2,371	2,837	3,083	3,363
2. Assam	11,988	13,099	15,688	17,043	18,401	19,490	20,192	22,644	25,053
3. Himachal Pradesh	10,055	12,228	14,379	16,483	17,390	18,142	19,482	21,186	22,619
4. Jammu and Kashmir	9,624	10,528	14,728	15,877	18,427	19,673	22,102	24,233	26,179
5. Manipur	1,870	1,890	2,444	3,239	4,062	4,185	4,529	4,763	4,967
6. Meghalaya	1,528	1,820	2,123	2,410	2,610	2,819	3,218	3,480	3,853
7. Mizoram	1,713	1,967	2,606	2,922	3,154	3,354	3,951	4,246	4,583
8. Nagaland	1,884	2,385	2,389	2,638	3,006	3,225	3,577	4,065	4,625
9. Sikkim	929	989	1,010	1,150	1,289	1,409	1,705	1,981	2,338
10. Tripura	2,817	3,278	4,057	4,853	5,358	4,625	4,542	4,585	5,069
11. Uttarakhand	5,018	6,274	8,273	10,123	12,017	13,308	14,650	16,191	18,216
All States	**6,90,747**	**7,86,427**	**9,03,174**	**10,14,067**	**11,47,717**	**12,41,576**	**13,28,302**	**14,62,755**	**16,36,403**
Memo item:									
1. NCT Delhi	9,777	12,494	14,149	15,836	21,567	25,569	25,339	25,382	24,646
2. Puducherry	–	–	1,310	1,549	1,818	2,169	2,923	4,009	4,979

RE: Revised Estimates. BE: Budget Estimates. '–': Not available/Not applicable.

Note : See 'Explanatory notes on Data Sources and Methodology'.

Source : Same as in Statement 26.

*Report of the Thirteenth Finance Commission (2010-2015) : A Summary**

Introduction

Appointment of the Thirteenth Finance Commission

Finance commission is appointment by the President of India under article 280 of the Constitution of India. The first such commission was constituted on November 19, 1951. So far, twelve finance commissions have, through their recommendations, given a resolute shape to fiscal federalism in our country. The present finance commission, the thirteenth one, was appointed by the President of India on 13th November, 2007 under the chairmanship of Dr. Vijay Kelkar. Dr. Indira Rajaraman, Professor Emeritus, National Institute of Public Finance & Policy (NIPFP), Dr. Abusaleh Shariff, Chief Economist, National Council of Applied Economic Research (NCAER), and Professor Atul Sarma, former Vice-Chancellor, Rajiv Gandhi University (formerly Arunachal University) were appointed as full time Members of the Commission. Shri B.K. Chaturvedi, Member, Planning Commission was appointed as a part-time Member. Shri Sumit Bose was appointed as Secretary to the Commission. Subsequently, the President appointed Dr. Sanjiv Misra, former Secretary (Expenditure), Ministry of Finance as Member of the Commission in place of Dr. Abusaleh Shariff, who was unable to join.

The Commission was initially required to submit its report by 31st October 2009 covering the five-year period between 1st April 2010 and 31st March 2015. The conduct of elections to the Fifteenth Lok Sabha and certain State Legislative Assemblies in April-May 2009 warranted a postponement of visits by the Commission to some states. The

* This Article presents excerpts from the Report of the Thirteenth Finance Commission which was tabled in the Parliament on February 25, 2010. Excerpts from Chapter 1 (Summary of Recommendations), Chapter 2 (Terms of References) and Chapter 13 (Looking Ahead: Towards a New Architecture for Federal Finance) as well as select tables in the Report have been reproduced in this Article. The Action Taken Report of the Government has also been reproduced in full.

conduct of elections also led to the delay in the presentation of the regular Budget of the Union as well as of some State Governments for the year 2009-10. Consequently, information from the Centre and some of the states on their fiscal position and projections for 2010-15 could not become available to the Commission till August 2009. In view of the above developments, the Commission was granted an extension by the President till 31st January 2010 with the condition that its report be submitted by 31st December 2009.

Terms of Reference (ToR)

The Terms of Reference (ToR) of the Commission included the following:

4. The Commission shall make recommendations as to the following matters, namely :

i) *the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under Chapter I Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds;*

ii) the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States which are in need of assistance by way of grants-in-aid of their revenues under article 275 of the Constitution for purposes other than those specified in the provisos to clause (1) of that article; and

iii) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State.

5. The Commission shall review the state of the finances of the Union and the States, keeping in view, in particular, the operation of the States' Debt Consolidation and Relief Facility 2005-2010 introduced by the Central Government on the basis of the recommendations of the Twelfth Finance Commission, and suggest measures for maintaining a stable and sustainable fiscal environment consistent with equitable growth.

6. In making its recommendations, the Commission shall have regard, among other considerations, to –

i) the resources of the Central Government, for five years commencing on 1st April 2010, on the basis of levels of taxation and non-tax revenues likely to be reached at the end of 2008-09;

ii) the demands on the resources of the Central Government, in particular, on account of the projected Gross Budgetary Support to the Central and State Plan, expenditure on civil administration, defence, internal and border security, debt-servicing and other committed expenditure and liabilities;

iii) the resources of the State Governments, for the five years commencing on 1st April 2010, on the basis of levels of taxation and non-tax revenues likely to be reached at the end of 2008-09;

iv) the objective of not only balancing the receipts and expenditure on revenue account of all the States and the Union, but also generating surpluses for capital investment;

v) the taxation efforts of the Central Government and each State Government and the potential for additional resource mobilisation to improve the tax-Gross Domestic Product ratio in the case of the Union and tax-Gross State Domestic Product ratio in the case of the States;

vi) the impact of the proposed implementation of Goods and Services Tax with effect from 1st April 2010, including its impact on the country's foreign trade;

vii) the need to improve the quality of public expenditure to obtain better outputs and outcomes;

viii) the need to manage ecology, environment and climate change consistent with sustainable development;

ix) the expenditure on the non-salary component of maintenance and upkeep of capital assets and the non-wage related maintenance expenditure on plan schemes to be completed by 31st March 2010 and the norms on the basis of which specific amounts are recommended for the maintenance of the capital assets and the manner of monitoring such expenditure;

x) the need for ensuring the commercial viability of irrigation projects, power projects, departmental undertakings and public sector enterprises through various means, including levy of user charges and adoption of measures to promote efficiency.

7. In making its recommendations on various matters, the Commission shall take the base of population figures as of 1971, in all such cases where population is a factor for determination of devolution of taxes and duties and grants-in-aid.

8. The Commission may review the present arrangements as regards financing of Disaster Management with reference to the National Calamity Contingency Fund and the Calamity Relief Fund and the funds envisaged in the Disaster Management Act, 2005 (53 of 2005), and make appropriate recommendations thereon.

9. The Commission shall indicate the basis on which it has arrived at its findings and make available the estimates of receipts and expenditure of the Union and each of the States.

The following additional item was added to the terms of reference of the Commission *vide* President's Order published under S.O. No. 2107 dated 25th August 2008.

8.A. Having regard to the need to bring the liabilities of the Central Government on account of oil, food and fertilizer bonds into the fiscal accounting, and the impact of various other obligations of the Central Government on the deficit targets, the Commission may review the roadmap for fiscal adjustment and suggest a suitably revised roadmap with a view to maintaining the gains of fiscal consolidation through 2010 to 2015.

Summary of Recommendations

Finances of Union and States

1. The Ministry of Finance (MoF) should ensure that the finance accounts fully reflect the collections under cesses and surcharges as per the relevant heads, so that there are no inconsistencies between the amounts released to states in any year and the respective percentage shares in net central taxes recommended by the Finance Commission for that year.

2. The states need to address the problem of losses in the power sector in a time-bound manner.

3. Initiatives should be taken to reduce the number of Centrally Sponsored Schemes (CSS) and to restore the predominance of formula-based plan transfers.

4. A calibrated exit strategy from the expansionary fiscal stance of 2008-09 and 2009-10 should be the main agenda of the Centre.

Goods and Services Tax (GST)

5. Both the Centre and the states should conclude a 'Grand Bargain' to implement the Model GST. The Grand Bargain comprises six elements:

i) The design of the Model GST is suggested.

ii) The operational modalities.

iii) The proposed agreement between the Centre and states, with contingencies for Changes.

iv) The disincentives for non-compliance.

v) The implementation schedule.

vi) The procedure for claiming compensation.

6. Any GST model adopted must be consistent with all the elements of the Grand Bargain. To incentivise implementation of the Grand Bargain, this Commission recommends sanction of a grant of Rs. 50,000 crore. The grant would be used to meet the compensation claims of State Governments for revenue losses on account of implementation of GST between 2010-11 and 2014-15, consistent with the Grand Bargain. Unspent balances in this pool would be distributed amongst all the states, as per the devolution formula, on 1st January 2015.

7. The Empowered Committee of State Finance Ministers (EC) should be transformed into a statutory council. The compensation should be disbursed in quarterly instalments on the basis of the recommendations by a three-member Compensation Committee comprising of the Secretary, Department of Revenue, Government of India; Secretary to the EC and chaired by an eminent person with experience in public finance.

8. In the unlikely event that a consensus with regard to implementing all the elements of the Grand Bargain cannot be achieved and the GST mechanism finally adopted is different from the Model GST suggested by us, this Commission recommends that this amount of Rs. 50,000 crore shall not be disbursed.

9. The states should take steps to reduce the transit time of cargo vehicles crossing their borders by combining check posts with adjoining states and adopting user-friendly options like electronically issued passes for transit traffic.

Union Finances

10. The policy regarding use of proceeds from disinvestment needs to be liberalised to also include capital expenditure on critical infrastructure and the environment.

11. Records of landholdings of Public Sector Undertakings (PSUs) need to be properly maintained to ensure that this scarce resource is put to productive use, or made available for other public projects, or else, sold.

State Finances

12. The practice of diverting plan assistance to meet non-plan needs of special category states should be discontinued.

13. With reference to public sector undertakings:

i) All states should endeavour to ensure clearance of the accounts of all their PSUs.

ii) The states should use the flexibility provided by the Comptroller and Auditor General (C&AG) to clear the backlog of PSU accounts.

iii) All states need to draw up a roadmap for closure of non-working PSUs by March 2011. Divestment and privatisation of PSUs should be considered and actively pursued.

iv) The Ministry of Corporate Affairs should closely monitor the compliance of state and central PSUs with their statutory obligations.

v) A task force may be constituted to design a suitable strategy for disinvestment/ privatisation and oversee the process. A Standing Committee on restructuring may be constituted under the chairmanship of the Chief Secretary to operationalise the recommendations of the task force. An independent technical secretariat may be set up to advise the finance departments in states on restructuring/ disinvestment proposals.

14. With reference to the power sector:

i) Reduction of Transmission and Distribution (T&D) losses should be attempted through metering, feeder separation, introduction of High Voltage Distribution Systems (HVDS), metering of distribution transformers and strict anti-theft measures. Distribution franchising and Electricity Services Company (ESCO)-based structures should be considered for efficiency improvement.

ii) Unbundling needs to be carried out on priority basis and open access to transmission strengthened. Governance should be improved through State Load Dispatch Centres (SLDCs) and this function should eventually be made autonomous.

iii) Proper systems should be put in place to avoid delays in completion of hydro projects.

iv) Instead of putting up thermal power plants in locations remote from sources of coal, states should consider joint ventures (JVs) in or near the coal-rich states.

v) Case 1 bid process should be extensively used to avoid vulnerability to high-cost purchases during peak demand periods.

vi) Regulatory institutions should be strengthened through capacity building, consumer education and tariff reforms like Multi Year Tariff (MYT). Best practices of corporate governance should be introduced in power utilities.

15. Migration to the New Pension Scheme needs to be completed at the earliest.

16. States with large cash balances should make efforts towards utilising these before resorting to fresh borrowings.

17. With reference to accounting reforms:

i) The Government of India (GoI) should ensure uniformity in the budgetary classification code across all states. The list of appendices to the finance accounts of states also needs to be standardised.

ii) Details of contra-entries as well as the summary of transactions between the public account and the consolidated fund should be provided as a separate annex to the finance accounts of the states.

iii) Public expenditure through creation of funds outside the consolidated fund of the states needs to be discouraged. Expenditure through such funds and from civil deposits should be brought under the audit jurisdiction of the C&AG.

iv) The following statements need to be provided with the finance accounts of states:

   a. Comprehensive data on all subsidies.

   b. Consolidated information on the number of employees at each level, along with the commitment on salary. This statement should also include information on employees and their salary where such expenditure is shown as grants or booked under other expenditure.

   c. Details of maintenance expenditure.

Sharing of Union Tax Revenues

18. The share of states in net proceeds of shareable central taxes shall be 32 per cent in each of the financial years from 2010-11 to 2014-15. Under the Additional Duties of Excise (Goods of Special Importance) Act, 1957, all goods were exempted from payment of duty from 1st March 2006. Following this, the Centre had adjusted the basic duties of excise on sugar and tobacco products. In view of these developments, the states' share in the net proceeds of shareable central taxes shall remain unchanged at 32 per cent, even in the event of states levying sales tax (or Value Added Tax (VAT)) on these commodities.

19. In the event of notification of the 88th Amendment to the Constitution and enactment of any legislation following such notification, it should be ensured that the revenue accruing to a state under the legislation should not be less than the share that would accrue to it, had the entire service tax been part of the shareable pool of central taxes.

20. The Central Government should review the levy of cesses and surcharges with a view to reducing their share in its gross tax revenue.

21. The indicative ceiling on overall transfers to states on the revenue account

may be set at 39.5 per cent of gross revenue receipts of the Centre.

22. The share of each state in the net proceeds of all shareable central taxes in each of the financial years from 2010-11 to 2014-15 shall be as specified in Table 1.1.

Table 1.1: *Interse* Shares of States

States	Share of all Shareable Taxes excluding Service Tax (per cent)	Share of Service Tax (per cent)
1	2	3
Andhra Pradesh	6.937	7.047
Arunachal Pradesh	0.328	0.332
Assam	3.628	3.685
Bihar	10.917	11.089
Chhattisgarh	2.470	2.509
Goa	0.266	0.270
Gujarat	3.041	3.089
Haryana	1.048	1.064
Himachal Pradesh	0.781	0.793
Jammu & Kashmir	1.551	nil
Jharkhand	2.802	2.846
Karnataka	4.328	4.397
Kerala	2.341	2.378
Madhya Pradesh	7.120	7.232
Maharashtra	5.199	5.281
Manipur	0.451	0.458
Meghalaya	0.408	0.415
Mizoram	0.269	0.273
Nagaland	0.314	0.318
Orissa	4.779	4.855
Punjab	1.389	1.411
Rajasthan	5.853	5.945
Sikkim	0.239	0.243
Tamil Nadu	4.969	5.047
Tripura	0.511	0.519
Uttar Pradesh	19.677	19.987
Uttarakhand	1.120	1.138
West Bengal	7.264	7.379
All States	**100.000**	**100.000**

Revised Roadmap for Fiscal Consolidation

Central Government

23. The revenue deficit of the Centre needs to be progressively reduced and eliminated, followed by emergence of a revenue surplus by 2014-15.

24. A target of 68 per cent of GDP for the combined debt of the Centre and states should be achieved by 2014-15. The fiscal consolidation path embodies steady reduction in the augmented debt stock of the Centre to 45 per cent of GDP by 2014-15, and of the states to less than 25 per cent of GDP by 2014-15.

25. The Medium Term Fiscal Plan (MTFP) should be reformed and made a statement of commitment rather than a statement of intent. Tighter integration is required between the multi-year framework provided by MTFP and the annual budget exercise.

26. The following disclosures should be made along with the annual Central Budget/ MTFP:

i) Detailed breakup of grants to states under the overall category of non-plan and plan grants.

ii) Statement on tax expenditure to be systematised and the methodology to be made explicit.

iii) Compliance costs of major tax proposals to be reported.

iv) Revenue Consequences of Capital Expenditure (RCCE) to be projected in MTFP.

v) Fiscal impact of major policy changes to be incorporated in MTFP.

vi) Public Private Partnership (PPP) liabilities to be reported along with MTFP.

vii) MTFP to make explicit the values of parameters underlying projections for receipts and expenditure and the band within which they can vary while remaining consistent with targets.

27. Transfer of disinvestment receipts to the public account to be discontinued and all disinvestment receipts be maintained in the consolidated fund.

28. GoI should list all public sector enterprises that yield a lower rate of return on assets than a norm to be decided by an expert committee.

29. The FRBM Act needs to specify the nature of shocks that would require a relaxation of FRBM targets.

30. In case of macroeconomic shocks, instead of relaxing the states' borrowing limits and letting them borrow more, the Centre should borrow and devolve the resources using the Finance Commission tax devolution formula for inter se distribution between states.

31. Structural shocks such as arrears arising out of Pay Commission awards should be avoided by, in the case of arrears, making the pay award commence from the date on which it is accepted.

32. An independent review mechanism should be set-up by the Centre to evaluate its fiscal reform process. The independent review mechanism should evolve into a fiscal council with legislative backing over time.

State Governments

33. Given the exceptional circumstances of 2008-09 and 2009-10, the fiscal consolidation process of the states was disrupted. It is expected that states would be able to get back to their fiscal correction path by 2011-12, allowing for a year of adjustment in 2010-11.

i) States that incurred zero revenue deficit or achieved revenue surplus in 2007-08 should eliminate revenue deficit by 2011-12 and maintain revenue balance or attain a surplus thereafter. Other states should eliminate revenue deficit by 2014-15.

ii) The General Category States that attained a zero revenue deficit or a revenue surplus in 2007-08 should achieve a fiscal deficit of 3 per cent of Gross State Domestic Product (GSDP) by 2011-12 and maintain such thereafter. Other general category states need to achieve 3 per cent fiscal deficit by 2013-14.

iii) All special category states with base fiscal deficit of less than 3 per cent of GSDP in 2007-08 could incur a fiscal deficit of 3 per cent in 2011-12 and maintain it thereafter. Manipur, Nagaland, Sikkim and Uttarakhand to reduce their fiscal deficit to 3 per cent of GSDP by 2013-14.

iv) Jammu & Kashmir and Mizoram should limit their fiscal deficit to 3 per cent of GSDP by 2014-15.

34. States should amend/enact FRBM Acts to build in the fiscal reform path worked out. State-specific grants recommended for a state should be released upon compliance.

35. Independent review/monitoring mechanism under the FRBM Acts should be set up by states.

36. Borrowing limits for states to be worked out by MoF using the fiscal reform path, thus acting as an enforcement mechanism for fiscal correction by states.

37. Loans to states from National Small Savings Fund (NSSF) contracted till 2006-07 and outstanding at the end of 2009-10 to be reset at 9 per cent rate of interest, subject to conditions prescribed.

38. National Small Savings Scheme to be reformed into a market-aligned scheme. State Governments are also required to undertake relevant reforms at their level.

39. Loans from GoI to states and administered by ministries/departments other than MoF, outstanding as at the end of 2009-10, to be written off, subject to conditions prescribed.

40. A window for borrowing from the Central Government needs to be available for fiscally weak states that are unable to raise loans from the market.

41. For states that have not availed the benefit of consolidation under the Debt Consolidation and Relief Facility (DCRF), the facility, limited to consolidation and interest rate reduction, should be extended, subject to enactment of the FRBM Act.

42. The benefit of interest relief on NSSF and the write-off should be made available to states only if they bring about the necessary amendments/enactments of FRBM.

Local Bodies

43. Article 280 (3) (bb) & (c) of the Constitution should be amended such that the words 'on the basis of the recommendations of the Finance Commission of the State' are changed to 'after taking into consideration the recommendations of the Finance Commission of the State'.

44. Article 243(I) of the Constitution should be amended to include the phrase 'or earlier' after the words 'every fifth year'.

45. The quantum of local body grants should be provided as per Table 10.4 of the Report. The general basic grant as well as the special areas basic grant should be allocated amongst states as specified. The state-wise eligibility for these grants is placed in annexes 10.15a and 10.15c of the Report.

46. State Governments will be eligible for the general performance grant and the special areas performance grant only if they comply with the prescribed stipulations. These grants will be disbursed in the manner specified. The total amount of general basic and performance grant of Rs. 86,161.4 crore will be distributed in the ratio of 73.177 per cent and 26.823 per cent between Panchayati Raj Institutions (PRI) and Urban Local Board (ULB), respectively, besides an additional grant of Rs.1,357 crore during 2010-11 to 2014-15. The state-wise eligibility for these grants is placed in annexes 10.15b and 10.15d in the Report.

47. The states should appropriately allocate a portion of their share of the general basic grant and general performance grant, to the special areas in proportion to the population

of these areas. This allocation will be in addition to the special area basic grant and special area performance grant recommended by us.

48. State Governments should appropriately strengthen their local fund audit departments through capacity building as well as personnel augmentation.

49. The State Governments should incentivise revenue collection by local bodies through methods such as mandating some or all local taxes as obligatory at non-zero rates of levy, by deducting deemed own revenue collection from transfer entitlements of local bodies, or through a system of matching grants.

50. To buttress the accounting system, the finance accounts should include a separate statement indicating head-wise details of actual expenditures under the same heads as used in the budget for both Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs). We recommend that these changes be brought into effect from 31st March 2012.

51. The Government of India and the State Governments should issue executive instructions so that their respective departments pay appropriate service charges to local bodies.

52. Given the increasing income of State Governments from royalties, they should share a portion of this income with those local bodies in whose jurisdiction such income arises.

53. State Governments should ensure that the recommendations of State Finance Commissions (SFCs) are implemented without delay and that the Action Taken Report (ATR) is promptly placed before the legislature.

54. SFCs should consider adopting the template suggested in Annex 10.5 of the Report as the basis for their reports.

55. Bodies similar to the SFC should be set up in states which are not covered by Part IX of the Constitution.

56. Local bodies should consider implementing the identified best practices.

57. A portion of the grants provided by us to urban local bodies be used to revamp the fire services within their jurisdiction.

58. Local Bodies should be associated with city planning functions wherever other development authorities are mandated this function. These authorities should also share their revenues with local bodies.

59. The development plans for civilian areas within the cantonment areas (excluding areas under the active control of the forces) should be brought before the district planning committees.

60. State Governments should lay down guidelines for the constitution of nagar panchayats.

Disaster Relief

61. The National Calamity Contingency Fund (NCCF) should be merged into the National Disaster Response Fund (NDRF) and the Calamity Relief Fund (CRF) into the State Disaster Response Funds (SDRFs) of the respective states. Contribution to the SDRFs should be shared between the Centre and states in the ratio of 75:25 for general category states and 90:10 for special category states.

62. Balances as on 31st March 2010 under state CRFs and the NCCF should be transferred to the respective SDRFs and NDRF.

63. Budgetary provisions for the NDRF need to be linked to expenditure of the previous year from the fund. With cesses being subsumed on introduction of the GST; alternative sources of financing need to be identified.

64. The total size of the SDRF has been worked out as Rs. 33,581 crore, to be shared in the ratio given above, with an additional grant of Rs. 525 crore for capacity building.

65. Assistance of Rs. 250 crore to be given to the National Disaster Response Force to maintain an inventory of items required for immediate relief.

66. Provisions relating to the District Disaster Response Fund (DDRF) in the Disaster Management (DM) Act may be reviewed and setting up of these funds left to the discretion of the individual states.

67. Mitigation and reconstruction activities should be kept out of the schemes funded through FC grants and met out of overall development plan funds of the Centre and the states.

68. The list of disasters to be covered under the scheme financed through FC grants should remain as it exists today. However, man-made disasters of high-intensity may be considered for NDRF funding, once norms have been stipulated and the requisite additional allocations made to the NDRF.

69. The administrative mechanism for disaster relief to be as prescribed under the DM Act, i.e., the National Disaster Management Authority (NDMA)/National Executive Council (NEC) at the Centre and the State Disaster Management Agency (SDMA)/State Executive Council (SEC) at the state level. Financial matters to be dealt with by the Ministry of Finance as per the existing practice.

70. Prescribed accounting norms should be adhered to for the continuance of central assistance to the SDRFs.

Grants-in-aid to States

NPRD and Performance Incentive

71. Total non-plan revenue grant of Rs. 51,800 crore is recommended over the award period for eight states (Table 12.4 of the Report).

72. A performance grant of Rs. 1,500 crore is recommended for three special category states who have graduated from a Non-plan Revenue Deficit (NPRD) situation.

Elementary Education

73. A grant of Rs. 24,068 crore is recommended for elementary education over the award period.

74. The education grant will be an additionality to the normal expenditure of the states for elementary education. The expenditure (plan+ non-plan) under elementary education, i.e., major head-2202, sub-major head-01, exclusive of grants recommended, should grow by at least 8 per cent annually during 2010-15.

Environment

75. An amount of Rs. 5,000 crore is recommended as forest grant for the award period.

76. Grants for the first two years are untied but priority should be given to the preparation of working plans. Release of grants for the last three years is linked to progress in the number of approved working plans.

77. Twenty five per cent of the grants in the last three years are for preservation of forest wealth. These grants are over and above the non-plan revenue expenditure on forestry and wildlife (major head-2406) and shall be subject to the conditionalities given in Annex 12.3 of the Report. Seventy five per cent of the grants in the last three years can be used by states for development purposes.

78. An incentive grant of Rs. 5,000 crore is recommended for grid-connected renewable energy based on the states' achievement in renewable energy capacity addition from 1st April 2010 to 31st March 2014. The performance of states in this regard needs to be reviewed on the basis of data published by Government of India (GoI) on capacity addition by states.

79. An amount of Rs. 5,000 crore is recommended as water sector management grant for four years, i.e. 2011-12 to 2014-15 of the award period.

80. Release of water sector grants would be subject to setting up of a Water Regulatory Authority and achieving the normatively assessed state-specific recovery of water charges.

81. Water sector grants should be an additionality to the normal maintenance expenditure to be undertaken by the states and shall be released and monitored in accordance with the conditionalities in Annex 12.8 of the Report.

Improving Outcomes

82. States should be incentivised to enrol such of their residents who participate in welfare schemes within the Unique Identification (UID) programme. A grant of Rs.2,989 crore is proposed to be given to State Governments in this regard, as indicated in Annex 12.9 of the Report.

83. States should be incentivised to reduce their Infant Mortality Rates (IMR) based upon their performance beyond 31st December 2009. A grant of Rs 5,000 crore is recommended for this purpose.

84. A grant of Rs. 5,000 crore is proposed to support improvement in a number of facets in the administration of justice. These include operation of morning/evening courts, promotion of Alternate Dispute Resolution (ADR) mechanisms, enhancing support to Lok Adalats, as well as legal aid and training.

85. A grant of Rs 20 crore is recommended for promotion of innovation by setting up a Centre for Innovation in Public Systems (CIPS) to identify, document and promote innovations in public services across states. The second grant of Rs. 1 crore per district is for the creation of a District Innovation Fund (DIF) aimed at increasing the efficiency of the capital assets already created.

86. To enhance the quality of statistical systems, the Commission recommends a grant of Rs. 616 crore for State Governments at the rate of Rs. 1 crore for every district to fill in statistical infrastructure gaps in areas not addressed by the India Statistical Project (ISP).

87. A grant of Rs. 10 crore will be provided to each general category state and Rs. 5 crore to each special category state to set up an

employees' and pensioners' data base. The Commission also urges GoI to initiate a parallel effort for preparing a data base for its own employees and pensioners.

Maintenance of Roads and Bridges

88. An amount of Rs. 19,930 crore has been recommended as grant for maintenance of roads and bridges for four years (2011-12 to 2014-15) of our award period.

89. The maintenance grants for roads and bridges will be an additionality to the normal maintenance expenditure to be incurred by the states. Release of this grant and expenditure will be subject to the conditionalities indicated in Annex 12.17 of the Report.

State-specific Needs

90. A total grant of Rs. 27,945 crore is recommended for state-specific needs.

91. In addition to the stipulations described elsewhere, state-specific grants are subject to the following conditionalities:

I. No funds from any of the state-specific grants may be used for land acquisition by the states. Wherever land is required for a project/construction, such land may be made available by the State Government.

II. The phasing of the state-specific grants given in Table 12.6 of the Report is only indicative; states may communicate their required phasing to the Central Government. The grant may be released in a maximum of two instalments per year.

III. Accounts shall be maintained and Utilisation Certificates (UCs)/ Statements of Expenditure (SOEs) provided as per General Finance Rules (GFR) 2005.

Monitoring

92. The High Level Monitoring Committee headed by the Chief Secretary to review the utilisation of grants and to take corrective measures, set up as per the recommendation of FC-XII, should continue.

93. The total grants-in-aid recommended for the states over the award period are given in Table 1.2.

Table 1.2: Grants-in-Aid to States

(Rs. crore)

I.	Local Bodies		87,519
II.	Disaster Relief (including for capacity building)		26,373
III.	Post-devolution Non-plan Revenue Deficit		51,800
IV.	Performance Incentive		1,500
V.	Elementary Education		24,068
VI.	Environment		15,000
	(a) Protection of Forests	5,000	
	(b) Renewable Energy	5,000	
	(c) Water Sector Management	5,000	
VII.	Improving Outcomes		14,446
	(a) Reduction in Infant Mortality Rates	5,000	
	(b) Improvement in Supply of Justice	5,000	
	(c) Incentive for Issuing UIDS	2,989	
	(d) District Innovation Fund	616	
	(e) Improvement of Statistical Systems at State and District Level	616	
	(f) Employee and Pension Data base	225	
VIII.	Maintenance of Roads and Bridges		19,930
IX.	State-specific		27,945
X.	Implementation of model GST		50,000
Total			**3,18,581**

Way Forward

In the context of federal finance, the Commission sought to address several specific challenges in its recommendations using several instruments at its disposal. However, it must be recognised that the change process is not confined to the time horizon of the Commission's recommendations or, even, to the ambit of these recommendations. Therefore, it identified areas where complementary actions need to be taken in the medium and long term to secure for India a fiscal framework equipped to meet the challenges of the future and to enable India to make the most of its demographic dividend.

This Commission's deliberations have been conducted in a fiscal environment which has been dominated by the proposal to implement the Goods and Services Tax (GST). When implemented in the manner it is proposed, this reform measure will put India's indirect tax system at the forefront of international best practice. It will reduce the vertical imbalance between the Centre and the states, foster a common market across the country and accelerate growth. It also will reduce distortions by completely switching over to the destination principle and make the Indian manufacturing sector more competitive and boost exports. It will facilitate investment decisions being made on purely economic concerns and thus help lagging regions. It will be a landmark effort in cooperative fiscal federalism, with all stakeholders contributing to the national welfare by accepting its framework. Such a Model GST will be a cornerstone of the new architecture of federal finance.

The Commission also urged for a careful thinking about Constitutional changes that would allow the third tier to access resources directly from the divisible pool. The introduction of the GST also needs to keep the local bodies in mind in the future since, being a consumption based and incentive compatible tax, it is well suited for direct allocation to the third tier.

The Commission also emphasized on further reforms to enable future policy initiatives, including those taken by succeeding Finance Commissions, to be in consonance with contemporary policy imperatives. In the context of future Finance Commissions, updating of award parameters (such as the parameters for horizontal devolution and those entering grant formulae), within the time horizon of the award period and not just (as is the case upto the present) when the award recommendations are made is necessary. Some of the areas of special importance include data pertaining to forest cover, district level data on social and economic indicators that would enable better understanding and specification of intra-state disparities, as well as data on domestic and cross-border remittances and inter-state trade. It also underscored on the need for better data on human development and Millennium Development Goals (MDG). To introduce the governance dimension, it would be necessary to consider dynamic parameters such as those related to indicators of MDG progress. Use of such parameters would incentivise states to think about ways in which to improve governance and outcome based service delivery.

An issue that requires most urgent attention in order to eliminate time lags is the availability of data for compiling of GSDP and to bring to a close the cumbersome process of generating comparable GSDP data. The Commission is of the view, that all agencies concerned, whether at the central, state or district level collectively agree to a blueprint and methodology for delivering comparable GSDP data on a regular and timely basis. It is equally important that the Central Statistical Organization (CSO) assume greater responsibility for producing GSDP at market prices, and for generating estimates of income accruing to states inclusive of net inward remittances.

The Commission also have made a beginning in introducing an environmental dimension into inter governmental fiscal arrangements. Moreover, it is envisaged that this dimension will grow in importance in the future as environmental sustainability becomes one of the centre pieces of development policy formulation and the role of incentives in securing such sustainability can be expected to commensurately increase over time, especially those that directly affect the poor and vulnerable in their daily lives like soil quality, water, sanitation, pollution and bio-diversity.

The Commission also recommended several measures to enhance institutional deepening, such as the creation of a council of finance ministers, a fiscal council, a local body ombudsman, etc. These are part of the overall effort that needs to be made to improve the quality of public institutions to deliver a framework that is suited to the demands of India, emerging as an important contributor to the growth and stability of the global economy.

States today are, collectively, at the cutting edge of best practices in maintaining prudent and pro-development fiscal policies and for each state taken individually, there is much to learn in terms of best practice. Important areas where such best practices can be emulated and implemented include timely and accurate reporting of public sector accounts, engagement with legislative oversight bodies such as Public Accounts Committees, initiatives to independently review and monitor compliance with Fiscal Responsibility Legislation (FRL), effective design of medium term fiscal frameworks and significant progress in the fiscal and operational empowerment of local bodies. Improving quality of public expenditure, which is important for all states, would require independent evaluation of major schemes and projects on a regular basis.

At the central level, there is a need to focus more closely on the primary function, which is to deliver and implement a prudent fiscal policy in consonance with the needs of overall development policy making.

In the context of modernization, a comprehensive overhaul of the institutional arrangements for fiscal policy design and formulation is a vital with a need to calibrate and implement an increasingly sophisticated roadmap for future fiscal consolidation. This requires considerably enhanced policy formulation and analysis capabilities and a more horizontal and integrated approach to the task than has historically been the case.

The Commission concluded that it is a matter of great potential concern that increases in disparities in growth should not lead to demonstrable differences in access to opportunities and public goods. In this matter institutions charged with designing the overall development policy framework of the country particularly, the Planning

Commission, should reflect on and address these issues. Fiscal interventions to correct against real and perceived disparities generated by the growth process can only address the symptoms and alleviate the consequences of not securing inclusive growth in all its multiple dimensions. Hence, it reiterated the importance of securing growth that is inclusive across all the multifarious dimensions that are pertinent in a large, vibrant and variegated country like India.

Explanatory Memorandum as to the Action Taken on the Recommendations Made by the Thirteenth Finance Commission[1]

1. The Thirteenth Finance Commission (hereafter referred to as the Commission) was constituted by the President on November 13, 2007 to give recommendations on specified aspects of Centre State fiscal relations during 2010-15. The Commission submitted its report to the President on December 30, 2009 covering all aspects of its mandate.

2. The report of the Commission (hereafter referred to as the Report) covering the five year period commencing from April 1, 2010, together with this Explanatory Memorandum on the action taken on the recommendations of the Commission is being laid on the Table of the House, in pursuance of Article 281 of the Constitution. Summary of the main recommendations of the Commission relating to the sharing of net proceeds of Union taxes between Centre and States, grants-in-aid of revenue of States under Article 275, Goods and Services Tax (GST), financing of relief expenditure and roadmap for fiscal consolidation are contained in Chapter 1 of the Report of the Commission.

3. The Government has carefully examined the main recommendations of the Commission. The action to be taken on these recommendations is detailed below.

Sharing of Union Taxes

4. The Commission has recommended that for its award period, the share of States in the net proceeds of Union taxes may be fixed at 32 per cent. The Commission has also recommended on the inter-se distribution of the States' share amongst the States. The details of the formula for inter - se distribution and the corresponding share of each State recommended by the Commission are indicated in Chapter 8 of the Report. It has also recommended that the total transfers to the States on the revenue account be subjected to an indicative ceiling of 39.5 per cent of the gross tax revenues of the Centre.

The Government has accepted the above recommendations of the Commission.

Grants -in-Aid of Revenues of States under Article 275 of the Constitution

5. The Commission has recommended grants-in-aid of revenues of States for non plan revenue deficit, elementary education, environment related issues, improving outcomes, maintenance of roads and bridges, local bodies, disaster relief, GST implementation and state specific grants under Article 275 of the Constitution.

Non Plan Revenue Deficit Grant

6. The Commission has assessed the revenues and expenditure of the States for the period 2010-15 and has projected the deficit for each State after taking into account the amount of share in Central taxes for that State. The Commission has recommended a grant of Rs. 51,800 crore to meet this deficit for eight States. The amount of grant recommended for each state year-wise is indicated in Chapter 12 of the Report. The Commission has also recommended a performance incentive grant of Rs. 1,500 crore for three special category

[1] Issued by and placed in the public domain by the Department of Economic Affairs, Ministry of Finance, Government of India on February 25, 2010.

States of Assam, Sikkim and Uttarakhand that have graduated out of Non Plan Revenue Deficit. The details of this grant are indicated in Chapter 12 of the Report.

The Government has accepted this recommendation.

Grant for Elementary Education

7. The Commission has assessed the requirement of providing elementary education for each State based on the Sarva Shiksha Abhiyan norms and recommended to provide a grant of Rs. 24,068 crore equivalent to 15 per cent of the assessed requirement. The year-wise allocation for each State and the conditionality for release of this grant are given in Chapter 12 of the Report.

The Government has accepted this recommendation.

Environment Related Grants

8. The Commission has recommended three grants under this category of Rs. 5,000 crore each aggregating to Rs. 15,000 crore. The first grant of each of these Rs. 5,000 crore grants is forest grant, the second is for promotion for renewable energy and the third is for water sector. The year-wise allocation for each State and the conditionalities for forest and water sector grants are indicated in Chapter 12 of the Report. The eligibility of each State for the grant for renewable energy is to be decided, as indicated in Chapter 12 of the Report, based on the achievement of each state on this front in the first four years of the award period.

The Government has accepted these recommendations.

Grants for Improving Outcomes

9. The Commission has recommended six grants under this category aggregating to Rs. 14,446 crore over the award period. An incentive grant for reduction in infant mortality of Rs. 5,000 crore is to be released to States starting 2012-13 depending on the reduction in Infant Mortality Rate (IMR) achieved by the States with reference to the baseline level of 2009-10 figures. Grant of Rs. 5,000 crore for improved delivery of justice has been recommended for Lok Adalats and Legal Aid, Alternate Dispute Resolution Centres, Heritage Court Buildings, State Judicial Academy and training of judicial officers and public prosecutors. The grant for Unique Identification (UID) programme amounting to Rs. 2,989.10 crore is to be released based on the number of people covered under the UID database. Two grants of Rs. 616 crore each have been recommended for District Innovation Funds and improving statistical systems at district and State levels. Finally, a grant of Rs. 225 crore has been recommended for setting up database of employees and pensioners.

The Government has accepted these recommendations.

Grants for Maintenance of Roads and Bridges

10. The Commission has assessed the requirement of ordinary repairs of roads in a State and has recommended grant of Rs. 19,930 crore equivalent to 90 per cent of the assessed requirement for PMGSY roads and 50 per cent of the assessed requirement for other roads, for four years of the award period starting 2011-12. The allocation for each year for each State and the conditionality

for this grant are indicated in Chapter 12 of the Report.

The Government has accepted these recommendations.

State Specific Grants

11. The Commission has recommended grants aggregating to Rs. 27,945 crore for various state specific needs of the States. The details of these grants for each item of grant for each State are indicated in Chapter 12 of the report.

The Government has accepted these recommendations

12. For monitoring and implementation of all the above grants at the State level, the Commission has recommended setting up a monitoring committee under the chairmanship of the Chief Secretary of the State. In addition to the grants mentioned above, the Commission has recommended grants for GST implementation, local bodies and disaster relief which, along with the other recommendations relating to these areas, are explained below.

Goods and Services Tax

13. The Commission has recommended a model GST structure that includes features such as single rate, zero rating of exports, inclusion of various indirect taxes at the Central and State level in GST ambit, major rationalisation of the exemption structure, etc. The Commission has recommended a grant of Rs. 50,000 crore for implementation of GST as per the recommended model. This grant is to be disbursed initially in the form of compensation for loss due to implementation of GST and residual amount to be distributed amongst States in the terminal year of the award period as per the devolution formula. It has also recommended administrative structure for implementation and monitoring of this grant.

The Government has accepted these recommendations in principle. However, in view of the ongoing discussions between Centre and States on this aspect, implementation of these recommendations along with modalities may await the outcome of the discussions.

Local Bodies

14. The Commission has recommended a basic grant and a performance grant for local bodies. Both these grants in any year have been quantified based on a percentage of the divisible pool of the preceding year. For every year of the award period, the Commission has recommended a basic grant amounting to 1.5 per cent of the size of divisible pool in the preceding year. Similarly, for 2011-12 the Commission has recommended a performance grant of 0.5 per cent of the divisible pool of the preceding year and for subsequent years in the award period, 1 per cent of the divisible pool of the preceding year.

15. It has also recommended a separate special area basic grant of Rs. 20 per capita, carved out of the total basic grant, for every year in the award period for Schedule V and Schedule VI areas and areas excluded from Part IX and IXA of the Constitution. For these areas, it has recommended a special area performance grant of Rs. 10 per capita for 2011-12 and Rs. 20 per capita for subsequent years of the award period.

16. The performance grants are to be released if the States meet conditions specified by the Commission in Chapter 10 of the Report.

17. As per the revenue projections of the Commission, total grant recommended for the local bodies aggregates to Rs. 87,519 crore over the award period. The Commission has also recommended distribution of the grants between urban and rural areas and the inter-se distribution between States. The formula and the inter-se shares are indicated in Chapter 10 of the Report.

The Government has accepted these recommendations.

Disaster Relief

18. The Commission has reviewed the existing arrangement of financing relief expenditure in light of the Disaster Management Act, 2005 and has recommended merger of the National Calamity Contingency Fund (NCCF) into National Disaster Response Fund (NDRF) and merger of Calamity Relief Funds (CRF) into State Disaster Response Fund (SDRF) with effect from 01.04.2010 and transfer of the balances in the existing funds into the new funds.

19. The Commission has assessed the relief expenditure requirements of all States and recommended that 75 per cent of the SDRF requirement for general category states and 90 per cent for special category states be met by the Centre through a grant to the States. It has also recommended a grant of Rs. 525 crore for capacity building. Overall, to meet the Central share of SDRF and for capacity building, the Commission has recommended a grant of Rs. 26,373 crore. It has mandated all states to follow the required accounting practices to properly account for relief expenditure.

The Government has accepted these recommendations.

Fiscal Roadmap

20. The Commission has assessed the finances of the Union and States and specified a combined debt target of 68 per cent of Gross Domestic Product (GDP) to be met by 2014-15. It has worked out a roadmap for Fiscal Deficit (FD) and Revenue Deficit (RD) for the award period. For Centre, it has recommended RD to be eliminated and FD to be brought down to 3 per cent of GDP by 2013-14. For States, the Commission has worked out fiscal roadmap for each State depending on its current deficit and debt levels. The States are required to eliminate RD and achieve FD of 3 per cent of their respective Gross State Domestic Product (GSDP) during the Commission's award period in stages, in a manner that all the States would eliminate RD and achieve FD of 3 per cent of GSDP latest by 2014-15. The Commission has also recommended that the borrowing limits of the States should be fixed by the Centre in line with these targets.

The Government has accepted these recommendations in principle.

Detailed proposals for amendment of the FRBM Act, as may be necessary, will be taken up separately.

Debt Relief to States

21. The Commission has recommended two debt relief measures to be extended to all States. Firstly, it has recommended that the interest rates on loans from National Small Savings Fund (NSSF) to States contracted till the end of 2006-07 and outstanding as at the end of 2009-10 be reset at interest rate of 9 per cent. The implication of this relief during the award period is estimated by the Commission to be

Rs.13,517 crore. The financial implication over the entire period till the maturity of the last loan covered in this relief measure is estimated to be Rs. 28,360 crore. The Commission has also recommended that structural reforms should be brought in the NSSF to make it more market linked.

22. The second debt relief recommended by the Commission is write-off of Central loans to States that are administered by central ministries other than Ministry of Finance outstanding as at the end of 2009-10. The amount of loans outstanding as at the end of 2007-08 was Rs. 4,506 crore as noted by the Commission. The Commission has also recommended that any further loans under Centrally Sponsored Schemes should be completely avoided.

23. The Commission has also recommended extension of the debt consolidation facility recommended by the Twelfth Finance Commission to States that have not yet availed this benefit.

24. All the above mentioned debt relief is available to States only if they amend/legislate FRBM Acts in accordance with the recommendations of the Commission. The Commission has also recommended that the States will be eligible for the state specific grants only if they comply with this condition.

With regard to the recommendation relating to interest rate reset on NSSF loans to the States, **the Government has accepted it in principle.** However, since the recommendations are comprehensive and cover other structural aspects like interest rate mismatch, tenor mismatch and other administrative matters, Ministry of Finance will constitute a Committee to work out detailed modalities for implementation of this recommendation. With regard to write-off of the Central loans to States, extension of the debt consolidation scheme recommended by the Twelfth Finance Commission to States that did not avail the benefit till now, and the conditions laid down by the Commission for availing these benefits, **the Government has accepted the recommendations of the Commission.** With regard to completely avoiding central loans to states in the future, **action will be taken in consultation with the respective ministries**.

Other Recommendations

25. In addition to the above, the Commission has made other recommendations that deal with issues including revenue and expenditure reforms at Central and State levels, accounting and budgeting reforms, additional disclosures by the Centre, State and local bodies, etc.

These recommendations will be examined in due course.

Implementation

26. Orders on the recommendations under Articles 270 and 275(1) of the Constitution relating to share in Union taxes and duties and grants-in-aid, respectively, will be issued after obtaining the approval of the President. The recommendations relating to reorganisation of Funds for disaster relief, debt relief to States and borrowing ceilings will be implemented by executive orders. Other recommendations of the Commission will be acted upon in due course.

Annex Table 1 : Total Thirteenth Finance Commission Transfers to States (2010-15)

(Rs. crore)

States	Share in Central Taxes and Duties	Grants-in-aid (2010-15)				
		Post Devolution NPRD	Performance Incentive	Local Bodies	Disaster Relief (including capacity building)	Elementary Eduacation
1	2	3	4	5	6	7
I. Non-Special Category						
1. Andhra Pradesh	100616.0	0.0	0.0	7195.1	2138.7	942.0
2. Bihar	158341.2	0.0	0.0	5682.1	1411.2	4018.0
3. Chhattisgarh	35825.2	0.0	0.0	2267.2	647.1	857.0
4. Goa	3857.8	0.0	0.0	172.0	17.3	11.0
5. Gujarat	44107.1	0.0	0.0	3757.6	2110.9	483.0
6. Haryana	15199.5	0.0	0.0	1521.3	824.4	229.0
7. Jharkhand	40640.3	0.0	0.0	2239.8	1100.2	1528.0
8. Karnataka	62774.9	0.0	0.0	6496.7	687.1	667.0
9. Kerala	33954.3	0.0	0.0	2676.1	563.2	140.0
10. Madhya Pradesh	103268.9	0.0	0.0	5833.5	1652.7	2216.0
11. Maharashtra	75406.9	0.0	0.0	8743.6	1859.6	744.0
12. Orissa	69316.1	0.0	0.0	3270.9	1647.8	1016.0
13. Punjab	20146.4	0.0	0.0	1753.8	948.8	224.0
14. Rajasthan	84892.2	0.0	0.0	5163.8	2519.3	1766.0
15. Tamil Nadu	72070.4	0.0	0.0	5455.9	1241.4	700.0
16. Uttar Pradesh	285397.1	0.0	0.0	12740.5	1622.1	5040.0
17. West Bengal	105358.6	0.0	0.0	5773.1	1288.3	2359.0
II. Special Category						
1. Arunachal Pradesh	4755.6	2516.2	0.0	305.7	187.7	24.0
2. Assam	52620.6	0.0	300.0	1892.8	1336.8	238.0
3. Himachal Pradesh	11327.3	7888.8	0.0	641.5	670.3	113.0
4. Jammu and Kashmir	20182.7	15936.3	0.0	1122.6	877.6	449.0
5. Manipur	6541.2	6056.6	0.0	315.9	40.9	15.0
6. Meghalaya	5918.5	2810.9	0.0	432.4	77.9	52.0
7. Mizoram	3901.3	3991.4	0.0	310.7	47.5	5.0
8. Nagaland	4552.9	8146.1	0.0	415.7	29.7	7.0
9. Sikkim	3466.8	0.0	200.0	187.2	118.1	5.0
10. Tripura	7411.5	4453.3	0.0	369.8	101.0	23.0
11. Uttarakhand	16245.1	0.0	1000.0	781.3	605.1	197.0
Total	**1448096.0**	**51800.0**	**1500.0**	**87519.0**	**26373.0**	**24068.0**

Note: 1. An amount of Rs.60,000 crore is not included in the total Grants-in-aid figure in column 17. This comprises three grants (a) GST Compensation grants (Rs.50,000 crores), (b) Grants for reduction in IMR (Rs.5000 crores) and (c) Renewable energy grant (Rs.5000 crores). The state-wise allocation of these grants is not possible at this stage as this is dependent on their future performance. Adding these forward looking grants to the total grants figure in column 17, the aggregate Grants-in-aid figure works out to Rs.318581 crores and the total transfers work out to Rs.1766676 crores.

2. Total may not tally due to rounding off.

NPRD = Non Plan Revenue Deficit. UID = Unique Identity

Annex Table 1 : Total Thirteenth Finance Commission Transfers to States (2010-15) *(Contd.)*

(Rs. crore)

States	Grants-in-aid (2010-15)				
	Improving Outcomes				
	Impovement in Justice Delivery	Incentive for Issuing UIDs	District Innovation Fund	Improvement of Statistical System at State and District Level	Employee and Pension Database
1	8	9	10	11	12
I. Non-Special Category					
1. Andhra Pradesh	270.7	126.1	23.0	23.0	10.0
2. Bihar	385.0	369.2	38.0	38.0	10.0
3. Chhattisgarh	125.1	91.0	18.0	18.0	10.0
4. Goa	15.0	2.0	2.0	2.0	10.0
5. Gujarat	299.8	90.7	26.0	26.0	10.0
6. Haryana	124.2	32.1	21.0	21.0	10.0
7. Jharkhand	177.5	116.4	24.0	24.0	10.0
8. Karnataka	269.8	138.9	29.0	29.0	10.0
9. Kerala	140.1	49.6	14.0	14.0	10.0
10. Madhya Pradesh	407.4	249.7	50.0	50.0	10.0
11. Maharashtra	542.7	317.4	35.0	35.0	10.0
12. Orissa	193.6	178.5	30.0	30.0	10.0
13. Punjab	120.8	21.6	20.0	20.0	10.0
14. Rajasthan	268.5	134.9	33.0	33.0	10.0
15. Tamil Nadu	252.4	145.6	31.0	31.0	10.0
16. Uttar Pradesh	645.8	590.0	70.0	70.0	10.0
17. West Bengal	210.9	208.4	19.0	19.0	10.0
II. Special Category					
1. Arunachal Pradesh	77.6	2.0	16.0	16.0	5.0
2. Assam	121.1	55.8	27.0	27.0	5.0
3. Himachal Pradesh	64.8	6.4	12.0	12.0	5.0
4. Jammu and Kashmir	104.5	5.9	22.0	22.0	5.0
5. Manipur	11.6	4.0	9.0	9.0	5.0
6. Meghalaya	4.2	4.5	7.0	7.0	5.0
7. Mizoram	13.0	1.2	8.0	8.0	5.0
8. Nagaland	6.2	4.0	11.0	11.0	5.0
9. Sikkim	21.8	1.1	4.0	4.0	5.0
10. Tripura	24.0	6.4	4.0	4.0	5.0
11. Uttarakhand	102.2	36.0	13.0	13.0	5.0
Total	**5000.0**	**2989.0**	**616.0**	**616.0**	**225.0**

Annex Table 1 : Total Thirteenth Finance Commission Transfers to States (2010-15) *(Concld.)*

(Rs. crore)

States	Grants-in-aid (2010-15)					Total Transfers (col.2+ col.17)
	Environment related grants		Maintenance of Roads and Bridges	State Specific	Total Grants-in-aid [sum of col.3 to col.16]	
	Forests	Water Sector Management				
1	13	14	15	16	17	18
I. Non-Special Category						
1. Andhra Pradesh	268.6	284.0	981.0	1270.0	13532.3	114148.3
2. Bihar	38.4	304.0	464.0	1845.0	14602.8	172944.1
3. Chhattisgarh	411.1	88.0	362.0	1281.0	6175.5	42000.7
4. Goa	36.9	8.0	40.0	200.0	516.2	4374.0
5. Gujarat	81.9	236.0	1261.0	1300.0	9682.9	53789.9
6. Haryana	8.8	212.0	267.0	1000.0	4270.8	19470.3
7. Jharkhand	151.4	108.0	334.0	1425.0	7238.4	47878.6
8. Karnataka	221.0	128.0	1625.0	1300.0	11601.4	74376.3
9. Kerala	135.5	176.0	953.0	1500.0	6371.5	40325.8
10. Madhya Pradesh	490.3	148.0	986.0	1231.0	13324.5	116593.4
11. Maharashtra	309.6	368.0	2103.0	1235.0	16302.8	91709.8
12. Orissa	331.0	184.0	1022.0	1745.0	9658.8	78974.9
13. Punjab	9.2	320.0	612.0	1480.0	5540.3	25686.6
14. Rajasthan	88.3	224.0	1509.0	1200.0	12949.8	97842.0
15. Tamil Nadu	142.5	192.0	1865.0	1300.0	11366.9	83437.3
16. Uttar Pradesh	80.5	1364.0	2831.0	1679.0	26742.9	312140.0
17. West Bengal	79.0	296.0	673.0	1703.0	12638.7	117997.2
II. Special Category						
1. Arunachal Pradesh	727.8	8.0	162.0	300.0	4348.2	9103.8
2. Assam	184.6	88.0	336.0	600.0	5212.1	57832.7
3. Himachal Pradesh	100.6	64.0	436.0	350.0	10364.4	21691.6
4. Jammu and Kashmir	133.0	88.0	140.0	1350.0	20255.9	40438.7
5. Manipur	150.3	8.0	100.0	301.0	7026.3	13567.5
6. Meghalaya	168.1	4.0	101.0	250.0	3923.9	9842.4
7. Mizoram	171.2	4.0	89.0	250.0	4904.0	8805.3
8. Nagaland	138.6	8.0	159.0	250.0	9191.3	13744.2
9. Sikkim	40.6	4.0	68.0	400.0	1058.8	4525.7
10. Tripura	95.5	8.0	122.0	500.0	5716.1	13127.6
11. Uttarakhand	205.4	76.0	329.0	700.0	4063.0	20308.1
Total	**5000.0**	**5000.0**	**19930.0**	**27945.0**	**258581.0**	**1706676.0**

*Indian Investment Abroad in Joint Ventures and Wholly Owned Subsidiaries: 2009-10 (April-December)**

The article on Indian investment abroad in joint ventures (JVs) and wholly owned subsidiaries (WOSs) is brought out along with the quarterly release of India's balance of payments (BoP) statistics. This article reviews India's outward foreign direct investment (FDI) in JVs and WOSs during the quarter October-December 2009 and the period April-December 2009.

I. India's Outward FDI Proposals[1]

I.1 Magnitude

During the quarter October-December 2009, 939 proposals amounting to US$ 6.7 billion were cleared for investments abroad in JVs and WOSs, as against 828 proposals amounting to US$ 7.4 billion during the corresponding period of the previous year (Table 1). During the quarter under review, the number of investment proposals registered an increase of 13.4 per cent over the corresponding quarter of the previous year and the amount of proposals showed a decline of 9.1 per cent. Equity accounted for 46.2 per cent of the amount of proposals for investment, followed by guarantees (37.5 per cent) and loans (16.3 per cent). During the corresponding quarter of the 2008-09, equity constituted 75.8 per cent of the amount of proposals for investment, while loans and guarantees formed 11.3 per cent and 12.9 per cent, respectively. Thus, during the third quarter of 2009-10, the share of equity in total amount of

* Prepared in the Division of International Trade, Department of Economic Analysis and Policy. The previous issue of the article was published in RBI Bulletin, January 2010.

[1] India's outward FDI in this review refers to Indian investment abroad in joint ventures (JVs) and wholly owned subsidiaries (WOSs) by Indian public and private limited companies, registered partnership firms and remittances in respect of production sharing agreements for oil exploration.

Table 1: India's Outward FDI : Proposals Cleared during October-December

Period/Route of Approval	Number of Proposals	Amount of Proposals (US $ million)			
		Equity	Loans	Guarantees	Total
1	2	3	4	5	6
2008-09					
October-December 2008					
I. Approval Route	1	1	–	–	1
II. Automatic Route	827	5615	835	958	7408
Total (I+II)	**828**	**5616**	**835**	**958**	**7409**
2009-10					
October-December 2009					
I. Approval Route	1	Neg.	–	–	Neg.
II. Automatic Route	938	3112	1096	2526	6735
Total (I+II)	**939**	**3112**	**1096**	**2526**	**6735**

Notes: 1. Data are provisional.
2. Neg.: Negligible.

investment proposals showed a decline, while those of loans and guarantees showed increase.

During the first three quarters of 2009-10 (April-December 2009), 2,984 proposals amounting to US$ 14.3 billion were cleared for investments abroad in JVs and WOSs, as against 2,828 proposals amounting to US$ 16.4 billion during the corresponding period of the previous year (Table 2). While the number of proposals recorded an increase

Table 2: India's Outward FDI : Proposals Cleared during April-December

Period/Route of Approval	Number of Proposals	Amount of Proposals (US $ million)			
		Equity	Loans	Guarantees	Total
1	2	3	4	5	6
2008-09					
April-December 2008					
I. Approval Route	3	39	–	–	39
II. Automatic Route	2825	10949	3060	2304	16313
Total (I+II)	**2828**	**10987**	**3060**	**2304**	**16352**
2009-10					
April-December 2009					
I. Approval Route	2	Neg.	–	–	Neg.
II. Automatic Route	2982	6980	3200	4080	14260
Total (I+II)	**2984**	**6980**	**3200**	**4080**	**14260**

Notes: 1. Data are provisional.
2. Neg.: Negligible.

of 5.5 per cent over the corresponding period of the previous year, the magnitude of investment proposals showed a decline of 12.8 per cent. Equity accounted for 49.0 per cent of the proposals for investment, followed by guarantees (28.6 per cent) and loans (22.4 per cent). During the corresponding period of the previous year (April-December 2008), equity constituted 67.2 per cent of the proposals for investment, while loans and guarantees formed 18.7 per cent and 14.1 per cent, respectively. This reflects decrease in the share of equity in the financing of investment proposals and increase in those of both loans and guarantees during the first nine months of 2009-10 as compared to the same period of the previous year.

Route-wise, during October-December 2009, most of the proposals cleared were through automatic route and only one proposal was through approval route[2]. During the corresponding quarter of the previous year also, most of the proposals cleared were through automatic route and only one proposal was through approval route. Under automatic route, equity had the highest share (46.2 per cent), while under approval route the proposal was under equity only. During April-December 2009, 99.9 per cent of the proposals involving almost 100 per cent of the amount were through automatic route and the remaining 0.1 per cent of the proposals involving small amount were through approval route. Under automatic route, equity occupied 48.9 per cent of the amount of investment proposals, whereas under approval route, both the proposals were through equity only. During April-December 2008, 99.9 per cent of the proposals involving 99.8 per cent amount were through automatic route, while the balance 0.1 per cent of the proposals involving 0.2 per cent amount were through the approval route.

I.2 Sectoral Pattern and Direction

I.2.1 Sectoral Pattern

During the quarter October-December 2009, out of the total amount of outward FDI proposals cleared, 97.1 per cent of the amount was for the investments of US$ 5 million and above. Sector-wise distribution of these investment proposals shows that 42 per cent of the amount of proposals was in manufacturing, followed by non-financial services (9 per cent), trading (4 per cent) and the balance was in others (Table 3). During the corresponding period of the previous year, 96.0 per cent of the amount of cleared proposals was for investments of US$ 5 million and above, and of these, 73 per cent of the amount was in manufacturing, followed by non-financial services (7 per cent), trading (6 per cent), financial services (1 per cent) and the rest was in others. During October-December 2009, within the manufacturing sector, proposals were in the areas like electronic equipments, chemical and related products, cement and cement products, non-ferrous metals, telecom products, software packages, information technology, construction work, power

[2] Indian residents are permitted to make investment in overseas joint ventures and wholly owned subsidiaries under automatic route and approval route. Under automatic route, all proposals are routed through designated authorised dealer banks, and these do not require prior approval from the Reserve Bank. Proposals not covered by the conditions under automatic route require the prior clearance of the Reserve Bank and come under approval route.

generation, drugs, pharmaceuticals and mining. Proposals in trading covered investments in areas such as textiles, gems and jewellery and wood and wood products. Investment proposals in financial services comprised services like those related to shares and securities, while those in non-financial services included shipping. The category of 'others' included miscellaneous activities such as transport equipments, plastic and plastic products, oil exploration and medical services. The pattern of investment proposals in the third quarter of 2009-10 revealed that the shares of manufacturing, trading and financial services in the total amount of proposals declined, while that of non-financial services increased.

The overall investment proposals during April-December 2009 indicated that about 94 per cent of the amount was for investments of US$ 5 million and above. Sector-wise, 42 per cent of the amount of proposals was in manufacturing, followed by non-financial services (9 per cent), trading (5 per cent), financial services (1 per cent) and the balance was 'others' (Table 3 and Chart 1). During April-December 2008, 57 per cent of the amount of proposals was in manufacturing, followed by non-financial services (9 per cent), trading (6 per cent), financial services (1 per cent) and the rest was others. The pattern of investment proposals during April-December 2009 revealed that financial services and non-financial services maintained their shares in the total amount of proposals, while the shares of trading and manufacturing declined.

I.2.2 Direction (Recipient Countries)

Direction of investment proposals indicated that Singapore, Sudan, Mauritius and the US together accounted for 72 per cent of the amount of proposals for outward FDI (US$ 5 million and above) during October-December 2009 (Table 4). During the corresponding quarter of the previous year, the Netherlands, the UK, Singapore and Mauritius together accounted for 83 per cent of the amount of proposals. Thus, Singapore and Mauritius continued to be the leading destinations for India's outward FDI. During April-December 2009,

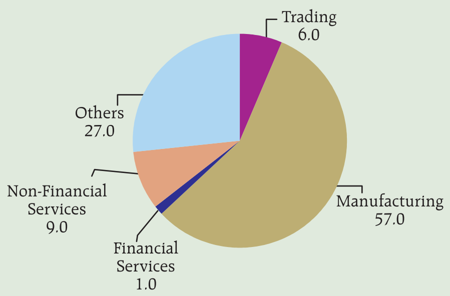
Table 3: Sector-wise Distribution of India's Outward FDI (Cleared Proposals)

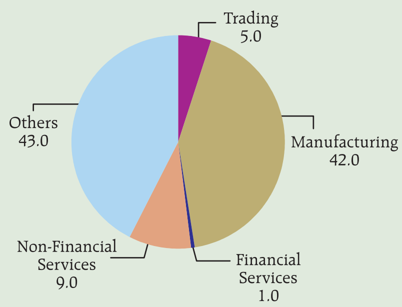
(US $ million)

Sectors	2008-09		2009-10	
	October-December	April-December	October-December	April-December
1	2	3	4	5
Trading	408	993	236	658
Manufacturing	5165	8750	2720	5693
Financial Services	88	205	30	84
Non-Financial Services	481	1393	598	1270
Others	969	4117	2958	5699
Total	**7110**	**15458**	**6542**	**13402**

Note: Figures relate to investments of US$ 5 million and above.

Chart 1: Distribution of India's Outward FDI (Cleared Proposals)





Singapore, Mauritius, the US, British Virgin Islands and the Netherlands together accounted for 71 per cent of the amount of proposals for outward FDI (US$ 5 million and above) (Table 4 and Chart 2). As against this, during the corresponding period of the previous year, the Netherlands, Singapore, the UK, the US and Mauritius accounted for 77 per cent of the proposals. During April-December 2009, the shares of Singapore, Sudan, Mauritius, the British Virgin Islands and the UAE in India's outward FDI have

Table 4: Direction of India's Outward FDI (Cleared Proposals)

(US $ million)

Country	2008-09		2009-10	
	October-December	April-December	October-December	April-December
1	2	3	4	5
Singapore	1246	2954	3002	5162
Sudan	8	35	730	730
Mauritius	733	1624	564	1623
USA	288	2063	460	1231
British Virgin Islands	16	98	447	901
Channel Island	-	-	301	458
UAE	285	746	250	746
Netherlands	2298	3230	250	797
UK	1765	2266	130	294
Australia	85	134	82	89
Others	524	2519	385	1747
Total	**7250**	**15670**	**6601**	**13778**

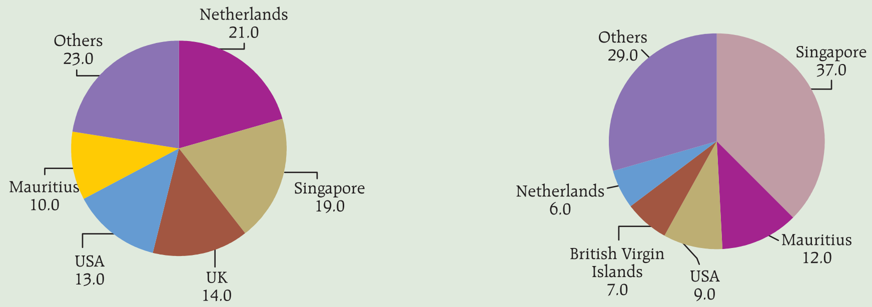
Notes: 1. Figures relate to investments of US$ 5 million and above.

2. The totals in this Table may differ from those given in Table 3 as some of the country-wise proposals having an individual amount of US$ 5 million and above, may involve more than one sector and *vice versa.*

Chart 2: Direction of India's Outward FDI (Cleared Proposals)

Chart 2 (a): Direction of India's Outward FDI during April-December, 2008 (Per Cent Shares)

Chart 2 (b): Direction of India's Outward FDI during April-December, 2009 (Per Cent Shares)



increased while those of the US, the Netherlands and the UK have declined.

II. India's Outward FDI: Actual Outflows[3]

II.1 Magnitude of Outflows

Actual outward FDI in JVs and WOSs during the quarter October-December 2009 stood at US$ 2.7 billion, showing a decline of 54.8 per cent over US$ 5.9 billion during the corresponding quarter of the previous year (Table 5). Outflows under equity and loans declined by 57.3 per cent and 44.8 per cent, respectively. Of the total investment amount, 76 per cent was in the form of equity and almost all the remaining amount was in loans, while there was invocation of small amount of guarantees. During October-December 2008, 80 per cent of the amount of outflows was in the form of equity and the rest was in loans, while there was no invocation of guarantee. Thus, during the quarter under review, the share of equity in actual outward FDI has decreased. However, equity continued to be the dominant mode of financing the investment proposals. Moreover, during October-December 2009, the proportion of 'actual investment outflows' to 'cleared investment proposals' decreased to 39 per cent from 79 per cent a year ago. During the period April-December 2009, the actual outward FDI in JVs and WOSs stood at US$ 8.4 billion, which showed a decline of 34.1 per cent over the investment of US$ 12.7 billion during the corresponding period of the previous year (Table 5). Of the total amount of investments, 70 per cent was in the form of equity, and most of the remaining amount comprised loans, while

[3] Financing of outward FDI by Indian entities is broadly in the form of equity, loan and guarantee. These include sources, such as drawal of foreign exchange in India, capitalisation of exports, funds raised through external commercial borrowings, foreign currency convertible bonds and ADRs/GDRs, and also through leveraged buyouts by way of setting up of special purpose vehicles (SPVs). The equity data presented in this review do not include equity of individuals and banks, and the SPVs set up for funding overseas investment, while BoP statistics, in addition, include the equity of banks (unincorporated banks' branches operating abroad).

Table 5 : India's Outward FDI : Actual Outflows

(US $ million)

Period	Equity	Loans	Guarantees Invoked	Total
1	2	3	4	5
2008-09				
October-December 2008	4706	1157	–	5863
April-December 2008	10144	2598	–	12742
2009-10				
October-December 2009	2010	639	2	2650
April-December 2009	5890	2484	24	8398

Note: Data are provisional.

there was small amount under invoked guarantees. Against this, during April-December 2008, 80 per cent of the amount of investments was in the form of equity and the remaining 20 per cent was loans, while there was no invocation of guarantee. Thus, during April-December 2009, the share of equity has gone down in the outward investments with the amount of equity showing a negative growth of 41.9 per cent.

Annex I: India's Overseas Investment – Major Liberalisation Measures since 2000

The introduction of FEMA in 2000 brought about significant policy liberalisation. The limit for investment up to US$ 50 million, which was earlier available in a block of three years, was made available annually without any profitability condition. Companies were allowed to invest 100 per cent of the proceeds of their ADR/GDR issues for acquisitions of foreign companies and direct investments in JVs and WOSs.

Automatic route was further liberalised in March 2002 wherein Indian parties investing in JVs/WOSs outside India were permitted to invest an amount not exceeding US$ 100 million as against the earlier limit of US$ 50 million in a financial year. Also, the investments under the automatic route could be funded by withdrawal of foreign exchange from an authorised dealer (AD) not exceeding 50 per cent of the net worth of the Indian party.

With a view to enabling Indian corporates to become global players by facilitating their overseas direct investment, permitted end-use for ECB was enlarged to include overseas direct investment in JVs/WOSs in February 2004. This was designed to facilitate corporates to undertake fresh investment or expansion of existing JV/WOS including mergers and acquisitions abroad by harnessing resources at globally competitive rates.

In order to promote Indian investment abroad and to enable Indian companies to reap the benefits of globalisation, the ceiling of investment by Indian entities was revised from 100 per cent of the net worth to 200 per cent of the net worth of the investing company under the automatic route for overseas investment. The limit of 200 per cent of the net worth of the Indian party was enhanced to 300 per cent of the net worth in June 2007 under automatic route (200 per cent in case of registered partnership firms). In September 2007, this was further enhanced to 400 per cent of the net worth of the Indian party.

As a simplification of the procedure, share certificates or any other document as an evidence of investment in the foreign entity by an Indian party which has acquired foreign security should not be submitted to the Reserve Bank. The share certificates or any other document as evidence of investment where share certificates are not issued would be required to be submitted to and retained by the designated AD category–I bank, which would be required to monitor the receipt of such documents to ensure *bona fides* of the documents so received.

The Indian venture capital funds (VCFs), registered with the SEBI, are permitted to invest in equity and equity-linked instruments of off-shore venture capital undertakings, subject to an overall limit of US$ 500 million and compliance with the SEBI regulations issued in this regard.

The Liberalised Remittance Scheme (LRS) for Resident Individuals was further liberalised by enhancing the existing limit of US$ 100,000 per financial year to US$ 200,000 per financial year (April-March) in September 2007.

The limit for portfolio investment by listed Indian companies in the equity of listed foreign companies was raised in September 2007 from

(contd.)

Annex I:
India's Overseas Investment – Major Liberalisation Measures since 2000 *(Concld.)*

35 per cent to 50 per cent of the net worth of the investing company as on the date of its last audited balance sheet. Furthermore, the requirement of reciprocal 10 per cent shareholding in Indian companies has been dispensed with.

The aggregate ceiling for overseas investment by mutual funds, registered with SEBI, was enhanced from US$ 4 billion to US$ 5 billion in September 2007. This was further raised to US$ 7 billion in April 2008. The existing facility to allow a limited number of qualified Indian mutual funds to invest cumulatively up to US$ 1 billion in overseas Exchange Traded Funds, as may be permitted by the SEBI, would continue. The investments would be subject to the terms and conditions and operational guidelines as issued by SEBI.

Registered Trusts and Societies engaged in manufacturing/educational sector have been allowed in June 2008 to make investment in the same sector(s) in a Joint Venture or Wholly Owned Subsidiary outside India, with the prior approval of the Reserve Bank.

Registered Trusts and Societies which have set up hospital(s) in India have been allowed in August 2008 to make investment in the same sector(s) in a JV/WOS outside India, with the prior approval of the Reserve Bank.

India's Foreign Trade: 2009-10 (April-January) *

This article reviews India's merchandise trade performance during 2009-10 (April-January) on the basis of data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S); disaggregated commodity-wise details for the period April-August 2009 are also analysed.

Highlights

- India's merchandise exports during January 2010 at US$ 14.3 billion recorded a growth of 11.5 per cent as compared with a decline of 13.6 per cent registered in January 2009. The decline in exports which began since October 2008 continued for twelve consecutive months. The exports turned around by exhibiting an increase of 0.3 per cent in October 2009 and the positive growth in exports continued thereafter (monthly average growth of 13.0 per cent during November 2009 to January 2010). This trend indicated stability in positive growth in exports.
- During 2009-10 (April-January) exports stood at US$ 131.8 billion, posting a decline of 17.9 per cent as against a growth of 22.8 per cent during the corresponding period of 2008-09.
- Imports during January 2010 at US$ 24.7 billion showed a high growth of 35.5 per cent as against a decline of 20.2 per cent recorded in January 2009. This was due to growth in both petroleum, oil and lubricants (POL) and non-POL imports. After a continuous decline for one year, imports had turned around in December 2009 by exhibiting an increase of 27.2 per cent. The positive growth in imports continued in January 2010.

* Prepared in the Division of International Trade, Department of Economic Analysis and Policy. The previous issue of the article was published in RBI Bulletin, March 2010.

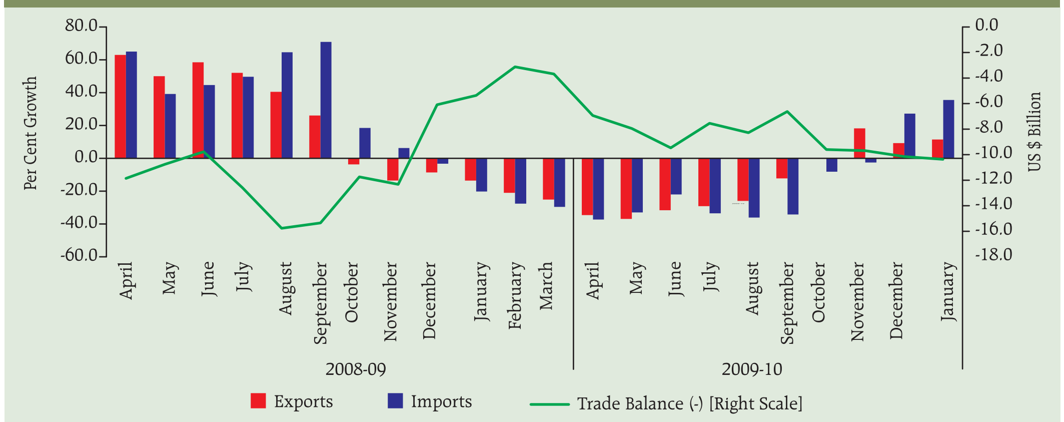
- During 2009-10 (April-January), imports at US$ 218.1 billion recorded a decline of 19.8 per cent as against a growth of 32.0 per cent a year ago.
- Petroleum, oil and lubricants (POL) imports at US$ 63.9 billion during 2009-10 (April-January) showed a decline of 25.4 per cent, as against a high growth of 36.1 per cent a year ago, primarily due to reduction in international crude oil prices over the period. The average price of Indian basket of crude oil during 2009-10 (April-January) stood at US$ 68.4 per barrel (ranged between US$ 50.1 – 77.4 per barrel), which was lower by 24.3 per cent than US$ 90.3 per barrel (ranged between US$ 40.6 – 132.5 per barrel) during 2008-09 (April-January).
- Non-POL imports during 2009-10 (April-January) at US$ 154.3 billion showed a fall of 17.3 per cent as against a growth of 30.2 per cent a year ago.
- Trade deficit during 2009-10 (April-January) amounted to US$ 86.3 billion, thereby showing a decline of US$ 25.3 billion (22.6 per cent) over US$ 111.6 billion during 2008-09 (April-January), mainly due to decline in both oil and non-oil imports.

India's Merchandise Trade during 2009-10 (April-January)

Exports

India's merchandise exports during January 2010 at US$ 14.3 billion recorded a growth of 11.5 per cent as compared with a decline of 13.6 per cent registered in January 2009 (Statement 1). The decline in exports which began since October 2008 continued for twelve consecutive months. The rates of decline in exports showed persistent moderation since June 2009 and in October 2009, exports turned around by exhibiting an increase of 0.3 per cent. The positive growth in exports continued thereafter (monthly average growth of 13.0 per cent during November 2009 to January 2010). Also, the increase in exports was consistent with the uptrend in world commodity prices. All this indicated stability in improved performance of exports (Chart 1). Cumulatively, exports during 2009-10 (April-

Chart 1: Exports, Imports and Trade Balance



January) stood at US$ 131.8 billion, posting a decline of 17.9 per cent as against a growth of 22.8 per cent during 2008-09 (April-January) [Table 1 and Statement 2].

Table 1: India's Merchandise Trade: April-January

(US $ billion)

Items	2008-09 R		2009-10 P	
	April-January			
1		2		3
Exports		**160.4** **(22.8)**		**131.8** **(-17.9)**
Oil Exports	24.0 (9.5)		..	
Non-Oil Exports	136.4 (25.5)		..	
Imports		**272.0** **(32.0)**		**218.1** **(-19.8)**
Oil Imports	85.6 (36.1)		63.9 (-25.4)	
Non-Oil Imports	186.4 (30.2)		154.3 (-17.3)	
Trade Balance		**-111.6**		**-86.3**
Oil Trade Balance	-61.6		..	
Non-Oil Trade Balance	-50.0		..	

R : Revised. P : Provisional. .. Not available.

Note : Figures in parentheses show percentage change over the corresponding period of the previous year.

Source : Compiled from Ministry of Commerce and Industry and DGCI&S data.

The commodity-wise exports data released by DGCI&S for April-August 2009 revealed that manufactured goods maintained the largest share at 70.0 per cent, followed by primary products (13.4 per cent) and petroleum products (13.0 per cent). Moreover, the share of manufactured goods has increased along with decrease in the shares of petroleum products and primary products (Table 2).

During April-August 2009, exports of all major commodity groups declined (Statement 3). Exports of primary products during April-August 2009 showed a sharp decline of 34.1 per cent as against a high growth of 52.6 per cent a year ago, due to decline in its major components. Within primary products, agricultural and allied products exports at US$ 6.1 billion showed a decline of 32.5 per cent (growth of 62.4 per cent during the corresponding period of previous year). This was due to decline in most of its components. Exports of ores and

Table 2: India's Exports of Principal Commodities

(Percentage Shares)

Commodity Group	2007-08	2008-09	2008-09	2009-10
	April-March		April-August	
1	2	3	4	5
I. Primary Products	**16.9**	**13.7**	**13.9**	**13.4**
Agriculture and Allied Products	11.3	9.5	9.7	9.6
Ores and Minerals	5.6	4.2	4.2	3.8
II. Manufactured Goods	**63.2**	**66.5**	**64.2**	**70.0**
Leather and Manufactures	2.2	1.9	1.8	2.1
Chemicals and Related Products	13.0	12.3	11.3	13.1
Engineering Goods	22.9	25.5	24.8	24.1
Textiles and Textile Products	11.9	10.8	9.8	12.4
Gems and Jewellery	12.1	15.1	15.7	17.3
III. Petroleum Products	**17.4**	**14.5**	**17.4**	**13.0**
IV. Others	**2.5**	**5.3**	**4.5**	**3.6**
Total Exports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

minerals declined by 37.9 per cent as against a growth of 33.8 per cent a year ago, mainly due to decline in iron ore and processed minerals.

Exports of manufactured goods during April-August 2009 at US$ 44.6 billion exhibited a decline of 25.4 per cent in contrast with a high growth of 49.6 per cent a year ago, due to decline in its major components. Within manufactured goods, exports of engineering goods at US$ 15.3 billion declined by 33.6 per cent against a high growth of 61.9 per cent a year ago. This was due to decline in all its major constituents such as machinery and instruments, manufacture of metals, transport equipments and electronic goods as also iron and steel.

Gems and jewellery exports during April-August 2009 at US$ 11.0 billion recorded a sharp decline of 24.7 per cent as against a high growth of 84.4 per cent during the corresponding period of the previous year. Chemicals and related products exports during April-August 2009 at US$ 8.4 billion showed a decline of 20.8 per cent (a growth of 33.9 per cent during April-August 2008). The decline in the exports of chemicals and related products was led by fall in exports of its largest component, *viz.*, 'basic chemicals, pharmaceuticals and cosmetics' as also in other components. Exports of textiles and textile products during April-August 2009 at US$ 7.9 billion exhibited a decline of 13.4 per cent as against a growth of 17.0 per cent a year ago. This was because of decline in the exports of its major components such as readymade garments and cotton yarn, fabrics, made-ups.

Exports of petroleum products at US$ 8.3 billion during April-August 2009 registered a decline of 48.8 per cent as against a growth of 52.5 per cent a year ago. This occurred in the aftermath of sharp decline in world oil prices during April-August 2009 over April-August 2008 (Chart 3). The volume of these exports declined by 0.9 per cent during the period as compared with a decline of 10.9 per cent during April-August 2008.

Destination-wise, during April-August 2009, among the regions, developing countries and OECD countries were the major markets for India's exports with these groups accounting for 37.5 per cent and 36.6 per cent shares, respectively (Table 3). Another major contributor was OPEC with the share of 23.5 per cent. During April-August 2009, the shares of OECD and OPEC increased while that of developing countries declined. Country-wise, the UAE was the largest destination in April-August 2009, with a share of 14.4 per cent in India's total exports. It was followed by the US (11.2 per cent), China (5.2 per cent), Singapore (4.5 per cent), Hong Kong (4.1 per cent), the UK (3.8 per cent), the Netherlands (3.5 per cent) and Germany (3.2 per cent). Direction of India's exports during April-August 2009 indicated that exports to all major markets, such as the EU, OPEC and developing countries declined (Statement 4).

Imports

Imports during January 2010 at US$ 24.7 billion showed a high growth of 35.5 per cent as against a decline of 20.2 per cent recorded in January 2009. This was due to growth in both petroleum, oil and lubricants (POL) and non-POL imports (Statement 1).

Table 3: India's Exports to Principal Regions

(Percentage Shares)

Region/Country	2007-08	2008-09	2008-09	2009-10
	April-March		April-August	
1	2	3	4	5
I. OECD Countries	**39.5**	**36.9**	**35.3**	**36.6**
EU	21.2	21.0	20.2	20.4
North America	13.5	12.1	11.3	12.0
US	12.7	11.3	10.6	11.2
Asia and Oceania	3.2	2.5	2.3	2.9
Other OECD Countries	1.6	1.4	1.5	1.4
II. OPEC	**16.6**	**21.0**	**22.6**	**23.5**
III. Eastern Europe	**1.1**	**1.1**	**1.1**	**1.0**
IV. Developing Countries	**42.5**	**37.0**	**38.1**	**37.5**
Asia	31.6	27.7	28.1	28.3
SAARC	5.9	4.6	4.7	4.7
Other Asian Developing Countries	25.7	23.1	23.5	23.6
Africa	7.5	6.2	6.6	6.5
Latin America	3.4	3.1	3.4	2.7
V. Others / Unspecified	**0.3**	**4.0**	**2.9**	**1.4**
Total Exports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

Imports started falling since December 2008 but witnessed consistently lower rates of decline since September 2009 (Chart 1). After a continuous decline for one year, imports turned around in December 2009 by exhibiting an increase of 27.2 per cent. The positive growth in imports continued in January 2010. During 2009-10 (April-January) imports at US$ 218.1 billion registered a decline of 19.8 per cent (32.0 per cent growth a year ago) [Table 1 and Statement 2].

POL imports at US$ 63.9 billion during 2009-10 (April-January) showed a decline of 25.4 per cent, as against a high growth of 36.1 per cent a year ago, primarily due to reduction in international crude oil prices over the period. The average price of Indian basket of crude oil during 2009-10 (April-January) stood at US$ 68.4 per barrel (ranged between US$ 50.1 – 77.4 per barrel), which was lower by 24.3 per cent than US$ 90.3 per barrel (ranged between US$ 40.6 – 132.5 per barrel) during 2008-09 (April-January) (Table 4). Non-POL imports at US$ 154.3 billion recorded a fall of 17.3 per cent during 2009-10 (April-January) as against a growth of 30.2 per cent in 2008-09 (April-January).

The commodity-wise imports data for April-August 2009 indicated that POL imports at US$ 30.9 billion showed a decline of 42.5 per cent as against a high growth of 86.6 per cent a year ago, mainly due to sharp reduction in international crude oil prices over the period (Statement 5). The volume of POL imports, however, showed a growth of 12.1 per cent as against a growth of 8.7 per cent a year ago.

Table 4: Trends in Crude Oil Prices

(US $/barrel)

Period	Dubai	Brent	WTI*	Indian Basket**
1	2	3	4	5
2000-01	25.9	28.1	30.3	26.8
2001-02	21.8	23.2	24.1	22.4
2002-03	25.9	27.6	29.2	26.6
2003-04	26.9	29.0	31.4	27.8
2004-05	36.4	42.2	45.0	39.2
2005-06	53.4	58.0	59.9	55.7
2006-07	60.9	64.4	64.7	62.4
2007-08	77.3	82.4	82.3	79.5
2008-09	82.1	84.7	85.8	82.7
January 2009	45.0	44.9	41.7	44.0
January 2010	76.6	76.4	78.4	76.6

* West Texas Intermediate.

** The composition of Indian basket of crude represents average of Oman and Dubai for sour grades and Brent (dated) for sweet grade in the ratio of 63.5:36.5 w.e.f. April 1, 2009.

Sources: International Monetary Fund, *International Financial Statistics*; World Bank's Commodity Price Pink Sheet for February 2010; Ministry of Petroleum and Natural Gas, Government of India.

Non-POL imports during April-August 2009 at US$ 72.9 billion witnessed a decline of 27.2 per cent as against a high growth of 38.6 per cent during the corresponding period of 2008. Slowdown in non-POL imports was mainly due to sharp decline in imports of capital goods (decline of 25.9 per cent as against a growth of 58.3 per cent in April-August 2008), gold and silver (fall of 19.1 per cent as against a growth of 10.1 per cent during April-August 2008), pearls, precious and semi-precious stones (fall of 41.2 per cent as against a growth of 99.5 per cent during April-August 2008), fertilisers, chemicals, iron and steel, coal, coke and briquettes and metalliferrous ores and metal scrap. However, imports of edible oil and pulses showed substantial growth. During April-August 2009 the shares of capital goods, gold and silver, organic and inorganic chemicals, coal, coke and briquettes, and iron and steel in total imports went up, while those of petroleum, crude and products, pearls, precious and semi-precious stones and fertilisers came down (Table 5).

Source-wise, during April-August 2009, developing countries had the highest share in India's total imports (34.2 per cent), followed by OECD countries (32.7 per cent) and OPEC (30.1 per cent) [Table 6]. The shares of developing countries and OECD countries

Table 5: Imports of Principal Commodities

(Percentage Shares)

Commodity/Group	2007-08	2008-09	2008-09	2009-10
	April-March		April-August	
1	2	3	4	5
1. Petroleum, Crude and Products	31.7	30.1	34.9	29.8
2. Capital Goods	27.9	23.6	21.5	23.6
3. Gold and Silver	7.1	7.2	7.7	9.3
4. Organic and Inorganic Chemicals	3.9	4.0	4.3	4.6
5. Coal, Coke and Briquettes, etc.	2.6	3.3	3.0	3.2
6. Fertilisers	2.2	4.5	4.1	2.4
7. Metalliferrous Ores, Metal Scrap, etc.	3.1	2.6	2.7	2.7
8. Iron and Steel	3.5	3.1	2.7	3.2
9. Pearls, Precious and Semi-Precious Stones	3.2	5.5	5.2	4.5
10. Others	14.8	16.1	13.9	16.7
Total Imports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

Table 6: Shares of Groups/Countries in India's Imports

(Percentage Shares)

Region/Country	2007-08	2008-09	2008-09	2009-10
	April-March		April-August	
1	2	3	4	5
I. OECD Countries	**35.4**	**31.7**	**30.6**	**32.7**
EU	15.3	13.9	13.1	13.6
France	2.5	1.5	1.4	1.2
Germany	3.9	3.9	3.5	3.9
UK	2.0	1.9	1.7	1.7
North America	9.1	6.9	6.2	6.8
US	8.4	6.1	5.5	6.1
Asia and Oceania	5.8	6.3	5.9	7.1
Other OECD Countries	5.2	4.6	5.4	5.3
II. OPEC	**30.7**	**32.1**	**36.3**	**30.1**
III. Eastern Europe	**1.5**	**2.2**	**2.0**	**2.3**
IV. Developing Countries	**31.5**	**31.9**	**30.7**	**34.2**
Asia	25.5	25.9	25.0	27.2
SAARC	0.8	0.6	0.6	0.6
Other Asian Developing Countries	24.7	25.3	24.4	26.6
of which:				
People's Republic of China	10.8	10.6	10.2	12.0
Africa	3.7	4.1	4.1	4.6
Latin America	2.3	1.9	1.6	2.4
V. Others / Unspecified	**0.9**	**2.1**	**0.4**	**0.7**
Total Imports	**100.0**	**100.0**	**100.0**	**100.0**

Source: Compiled from DGCI&S data.

increased, while that of OPEC declined during the period. Country-wise, China continued to be the single largest source of imports with the share of 12.0 per cent in total imports, followed by the US (6.1 per cent), the UAE (5.8 per cent), Saudi Arabia (5.7 per cent), Australia (4.4 per cent), Iran (4.4 per cent), Switzerland (4.1 per cent) and Germany (3.9 per cent). Direction of India's imports during April-August 2009 indicated that imports from all the major regions declined (Statement 6).

Trade Deficit

Trade deficit during 2009-10 (April-January) amounted to US$ 86.3 billion, which was lower by US$ 25.3 billion (22.6 per cent) than US$ 111.6 billion a year ago, due to relatively larger decline in imports than exports during the period (Statement 2 and Chart 1).

Trade deficit on oil account during April-August 2009 stood at US$ 22.6 billion, which was lower by US$ 15.0 billion than US$ 37.6 billion a year ago. Trade deficit on non-oil account during this period amounted to US$ 17.6 billion, which was lower by US$ 5.6 billion than US$ 23.2 billion in April-August 2008.

Global Trade

World merchandise exports which declined since November 2008 as an outcome of global economic crisis, started recovering consistently since May 2009 with reduction in the rates of decline and turned around in November 2009. According to the latest monthly data from International Monetary Fund's (IMF) International Financial Statistics (IFS), in November 2009 the world exports showed a positive growth of 5.5 per cent. This was in line with the rise in world commodity prices. There has been strong convergence among the world exports and the exports of advanced economies and emerging and developing economies since May 2009 (Chart 2). Cumulatively, world merchandise exports during January-November 2009, in dollar terms, showed a decline of 22.9 per cent as against a growth of 18.2 per cent a year ago (Table 7). During the same period, exports of advanced economies declined by 23.9 per cent in contrast with a growth of 13.3 per cent a year back, and the exports of emerging and developing economies declined by 21.8 per cent as against a growth of 27.2 per cent a year ago.

Chart 2: Trends in World Export Growth

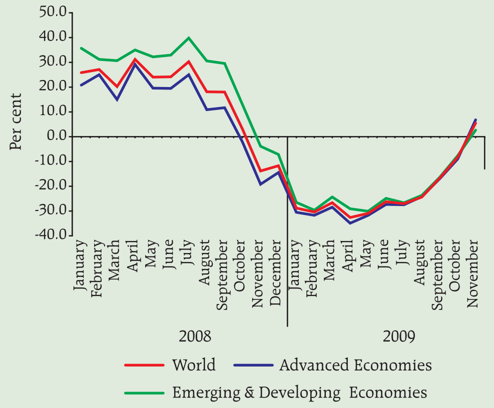


Table 7: Growth in Exports – Global Scenario

(Per cent)

Region/Country	2007	2008	2008	2009
	January-December		January-November	
1	2	3	4	5
World	**14.1**	**15.8**	**18.2**	**-22.9**
Advanced Economies	**13.5**	**11.0**	**13.3**	**-23.9**
US	12.0	11.9	14.4	-20.1
France	12.3	10.1	11.9	-26.4*
Germany	18.0	10.8	11.8	-24.5
Japan	7.8	12.3	14.0	-29.1
Emerging and Developing Economies	**15.3**	**24.6**	**27.2**	**-21.8**
Singapore	10.1	13.0	16.3	-23.4
China	25.6	17.3	19.4	-18.7
India	23.3	29.7	29.7**	-19.3**
Indonesia	14.7	24.4	20.8	-13.3
Korea	14.1	13.6	21.5	-18.6
Malaysia	9.6	19.1	16.7	-17.1
Thailand	17.1	12.9	16.7	-24.2

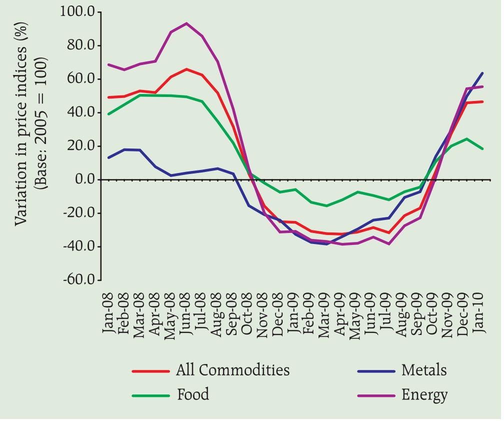
* : January-October 2009 over January-October 2008. ** : January-December over corresponding period of previous year.

Sources: 1. IMF (www.imfstatistics.org).
2. DGCI&S for India.

World Commodity Prices

According to IMF's IFS, the world commodity prices which started falling since October 2008 witnessed substantially higher rates of decline during subsequent months. However, the rates of decline in prices progressively moderated since August 2009 and the commodity prices, in fact, showed a rise since November 2009. In January 2010, the commodity prices showed a rise of 41.0 per cent (Chart 3). During this month, the prices of energy, food and metals increased by 50.8 per cent, 10.2 per cent and 59.6 per cent, respectively.

Chart 3: World Commodity Prices



Statement 1 : India's Foreign Trade - January 2010

Year	Exports			Imports			Trade Balance		
	Total	Oil	Non-Oil	Total	Oil	Non-Oil	Total	Oil	Non-Oil
1	2	3	4	5	6	7	8	9	10
Rupees crore									
2007-08	58,624	9,425	49,199	89,947	33,487	56,460	-31,323	-24,062	-7,261
	(20.6)	(48.8)	(16.4)	(40.4)	(101.0)	(19.1)			
2008-09 R	62,844	6,028	56,816	89,015	20,561	68,454	-26,171	-14,533	-11,638
	(7.2)	(-36.0)	(15.5)	(-1.0)	(-38.6)	(21.2)			
2009-10 P	65,920	..	..	113,545	32,415	81,130	-47,625	..	..
	(4.9)			(27.6)	(57.7)	(18.5)			
US dollar million									
2007-08	14,889	2,394	12,495	22,844	8,505	14,339	-7,955	-6,111	-1,844
	(35.8)	(67.5)	(31.0)	(58.1)	(126.3)	(34.1)			
2008-09 R	12,869	1,234	11,635	18,228	4,522	13,706	-5,359	-3,288	-2,071
	(-13.6)	(-48.4)	(-6.9)	(-20.2)	(-46.8)	(-4.4)			
2009-10 P	14,343	..	..	24,705	7,053	17,652	-10,362	..	..
	(11.5)			(35.5)	(56.0)	(28.8)			

P : Provisional. R : Revised. .. Not available.

Note : Figures in brackets relate to percentage variation over the corresponding period of the previous year.

Source : Press Note, Ministry of Commerce & Industry.

Statement 2 : India's Foreign Trade

Year	Exports			Imports			Trade Balance		
	Total	Oil	Non-Oil	Total	Oil	Non-Oil	Total	Oil	Non-Oil
1	2	3	4	5	6	7	8	9	10
April-March									
Rupees crore									
2006-07	571,779 (25.3)	84,520 (64.0)	487,259 (20.3)	840,506 (27.3)	258,572 (32.8)	581,935 (24.9)	-268,727	-174,052	-94,675
2007-08 R	655,864 (14.7)	114,192 (35.1)	541,672 (11.2)	1,012,312 (20.4)	320,655 (24.0)	691,657 (18.9)	-356,448	-206,463	-149,985
2008-09 P	840,755 (28.2)	123,398 (8.1)	717,357 (32.4)	1,374,435 (35.8)	419,946 (31.0)	954,489 (38.0)	-533,680	-296,548	-237,132
US dollar million									
2006-07	126,414 (22.6)	18,635 (60.1)	107,780 (17.9)	185,735 (24.5)	56,945 (29.5)	128,790 (22.4)	-59,321	-38,311	-21,010
2007-08 R	162,904 (28.9)	28,363 (52.2)	134,541 (24.8)	251,439 (35.4)	79,645 (39.9)	171,795 (33.4)	-88,535	-51,281	-37,254
2008-09 P	185,295 (13.7)	26,830 (-5.4)	158,466 (17.8)	303,696 (20.8)	91,306 (14.6)	212,390 (23.6)	-118401	-64476	-53925
April-January									
Rupees crore									
2007-08	525,757 (12.2)	88,344 (23.3)	437,413 (10.2)	830,027 (18.4)	253,385 (16.9)	576,642 (19.1)	-304,270	-165,040	-139,229
2008-09 R	715,764 (36.1)	108,388 (22.7)	607,376 (38.9)	1,215,214 (46.4)	376,884 (48.7)	838,330 (45.4)	-499,450	-268,496	-230,954
2009-10 P	629,224 (-12.1)	..	..	1,041,513 (-14.3)	304,942 (-19.1)	736,571 (-12.1)	-412,289	..	..
US dollar million									
2007-08	130,657 (26.9)	21,929 (39.5)	108,728 (24.6)	206,146 (33.8)	62926 (28.5)	143,220 (36.2)	-75,489	-40,997	-34,492
2008-09 R	160,438 (22.8)	24,010 (9.5)	136,428 (25.5)	272,037 (32.0)	85,623 (36.1)	186,414 (30.2)	-111,599	-61,613	-49,986
2009-10 P	131,776 (-17.9)	..	..	218,120 (-19.8)	63,863 (-25.4)	154,257 (-17.3)	-86,344	..	..

P : Provisional. R : Revised. **..** : Not available.

Note : 1. Figures in brackets relate to percentage variation over the corresponding period of the previous year.
2. Data conversion has been done using period average exchange rates.

Source : Press Note, Ministry of Commerce & Industry.

Statement 3 : India's Exports of Principal Commodities

(US$ million)

Commodity/Group	April-August			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. Primary Products	**8,457.6**	**12,908.3**	**8,501.9**	**52.6**	**-34.1**
	(13.9)	**(13.9)**	**(13.4)**		
A. Agricultural & Allied Products	**5,556.3**	**9,025.6**	**6,092.0**	**62.4**	**-32.5**
of which :	**(9.1)**	**(9.7)**	**(9.6)**		
1. Tea	167.4	249.0	208.0	48.8	-16.5
2. Coffee	177.1	248.5	166.0	40.3	-33.2
3. Rice	974.7	1,206.8	1,233.3	23.8	2.2
4. Wheat	0.0	0.0	0.0	–	–
5. Cotton Raw incl. Waste	236.0	388.9	237.2	64.8	-39.0
6. Tobacco	188.1	309.7	368.8	64.7	19.1
7. Cashew incl. CNSL	217.4	332.0	244.9	52.7	-26.2
8. Spices	519.9	670.3	474.2	28.9	-29.3
9. Oil Meal	333.3	1,067.9	527.6	220.4	-50.6
10. Marine Products	646.1	595.8	577.4	-7.8	-3.1
11. Sugar & Molasses	526.5	870.0	11.8	65.2	-98.6
B. Ores & Minerals	**2,901.3**	**3,882.7**	**2,409.9**	**33.8**	**-37.9**
of which :	**(4.8)**	**(4.2)**	**(3.8)**		
1. Iron Ore	1,536.5	2,290.6	1,435.0	49.1	-37.4
2. Processed Minerals	529.7	695.2	496.9	31.2	-28.5
II. Manufactured Goods	**39,964.1**	**59,767.9**	**44,559.3**	**49.6**	**-25.4**
of which :	**(65.5)**	**(64.2)**	**(70.0)**		
A. Leather & Manufactures	**1,428.3**	**1,706.4**	**1,342.3**	**19.5**	**-21.3**
B. Chemicals & Related Products	**7,879.5**	**10,552.4**	**8,359.4**	**33.9**	**-20.8**
1. Basic Chemicals, Pharmaceuticals & Cosmetics	5,167.8	7,054.9	5,786.1	36.5	-18.0
2. Plastic & Linoleum	1,266.8	1,565.0	1,199.6	23.5	-23.4
3. Rubber, Glass, Paints & Enamels, *etc.*	1,126.2	1,400.1	1,012.5	24.3	-27.7
4. Residual Chemicals & Allied Products	318.7	532.5	361.2	67.1	-32.2
C. Engineering Goods	**14,249.0**	**23,074.9**	**15,332.0**	**61.9**	**-33.6**
of which :					
1. Manufactures of Metals	2,519.0	3,426.8	2,339.1	36.0	-31.7
2. Machinery & Instruments	3,424.0	5,019.9	3,725.9	46.6	-25.8
3. Transport Equipments	2,634.0	5,231.3	4,423.9	98.6	-15.4
4. Iron & Steel	2,271.8	3,611.5	1,099.6	59.0	-69.6
5. Electronic Goods	1,237.3	2,979.7	2,447.2	140.8	-17.9
D. Textiles and Textile Products	**7,767.7**	**9,086.9**	**7,872.4**	**17.0**	**-13.4**
1. Cotton Yarn, Fabrics, Made-ups, *etc.*	1,790.6	2,005.0	1,263.1	12.0	-37.0
2. Natural Silk Yarn, Fabrics Madeups, *etc.* (incl.silk waste)	156.8	171.7	120.7	9.5	-29.7
3. Manmade Yarn, Fabrics, Made-ups, *etc.*	1,104.1	1,443.9	1,434.3	30.8	-0.7
4. Manmade Staple Fibre	90.5	140.2	118.2	55.0	-15.7
5. Woollen Yarn, Fabrics, Madeups, *etc.*	35.1	46.6	36.2	32.9	-22.3
6. Readymade Garments	4,028.9	4,677.1	4,477.2	16.1	-4.3
7. Jute & Jute Manufactures	128.4	156.9	94.1	22.2	-40.1
8. Coir & Coir Manufactures	62.1	68.1	65.5	9.7	-3.7
9. Carpets	371.2	377.4	263.1	1.7	-30.3
(a) Carpet Handmade	363.8	374.1	259.3	2.9	-30.7
(b) Carpet Millmade	0.0	0.0	0.0	–	–
(c) Silk Carpets	7.4	3.3	3.9	-55.9	18.0
E. Gems & Jewellery	**7,904.5**	**14,574.8**	**10,978.3**	**84.4**	**-24.7**
F. Handicrafts	**209.7**	**135.5**	**78.2**	**-35.4**	**-42.3**
III. Petroleum Products	**10,599.3**	**16,167.8**	**8,284.0**	**52.5**	**-48.8**
	(17.4)	**(17.4)**	**(13.0)**	**0.0**	**-25.0**
IV. Others	**2,016.4**	**4,273.6**	**2,272.6**	**111.9**	**-46.8**
	(3.3)	**(4.6)**	**(3.6)**		
Total Exports	**61,037.4**	**93,117.7**	**63,617.7**	**52.6**	**-31.7**

P : Provisional. R : Revised.

Note : Figures in brackets relate to percentage to total exports for the period.

Source : DGCI&S.

Statement 4 : Direction of India's Foreign Trade- Exports

(US$ million)

Group/Country	April-August			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. O E C D Countries	**24,614.9**	**32,850.2**	**23,299.8**	**33.5**	**-29.1**
A. E U	**13,204.0**	**18,782.9**	**12,980.6**	**42.3**	**-30.9**
of which:					
1. Belgium	1,751.0	2,272.7	1,308.0	29.8	-42.4
2. France	1,000.2	1,421.4	1,182.1	42.1	-16.8
3. Germany	1,989.7	2,941.5	2,012.5	47.8	-31.6
4. Italy	1,584.5	1,916.6	1,220.2	21.0	-36.3
5. Netherlands	1,666.0	3,018.1	2,216.3	81.2	-26.6
6. U K	2,561.9	3,069.2	2,403.3	19.8	-21.7
B. North America	**8,652.3**	**10,506.7**	**7,604.9**	**21.4**	**-27.6**
1. Canada	499.2	609.0	455.8	22.0	-25.2
2. U S A	8,153.13	9,897.62	7,149.14	21.4	-27.8
C. Asia and Oceania	**1,790.9**	**2,146.9**	**1,839.5**	**19.9**	**-14.3**
of which:					
1. Australia	416.3	674.0	477.9	61.9	-29.1
2. Japan	1,320.4	1,380.9	1,238.5	4.6	-10.3
D. Other O E C D Countries	**967.7**	**1,413.7**	**874.8**	**46.1**	**-38.1**
Of which:					
1. Switzerland	242.3	366.3	196.0	51.2	-46.5
II. O P E C	**10,972.0**	**21,076.2**	**14,964.6**	**92.1**	**-29.0**
of which:					
1. Indonesia	688.6	1,338.0	1,331.3	94.3	-0.5
2. Iran	1,094.1	1,255.1	875.6	14.7	-30.2
3. Iraq	80.3	226.6	218.4	182.2	-3.6
4. Kuwait	266.8	373.0	316.7	39.8	-15.1
5. Saudi Arabia	1,384.7	2,996.3	1,636.2	116.4	-45.4
6. U A E	6,405.3	13,330.5	9,182.1	108.1	-31.1
III. Eastern Europe	**667.8**	**1,030.3**	**629.5**	**54.3**	**-38.9**
of which:					
1. Russia	342.3	586.1	344.0	**71.2**	-41.3
IV. Developing Countries	**24,231.4**	**35,492.8**	**23,842.5**	**46.5**	**-32.8**
of which:					
A. Asia	**17,457.2**	**26,188.9**	**17,997.5**	**50.0**	**-31.3**
a) S A A R C	**3,111.3**	**4,341.6**	**2,979.5**	**39.5**	**-31.4**
1. Afghanistan	90.8	150.1	212.2	65.4	41.4
2. Bangladesh	820.4	1,281.6	842.9	56.2	-34.2
3. Bhutan	33.6	49.5	38.7	47.5	-22.0
4. Maldives	32.9	51.8	31.4	57.4	-39.4
5. Nepal	518.0	721.8	510.7	39.3	-29.3
6. Pakistan	662.2	732.7	650.4	10.7	-11.2
7. Sri Lanka	953.4	1,354.0	693.3	42.0	-48.8
b) Other Asian Developing Countries	**14,346.0**	**21,847.3**	**15,018.1**	**52.3**	**-31.3**
of which:					
1. People's Republic of China	3,155.1	4,423.0	3,288.1	40.2	-25.7
2. Hong Kong	2,338.6	3,017.2	2,611.9	29.0	-13.4
3. South Korea	934.3	1,619.2	1,036.6	73.3	-36.0
4. Malaysia	780.1	1,309.1	1,210.2	67.8	-7.6
5. Singapore	2,559.1	5,020.7	2,880.9	96.2	-42.6
6. Thailand	624.1	1,066.6	592.1	70.9	-44.5
B. Africa	**4,902.7**	**6,175.8**	**4,103.9**	**26.0**	**-33.5**
of which:					
1. Benin	87.9	87.9	74.2	0.0	-15.6
2. Egypt Arab Republic	537.3	975.0	484.4	81.5	-50.3
3. Kenya	446.2	765.6	650.9	71.6	-15.0
4. South Africa	1,105.5	926.9	871.6	-16.2	-6.0
5. Sudan	151.9	214.2	172.1	41.1	-19.7
6. Tanzania	226.2	598.1	390.9	164.4	-34.6
7. Zambia	67.5	46.7	32.9	-30.8	-29.6
C. Latin American Countries	**1,871.5**	**3,128.1**	**1,741.1**	**67.1**	**-44.3**
V. Others	**442.2**	**242.1**	**244.0**	**-45.3**	**0.8**
VI. Unspecified	**109.2**	**2,426.2**	**637.3**	**–**	**-73.7**
Total Exports	**61,037.4**	**93,117.7**	**63,617.7**	**52.6**	**-31.7**

P : Provisional. R : Revised.

Source : DGCI & S.

Statement 5 : India's Imports of Principal Commodities

(US$ million)

Commodity/Group	April-August			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. Bulk Imports	**42,459.5**	**75,989.3**	**44,931.4**	**79.0**	**-40.9**
	(42.0)	**(49.4)**	**(43.3)**		
A. Petroleum, Petroleum Products & Related Material	**28,798.00**	**53,741.29**	**30,888.23**	**86.6**	**-42.5**
	(28.5)	**(34.9)**	**(29.8)**		
B. Bulk Consumption Goods	**1,800.5**	**1,616.5**	**2,846.9**	**-10.2**	**76.1**
1. Wheat	21.2	0.0	0.0	–	–
2. Cereals & Cereal Preparations	14.1	18.0	17.4	28.1	-3.2
3. Edible Oil	1,249.3	1,131.2	1,927.8	-9.5	70.4
4. Pulses	515.2	466.7	635.6	-9.4	36.2
5. Sugar	0.8	0.6	266.1	–	–
C. Other Bulk Items	**11,861.0**	**20,631.6**	**11,196.3**	**73.9**	**-45.7**
1. Fertilisers	1,816.8	6,251.8	2,513.4	244.1	-59.8
a) Crude	176.5	415.1	271.1	135.2	-34.7
b) Sulphur & Unroasted Iron Pyrites	80.7	462.2	38.3	472.8	-91.7
c) Manufactured	1,559.6	5,374.4	2,204.0	244.6	-59.0
2. Non-Ferrous Metals	1,328.2	4,302.2	1,275.3	223.9	-70.4
3. Paper, Paperboard & Mgfd. incl. Newsprint	588.2	807.2	573.2	37.2	-29.0
4. Crude Rubber, incl. Synthetic & Reclaimed	308.4	458.6	399.9	48.7	-12.8
5. Pulp & Waste Paper	316.3	371.6	311.2	17.5	-16.3
6. Metalliferrous Ores & Metal Scrap	3,635.2	4,225.2	2,807.5	16.2	-33.6
7. Iron & Steel	3,867.9	4,215.0	3,315.8	9.0	-21.3
II. Non-Bulk Imports	**58,571.1**	**77,870.5**	**58,856.5**	**33.0**	**-24.4**
	(58.0)	**(50.6)**	**(56.7)**		
A. Capital Goods	**20,876.9**	**33,045.9**	**24,493.3**	**58.3**	**-25.9**
1. Manufactures of Metals	826.0	1,435.2	939.8	73.8	-34.5
2. Machine Tools	810.1	1,156.6	649.4	42.8	-43.8
3. Machinery except Electrical & Electronics	6,814.7	10,438.3	7,979.8	53.2	-23.6
4. Electrical Machinery except Electronics	955.5	1,819.3	1,264.4	90.4	-30.5
5. Electronic Goods incl. Computer Software	8,497.3	11,332.4	9,484.5	33.4	-16.3
6. Transport Equipments	2,443.7	5,569.7	2,344.4	127.9	-57.9
7. Project Goods	529.6	1,294.4	1,831.0	144.4	41.5
B. Mainly Export Related Items	**9,268.6**	**16,107.5**	**10,821.1**	**73.8**	**-32.8**
1. Pearls, Precious & Semi-Precious Stones	3,993.1	7,968.1	4,683.5	99.5	-41.2
2. Chemicals, Organic & Inorganic	4,067.5	6,577.6	4,761.2	61.7	-27.6
3. Textile Yarn, Fabric, *etc.*	1,008.4	1,216.6	1,053.8	20.6	-13.4
4. Cashew Nuts, raw	199.6	345.2	322.6	73.0	-6.5
C. Others	**28,425.6**	**28,717.1**	**23,542.3**	**1.0**	**-18.0**
of which :					
1. Gold & Silver	10,780.9	11,873.8	9,601.9	10.1	-19.1
2. Artificial Resins & Plastic Materials	1,463.1	1,989.2	2,033.3	36.0	2.2
3. Professional Instruments *etc.* except electrical	1,512.1	1,929.5	1,541.5	27.6	-20.1
4. Coal, Coke & Briquettes *etc.*	2,372.8	4,568.5	3,326.1	92.5	-27.2
5. Medicinal & Pharmaceutical Products	704.7	866.9	841.9	23.0	-2.9
6. Chemical Materials & Products	639.7	1,047.5	922.7	63.7	-11.9
7. Non-Metallic Mineral Manufactures	380.7	558.7	429.7	46.8	-23.1
Total Imports	**101,030.6**	**153,859.8**	**103,787.9**	**52.3**	**-32.5**
Memo Items					
Non-Oil Imports	**72,232.6**	**100,118.5**	**72,899.7**	**38.6**	**-27.2**
Non-Oil Imports excl. Gold & Silver	**61,451.6**	**88,244.7**	**63,297.8**	**43.6**	**-28.3**
Mainly Industrial Inputs*	**56,579.5**	**79,324.3**	**56,705.4**	**40.2**	**-28.5**

P : Provisional. R : Revised.

* : Non oil imports net of gold and silver, bulk consumption goods, manufactured fertilisers and professional instruments.

Note: Figures in brackets relate to percentage to total imports for the period.

Source : DGCI & S.

Statement 6 : Direction of India's Foreign Trade- Imports

(US$ million)

Group / Country	April-August			Percentage Variation	
	2007-08	2008-09 R	2009-10 P	(3)/(2)	(4)/(3)
1	2	3	4	5	6
I. O E C D Countries	**33,145.8**	**47,092.5**	**33,978.2**	**42.1**	**-27.8**
A. E U	**13,739.0**	**20,168.2**	**14,116.2**	**46.8**	**-30.0**
of which:					
1. Belgium	2,198.1	2,813.6	2,117.9	28.0	-24.7
2. France	950.9	2,120.4	1,193.7	123.0	-43.7
3. Germany	3,659.2	5,422.0	4,028.6	48.2	-25.7
4. Italy	1,392.4	2,255.6	1,423.9	62.0	-36.9
5. Netherlands	656.9	980.3	659.2	49.2	-32.8
6. U K	2,105.6	2,636.6	1,803.6	25.2	-31.6
B. North America	**6,033.2**	**9,534.5**	**7,031.4**	**58.0**	**-26.3**
1. Canada	675.4	1,075.8	732.5	59.3	-31.9
2. U S A	5,357.80	8,458.61	6,298.90	57.9	-25.5
C. Asia and Oceania	**6,546.2**	**9,018.3**	**7,355.1**	**37.8**	**-18.4**
of which:					
1. Australia	3,934.0	5,017.3	4,539.2	27.5	-9.5
2. Japan	2,472.2	3,845.9	2,610.6	55.6	-32.1
D. Other O E C D Countries	**6,827.4**	**8,371.6**	**5,475.5**	**22.6**	**-34.6**
of which:					
1. Switzerland	5,769.8	6,928.2	4,248.8	20.1	-38.7
II. O P E C	**28,469.0**	**55,858.0**	**31,272.3**	**96.2**	**-44.0**
of which:					
1. Indonesia	2,016.0	2,616.3	3,225.3	29.8	23.3
2. Iran	3,918.5	6,789.4	4,517.1	73.3	-33.5
3. Iraq	2,228.6	4,685.3	2,526.4	110.2	-46.1
4. Kuwait	2,579.2	5,175.3	2,999.6	100.7	-42.0
5. Saudi Arabia	6,443.9	11,547.9	5,916.7	79.2	-48.8
6. U A E	5,333.8	13,705.4	6,030.2	157.0	-56.0
III. Eastern Europe	**1,512.4**	**3,094.2**	**2,403.1**	**104.6**	**-22.3**
of which:					
1. Russia	839.6	1,973.3	1,498.8	135.0	-24.0
IV. Developing Countries	**31,585.3**	**47,266.4**	**35,467.4**	**49.6**	**-25.0**
of which:					
A. Asia	**25,066.8**	**38,451.1**	**28,232.0**	**53.4**	**-26.6**
a) S A A R C	**674.6**	**881.6**	**589.1**	**30.7**	**-33.2**
1. Afghanistan	22.4	32.4	27.9	44.5	-13.9
2. Bangladesh	121.0	145.0	92.6	19.8	-36.1
3. Bhutan	77.2	77.6	54.6	0.6	-29.7
4. Maldives	1.5	2.1	0.7	42.6	-69.2
5. Nepal	158.4	236.3	183.7	49.2	-22.3
6. Pakistan	109.5	216.6	96.9	97.8	-55.3
7. Sri Lanka	184.5	171.4	132.7	-7.1	-22.5
b) Other Asian Developing Countries	**24,392.3**	**37,569.5**	**27,642.8**	**54.0**	**-26.4**
Of which:					
1. People's Republic of China	10,461.3	15,747.4	12,443.3	50.5	-21.0
2. Hong Kong	1,126.4	2,584.1	1,418.2	129.4	-45.1
3. South Korea	2,339.9	3,914.9	3,054.5	67.3	-22.0
4. Malaysia	2,487.6	3,503.1	1,985.5	40.8	-43.3
5. Singapore	2,911.5	3,938.4	2,712.4	35.3	-31.1
6. Thailand	988.7	1,243.7	1,181.6	25.8	-5.0
B. Africa	**4,202.3**	**6,377.8**	**4,791.4**	**51.8**	**-24.9**
of which:					
1. Benin	51.8	82.8	100.5	60.0	21.3
2. Egypt Arab Republic	786.7	908.3	794.2	15.4	-12.6
3. Kenya	31.1	34.0	37.6	9.3	10.6
4. South Africa	1,730.5	2,763.4	2,266.1	59.7	-18.0
5. Sudan	142.0	273.8	128.9	92.8	-52.9
6. Tanzania	19.1	20.9	65.2	9.4	212.0
7. Zambia	54.9	45.4	26.3	-17.3	-42.0
C. Latin American Countries	**2,316.1**	**2,437.6**	**2,444.1**	**5.2**	**0.3**
V. Others	**6,050.7**	**Neg.**	**179.1**	**–**	**–**
VI. Unspecified	**267.4**	**548.6**	**487.9**	**105.2**	**-11.1**
Total Imports	**101,030.6**	**153,859.8**	**103,787.9**	**52.3**	**-32.5**

P : Provisional. R : Revised. Neg.: Negligible.
Source : DGCI & S.

Other Items

Press Releases

Regulatory and Other Measures

Foreign Exchange Developments

Press Releases

March 2010

Certificate of Registration - Cancelled

March 10, 2010

The Reserve Bank of India has cancelled the certificates of registration granted to the following companies, having their registered offices at the address shown against them, for carrying on the business of a non-banking financial institution. Following cancellation of the registration certificate the companies cannot transact the business of a non-banking financial institution.

Company's name	Address of Registered office	Registration No. & Date	Date of cancellation
Jasvin Leasing & Finance Private Limited	7/2, Shimla Nagar, Behind Building No. 5, Park Site, Vikhroli (W), Mumbai - 400 079.	13.01399 dated October 11, 2000	December 31, 2009
Payyade Finance Private Limited	Patel House, Near Shyam Kutir, Opp. Chamunda Jewellers, L.T. Road, Borivli, Mumbai - 400 092.	13.01657 dated January 13, 2003	January 12, 2010

By the powers conferred under Section 45-IA (6) of the Reserve Bank of India Act, 1934, the Reserve Bank can cancel the registration certificate of a non-banking financial company. The business of a non-banking financial institution is defined in clause (a) of Section 45-I of the Reserve Bank of India Act, 1934.

Reserve Bank Cancels the Licence of Annasaheb Patil Urban Co-operative Bank Ltd, Aurangabad (Maharashtra)

March 12, 2010

In view of the fact that Annasaheb Patil Urban Co-operative Bank Ltd, Aurangabad, (Maharashtra) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order, canceling its licence to the bank before commencement of the business as on March 9, 2010 at 9.30 a.m a day after the close of business on March 08, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent to the cancellation of its licence, Annasaheb Patil Urban Co-operative Bank Ltd, Aurangabad, (Maharashtra) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Smt. M. Yashoda Bai, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 440 001. Telephone Number: (0712) 2538696; Fax Number: (0712) 2806670.

Reserve Bank Cancels the Licence of the Rabkavi Urban Co-operative Bank Ltd., Rabkavi, Karnataka

March 12, 2010

In view of the fact that the Rabkavi Urban Co-operative Bank Ltd., Rabkavi (Karnataka) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Karnataka had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order canceling its licence to the bank after the close of business on March 09, 2010. The Registrar of Co-operative Societies, Karnataka has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

After taking into account the foregoing and after examining all options for its revival, the Reserve Bank of India took the extreme measure of canceling the licence of the bank in the interest of the bank's depositors. With the cancellation of its licence and commencement of liquidation proceedings, the process of paying the depositors of the Rabkavi Urban Co-operative Bank Ltd., Rabkavi(Karnataka), the amount insured as per the DICGC Act will be set in motion.

Consequent on cancellation of its licence, the Rabkavi Urban Co-operative Bank Ltd., Rabkavi (Karnataka) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949(AACS) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Shri Indranil Chakraborty, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Bangalore. His contact details are as below:

Postal Address: 10/3/8, Nrupathunga Road, Bangalore 560 001. Telephone Number: (080) 2229 1696, Fax Number: (080) 2229 3668/2221 0185.

Reserve Bank Cancels the Licence of Rahuri Peoples Co-operative Bank Ltd., Rahuri. Maharashtra

March 18, 2010

In view of the fact that Rahuri Peoples Co-operative Bank Ltd., Rahuri. Maharashtra, had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order canceling its licence to the bank after the close of business on March 3, 2010. The Registrar of Co-operative Societies, Maharashtra State has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs. 1,00,000/- (Rupees one lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

Consequent to the cancellation of its licence,Rahuri Peoples Co-operative Bank Ltd , Rahuri, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Shri P.K Arora, Deputy General Manager, Urban Banks Department, Mumbai Regional office, Reserve Bank of India, Worli, Mumbai -400018. His contact details are as below:

Postal Address: Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Garment House, Worli, Mumbai 400 018.Tel. No -022 -2493 9930-49 Direct No. 24935348 Fax No.: 24935495.

Reserve Bank Cancels the Licence of The Samata Sahakari Bank Ltd., Nagpur, Maharashtra

March 25, 2010

In view of the fact that The Samata Sahakari Bank Ltd., Nagpur, Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order, canceling its licence to the bank after the close of business on March 19, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent to the cancellation of its licence, The Samata Sahakari Bank Ltd., Nagpur, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach M. Yashoda Bai, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 440 001, Tel No. (0712) 2538696 and 2806670, Fax No. (0712) 2552896.

Reserve Bank Cancels the Licence of Shri Mahesh Sahakari Bank Ltd., Jalgaon, Maharashtra

March 26, 2010

In view of the fact that Shri Mahesh Sahakari Bank Ltd., Jalgaon, Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank after the close of business on March 19, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs. 1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

Consequent to the cancellation of its licence, Shri Mahesh Sahakari Bank Limited, Jalgaon, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Shri P.K.Arora, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Mumbai. His contact details are as below:

Postal Address: Urban Banks Department, Reserve Bank of India, Mumbai Regional Office, Second Floor, Garment House, Mumbai 400 018. Tel. No. (022) 2493 9930-49, Direct No. (022) 2493 5348, Fax No. (022) 2493 5495.

Reserve Bank Cancels the Licence of Dhanashri Mahila Sahakari Bank Ltd., Miraj, Dist. Sangli, Maharashtra

March 29, 2010

In view of the fact that the Dhanashri Mahila Sahakari Bank Ltd., Miraj, Dist. Sangli, Maharashtra, had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank after the close of business on March 12, 2010. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/ her deposits up to a monetary ceiling of Rs. 1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

Consequent to the cancellation of its licence, Dhanashri Mahila Sahakari Bank Ltd., Miraj, Dist. Sangli, Maharashtra, is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Shri P.K.Arora, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Mumbai. His contact details are as below:

Postal Address: Urban Banks Department, Reserve Bank of India, Mumbai Regional Office, Second Floor, Garment House, Mumbai 400 018. Telephone Number: (022) 2493 9930-49, Direct No. (022) 2493 5348 Fax Number: (022) 2493 5495.

Reserve Bank Cancels the Licence of Hina Shahin Co-operative Urban Bank Ltd, Beed (Maharashtra)

March 29, 2010

In view of the fact that Hina Shahin Co-operative Urban Bank Ltd, Beed, (Maharashtra) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order, canceling its licence to the bank on March 23, 2010 at 5.00 p.m. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent to the cancellation of its licence, Hina Shahin Co-operative Urban Bank Ltd, Beed, (Maharashtra) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Smt. M. Yashoda Bai, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 440 001. Telephone Number: (0712) 2538696; Fax Number: (0712) 2552896.

Reserve Bank Cancels the Licence of Champavati Urban Co-operative Bank Ltd, Beed (Maharashtra)

March 29, 2010

In view of the fact that Champavati Urban Co-operative Bank Ltd, Beed, (Maharashtra) had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors of the bank were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order, canceling its licence to the bank on March 20, 2010 at 10.30 a.m. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up of the bank and appoint a Liquidator for the bank. It may be highlighted that on liquidation every depositor is entitled to repayment of his deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One Lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Consequent to the cancellation of its licence, Champavati Urban Co-operative Bank Ltd, Beed, (Maharashtra) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Smt. M. Yashoda Bai, Deputy General Manager, Urban Banks Department, Reserve Bank of India, Nagpur. Her contact details are as below:

Postal Address: Additional Office Building, East High Court Road, Post Box 118, Nagpur 440 001. Telephone Number: (0712) 2538696; Fax Number: (0712) 2552896.

Reserve Bank Cancels the Licence of The Bahadarpur Urban Co-operative Bank Ltd., Bahadarpur, (Gujarat)

March 29, 2010

In view of the fact that The Bahadarpur Urban Co-operative Bank Ltd., Bahadarpur (Gujarat), had ceased to be solvent, all efforts to revive it in close consultation with the Government of Gujarat had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank after the close of business on March 23, 2010 . The Registrar of Co-operative Societies, Gujarat has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of Rs.1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

Consequent to the cancellation of its licence, The Bahadarpur Urban Co-operative Bank Ltd., Bahadarpur (Gujarat) is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Shri C.N. Modi, Assistant General Manager, Urban Banks Department, Reserve Bank of India, Ahmedabad. His contact details are as below:

Postal Address: Urban Banks Department, Reserve Bank of India, Ahmedabad Regional Office, La Gajjar Chambers, Ashram Road, Ahmedabad -380 009 Tel No. (079) 26589338, Fax (079) 26584853.

Regulatory and Other Measures

March 2010

RBI/2009-10/339 UBD (PCB) BPD.Cir.No. 48/ 13.01.000 / 2009-10 dated March 4, 2010

Chief Executive Officer All Primary (Urban) Cooperative Banks

UCBs - Payment of Interest on Savings Bank Account on Daily Product Basis

Please refer to our circular UBD (PCB) BPD.Cir.No. 7/13.01.000/2009-10 dated September 1, 2009 advising banks to put in place requisite infrastructure so that transition to the revised procedure of calculating interest on balances in savings bank accounts on a daily product basis could be implemented smoothly.

2. We advise that payment of interest on savings bank accounts may be made by banks on a daily product basis with effect from April 1, 2010.

RBI/2009-10/353 Ref.No.MPD.BC. 328 / 07.01.279/2009-10 dated March 19, 2010

All Scheduled Banks [excluding Regional Rural Banks] and Primary Dealers

Standing Liquidity Facilities for Banks and Primary Dealers

Please refer to the Reserve Bank's Press Release 2009-10/1263 dated March 19, 2010, in terms of which the fixed repo rate under the Liquidity Adjustment Facility (LAF) has been increased by 25 basis points from 4.75 per cent to 5.0 per cent with immediate effect.

2. Accordingly, the standing liquidity facilities provided to banks (export credit refinance)and primary dealers (PDs) (collateralised liquidity support) from the

Reserve Bank would be available at the revised repo rate, *i.e.,* at 5.0 per cent with effect from March 20, 2010.

RBI/2009-2010/351 FMD.MOAG. No.42/ 01.01.01/2009-10 dated March 19, 2010

All Scheduled Commercial Banks (excluding RRBs) and Primary Dealers

Liquidity Adjustment Facility – Repo And Reverse Repo Rates

As a part of the calibrated exit strategy initiated in the Second Quarter Review in October 2009 and carried forward in the Third Quarter Review in January 2010, the Reserve Bank of India has decided to raise the repo rate under the Liquidity Adjustment Facility (LAF) by 25 basis points from 4.75 per cent to 5.00 per cent and the reverse repo rate under the LAF by 25 basis points from 3.25 per cent to 3.50 per cent with immediate effect.

2. All other terms and conditions of the current LAF Scheme will remain unchanged.

RBI 2009-10/371 DBOD.No.BP.BC. 82 / 21.04.048/2009-10 dated March 30, 2010

The Chairman / CMD / MD / CEO
All Scheduled Commercial Banks (including Local Area Banks) (Excluding RRBs)

Agricultural Debt Waiver and Debt Relief Scheme, 2008 – Prudential Norms on Income Recognition, Asset Classification, Provisioning and Capital Adequacy

Please refer to our circulars DBOD.No. BP.BC.26/21.04.048/2008-09 dated July 30, 2008, DBOD.No.BP.BC.112/21.04.048/2008-09 dated March 5, 2009, DBOD.No.BP.BC.140/ 21.04.048/2008-09 dated June 25, 2009, and DBOD.No.BP.BC.35/21.04.048/ 2009-10 dated August 31, 2009 on the captioned subject.

2. In terms of the circular dated August 31, 2009, we had advised that the Government of India had decided to make the accounts of "other farmers" eligible for a debt relief of 25 per cent from Government of India, provided they pay their entire share of 75 per cent by December 31, 2009.

3. In view of the recent drought in some States and the severe floods in some other parts of the country, the Government of India, as announced in the Union Budget 2010-11, has now decided to extend the last date of payment of 75 per cent of overdue portion by the 'other farmer' under Debt Relief Scheme (under ADWDR) for another six months beyond December 31, 2009, *i.e* up to June 30, 2010. The eligible "other farmers" may be allowed to repay this amount in one or more instalments up to June 30, 2010.

4. The Government of India has also advised that the banks / lending institutions are allowed to receive even less than 75 per cent of the eligible amount under OTS provided the banks / lending institutions bear the difference themselves and do not claim the same either from the Government or from the farmer. The Government will pay only 25 per cent of the actual eligible amount under debt relief.

5. The Government has once again clarified that the lending institutions would not charge any interest on the eligible amount for the period from February 29, 2008 to June 30, 2009. However, they may charge normal rate of interest on the eligible amount from

July 01, 2009 up to the date of settlement. Further, no interest shall be paid by the Government of India to the lending institutions for this six month extension under the Scheme while reimbursing the 25 per cent amount to the lending institutions as per the delayed reimbursement schedule.

6. Where the farmers covered under the Debt Relief Scheme have given the undertaking, agreeing to pay their share under the OTS, their relevant accounts may be treated by banks as "standard" / "performing" provided :

(a) adequate provision is made by the banks for the loss in present value (PV) terms for all the receivables due from the borrowers. (For computing the amount of loss in PV terms under the Scheme, the balance amount receivable from the farmers may be assumed to be due on June 30, 2010, and the interest payments would be as per paragraph 5 above. The cash flows should be discounted to the present value at the interest rate at which the loan was granted including the element of interest subsidy, if any, available from the Government.)

(b) such farmers pay their share of the settlement latest by the revised last date, *i.e.* June 30, 2010.

7. In case, however, the payments are delayed by the farmers beyond June 30, 2010, the outstanding amount in the relevant accounts of such farmers shall be treated as NPA. The asset classification of such accounts shall be determined with reference to the original date of NPA, (as if the account had not been treated as performing in the interregnum based on the aforesaid undertaking). On such down-gradation of the accounts, additional provisions as per the extant prudential norms should also be made.

8. The accounting treatment for the Debt Relief Scheme as indicated in paragraph 6 of our circular dated August 31, 2009, may continue to be followed.

9. All other terms of the aforesaid circulars including provisioning remain unchanged.

Foreign Exchange Developments

March 2010

i) External Commercial Borrowings (ECB) Policy

As per the extant ECB policy, infrastructure sector was defined as (i) power, (ii) telecommunication, (iii) railways, (iv) road including bridges, (v) sea port and airport, (vi) industrial parks, (vii) urban infrastructure (water supply, sanitation and sewage projects) and (viii) mining, exploration and refining.

As announced in para 54 of the Union Budget for the Year 2010-11, it was decided to expand the definition of infrastructure sector, for the purpose of availing of ECB, to include "cold storage or cold room facility, including for farm level pre-cooling, for preservation or storage of agricultural and allied produce, marine products and meat". Accordingly, the infrastructure sector would henceforth be defined to include (i) power, (ii) telecommunication, (iii) railways, (iv) road including bridges, (v) sea port and airport, (vi) industrial parks, (vii) urban infrastructure (water supply, sanitation and sewage projects), (viii) mining, exploration and refining and (ix) cold storage or cold room facility, including for farm level pre-cooling, for preservation or storage of agricultural and allied produce, marine products and meat.

[A.P. (DIR Series) Circular No.38
dated March 2, 2010]

ii) External Commercial Borrowings (ECB) Policy

As per the extant ECB policy, Non-Banking Finance Companies (NBFCs), which are exclusively engaged in financing of infrastructure sector, were permitted to avail of ECB from the recognised lender category including international banks, under the approval route, for on- lending to the infrastructure sector, as defined in the extant ECB policy.

In view of the thrust given to the development of the infrastructure sector, a separate category of Non Banking Finance Companies (NBFC) *viz.* Infrastructure Finance Companies (IFCs) has been introduced in terms of the guidelines contained in circular DNBS.PD.CC No. 168/03.02.089/2009-10 dated February 12, 2010. In view of the new category of NBFCs being in place, the dispensation as above is not considered necessary. Accordingly, proposals for ECBs by the IFCs, which have been classified as such by the Reserve Bank, for on-lending to the infrastructure sector, as defined in the extant ECB policy may be considered under the approval route, subject to certain conditions.

[A.P. (DIR Series) Circular No.39
dated March 2, 2010]

iii) External Commercial Borrowings (ECB) Policy – Structured Obligations

As per the extant policy, domestic Rupee denominated structured obligations have been permitted to be credit enhanced by non-resident entities under the approval route. In view of the growing needs of funds in the infrastructure sector, the existing norms were reviewed and it was decided to put in place a comprehensive policy framework on credit enhancement to domestic debt.

It has since been decided that the facility of credit enhancement by eligible non-resident entities may be extended to domestic debt raised through issue of capital market instruments, such as debentures and bonds, by Indian companies engaged exclusively in the development of infrastructure and by the Infrastructure Finance Companies (IFCs), which have been classified as such by the Reserve Bank in terms of the guidelines contained in the circular DNBS.PD. CC No. 168 / 03.02.089 / 2009-10 dated February 12, 2010, subject to the certain conditions.

[A.P. (DIR Series) Circular No.40
dated March 2, 2010]

iv) Exim Bank's Line of Credit of USD 15 million to the Government of the Republic of Benin

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated October 19, 2009 with the Government of the Republic of Benin making available to the latter, a Line of Credit (LoC) of USD 15 million (USD Fifteen million) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of (a) purchase of railway equipment, (b) purchase of agricultural equipment and (c) conducting feasibility study for setting up a cyber city in Benin.

The Credit Agreement under the LoC is effective from February 16, 2010 and date of execution of Agreement is October 19, 2009. Under the LoC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in case of project exports and 72 months (October 18, 2015) from the execution date of the Credit Agreement in case of supply contracts.

[A.P. (DIR Series) Circular No.41
dated March 5, 2010]

v) Exim Bank's Line of Credit of USD 50 million to the Government of the Republic of Zambia

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated January 6, 2010 with the Government of the Republic of Zambia making available to the latter, a Line of Credit (LoC) of USD 50 million (USD fifty million) for financing eligible goods and services including consultancy services from India for Itezhi-Tezhi hydro power project in Zambia.

The Credit Agreement under the LoC is effective from March 4, 2010 and date of execution of Agreement is January 6, 2010. Under the LoC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in case of project exports and 72 months (January 5, 2016) from the execution date of the Credit Agreement in case of supply contracts.

[A.P. (DIR Series) Circular No.42 dated March 25, 2010]

vi) Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR

In terms of A.P. (DIR Series) Circular No.3 dated July 17, 2009 the Rupee value of the special currency basket was indicated as Rs.66.5719 effective from June 25, 2009.

A further revision has taken place on January 06, 2010 and accordingly, the Rupee value of the special currency basket has been fixed at Rs.65.29 with effect from January 11, 2010.

[A.P. (DIR Series) Circular No.43 dated March 29, 2010]

vii) Buyback / Prepayment of Foreign Currency Convertible Bonds (FCCBs)

In terms of A.P. (DIR Series) Circular No. 58 dated March 13, 2009, Indian companies were allowed to buyback their Foreign Currency Convertible Bonds (FCCBs) both under the automatic route and approval route until December 31, 2009. The Scheme was discontinued with effect from January 1, 2010.

In view of the representations made by the issuers of FCCBs, it has been decided to consider applications, under the approval route, for buyback of FCCBs until June 30, 2010, subject to issuers complying with all the terms and conditions of buyback/ prepayment of FCCBs, as mentioned in A.P. (DIR Series) Circular No.39 dated December 08, 2008 and A.P. (DIR Series) Circular No.65 dated April 28, 2009. Accordingly, applications complying with the conditions may be submitted, together with the supporting documents, through the designated AD Category - I bank to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, External Commercial Borrowings Division, Central Office, 11th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai-400 001.

[A.P. (DIR Series) Circular No.44 dated March 29, 2010]

Current Statistics

Contents

Notes :

(1) The coverage of data will be expanded from time to time to include new statistical information as and when it becomes available.

(2) Some of the figures included in the tables are provisional and may be revised in later issues. Each issue contains all the revisions made upto the date of publication of the Bulletin.

(3) The following symbols have been used throughout this Section :

.. = Figure is not available.

– = Figure is nil or negligible.

P = Provisional.

(4) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be, in some tables, a slight discrepancy between the sum of the constituent items and the total.

(5) A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different basis and are not strictly comparable. In each case, a suitable footnote is added.

(6) For definitions of important items, sources of data, coverage, scope, method of compilation, etc. a reference may be made to the Explanatory Notes, issued as a supplement to the October 1978 issue of the Bulletin.

(7) 1 Lakh = 1,00,000, 1 Million = 10 lakh, 1 Crore = 10 Million.

General

No. 1: Selected Economic Indicators

Item	Unit / Base	1990-91	2006-07	2007-08	2008-09	2009 Dec.	2009 Jan.	2010 Feb.
1	2	3	4	5	6	7	8	9
Output								
1. Gross Domestic Product at Factor Cost (at 2004-05 prices)	Rs. crore	10,83,572 **	28,71,120 **	38,93,457	41,54,973 (Q.E.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1993-94=100	148.4	167.2	168.6 ($)	..			
a. Foodgrains Production	Million tonnes	176.4	217.3	230.8	234.5			
3. General Index of Industrial Production (1)	1993-94=100	212.6 *	247.1	268.0	275.4	334.0	332.3 (P)	
Money and Banking								
Reserve Bank of India (2)								
4. Notes in Circulation	Rs. crore	53,784	4,96,775	5,82,055	6,81,058	7,54,587	7,61,622	7,75,040
5. Rupee Securities (3)	"	86,035	96,861	83,707	1,21,962	1,73,510	1,01,317	1,60,554
6. Loans and Discount	"	19,900	6,585	4,579	21,562	3,707	4,946	4,720
(a) Scheduled Commercial Banks (4)	"	8,169	6,245	4.000	11,728	–	–	240
(b) Scheduled State Co-operative Banks (4)	"	38	–	–	–	–	–	–
(c) Bills Purchased and Discounted (internal)	"	–	–	–	–	–	–	
Scheduled Commercial Banks								
7. Aggregate Deposits (5)	Rs. crore	1,92,541	26,11,933	31,96,939	38,34,110	42,15,348	42,99,396	43,63,330 (P)
8. Bank Credit (5)	"	1,16,301	19,31,189	23,61,914	27,75,549	29,71,932	30,31,224	30,89,323 (P)
9. Investment in Govt. Securities (5)	"	49,998	7,76,058	9,58,661	11,55,786	13,54,262	13,95,649	13,65,231 (P)
10. Cheque Clearances (6)	Rs. thousand crore	1,703	6,467	7,044	6,020 (P)	345 (P)	321 (P)	315 (P)
11. Money Stock Measures (7)								
(a) M_1	Rs. crore	92,892	9,67,955	11,55,837	12,53,184	13,26,802	13,69,340	13,88,611
(b) M_3	"	2,65,828	33,10,068	40,17,883	47,64,019	52,09,322	53,39,406	54,16,963
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (16)	Per cent	15.00	6.50	7.50	5.00	5.00	5.00	5.50
13. Bank Rate	Per cent Per annum	10.00	6.00	6.00	6.00	6.00	6.00	6.00
14. Inter-bank Call Money Rate (Mumbai) (8)	"	4.00-70.00	0.50-4.90	6.15-9.30	2.50-5.75	2.40-4.10	2.00-3.35	2.00-3.40
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.00 (11)	} 3.00-9.50	3.00-7.50	3.25-8.00	1.50-6.00	1.50-6.00	1.50-6.00
(b) 1 year and above	"	9.00-11.00	} 7.50-9.60	8.25-9.00	8.00-8.50	6.00-7.50	6.00-7.50	6.00-7.50

Q.E. : Quick Estimate. R.E. : Revised Estimate. ** : Data for 1990-91 correspounds to 1999-2000 base.
* : Base : 1980-81 = 100. + : Base : Triennium ending 1981-82=100. ‡ : Base 1982=100.
^ : Base : 2001 = 100 from January 2006 onwards. ^^ : CPI (UNME) are Linked All - India Index from the April 2008 onwards.
$: Based on Fourth Advance Estimates for 2007-08 as released on July 9, 2008.
@ : As the security 12.50% 2004 had matured on March 23, 2004, it has been substituted by 11.40% Loan 2008, with effect from March 2004, to represent the short-term yield.
# : As the maturity of the security 11.50% 2008, which represents the trends in long term yield, had become less than 5 years, it has been substituted by 7.40% Loan 2012, with effect from April 2004.
Also see 'Notes on Tables'.

No. 1: Selected Economic Indicators *(Concld.)*

Item	Unit / Base	1990-91	2006-07	2007-08	2008-09	2009		2010
						Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9
16. Prime Lending Rate (10)	"		12.25-12.50	12.25-12.75	11.50-12.50	11.00-12.00	11.00-12.00	11.00-12.00
17. Yield on 11.40% Loan 2008 @	"		7.22	7.26				
18. Yield on 7.40% Loan 2012 #	"		7.55	7.83	7.26	6.47	6.25	6.14
Government Securities Market (2)								
19. Govt. of India 91-day Treasury Bills (Total outstandings)	Rs. crore		45,229	39,957	75,549	71,500	71,503	71,503
Price Indices								
20. Wholesale Prices (13)	1993-94=100							
(a) All Commodities	"	182.7 +	206.1	215.9	233.9	248.3	248.5 (P)	250.1 (P)
(b) Primary Articles	"	184.9 +	208.6	224.8	247.3	287.1	284.7 (P)	284.7 (P)
(c) Fuel, Power, Light and Lubricants	"	175.8 +	324.9	327.2	351.4	350.6	351.5 (P)	356.9 (P)
(d) Manufactured Products	"	182.8 +	179.0	188.0	203.1	212.0	213.0 (P)	214.3 (P)
(e) Foodgrains (Cereals + Pulses)	"	179.2 +	205.9	215.6	234.1	287.9	285.5 (P)	284.8 (P)
(f) Edible Oils	"	223.3 +	154.6	175.4	188.1	179.8	180.1 (P)	177.5 (P)
(g) Sugar, Khandsari & Gur	"	152.3 +	179.8	155.2	168.7	258.7	273.9 (P)	286.2 (P)
(h) Raw Cotton	"	145.5 +	151.8	193.0	196.6	232.4	232.1 (P)	228.1 (P)
21. Consumer Prices (All-India) (1)								
(a) Industrial Workers ^	2001=100	193	125	133	145	169	172	170
(b) Urban Non-Manual Employees ^^	1984-85=100	161	486	515	561	657	671	..
(c) Agricultural Labourers	July 1986-June 1987=100	..	388	417	462	538	542	538
Foreign Trade								
22. Value of Imports	U.S. $ Million	24,073	185,735	251,439	303,696	24,753 (P)	24,705 (P)	..
23. Value of Exports	"	18,145	126,414	162,904	185,295	14,606 (P)	14,343 (P)	..
24. Balance of Trade	"	–5,927	–59,321	-88,535	–1,18,401	-10,147 (P)	-10,362 (P)	..
25. Foreign Exchange Reserves (14)								
(a) Foreign Currency Assets	U.S. $ Million	2,236	191,924	299,230	241,426	258,583	256,362	253,991
(b) Gold	"	3,496	6,784	10,039	9,577	18,292	18,056	17,920
(c) SDRs	"	102	2	18	1	5,169	5,124	5,053
Employment Exchange Statistics (15)								
26. Number of Registrations	Thousand	6,541	5,434.2	..	..	..	..	..
27. Number of Applicants								
(a) Placed in Employment	"	265	263.5	..	..	..	..	..
(b) On live Register (14)	"	34,632	39,974.0	..	..	..	..	..

Money and Banking

No. 2: Reserve Bank of India

(Rs. crore)

Last Friday / Friday	1990-91	2007-08	2008-09	2009					2010					
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Issue Department														
Liabilities														
Notes in Circulation	53,784	5,82,055	6,81,058	6,81,058	7,11,316	7,25,984	7,41,227	7,54,587	7,61,622	7,75,040	7,83,455	7,90,584	7,91,215	7,90,223
Notes held in Banking Department	23	20	16	16	20	23	14	16	19	14	10	17	14	16
Total Liabilities (Total Notes Issued) or Assets	**53,807**	**5,82,075**	**6,81,074**	**6,81,074**	**7,11,336**	**7,26,007**	**7,41,242**	**7,54,603**	**7,61,641**	**7,75,055**	**7,83,466**	**7,90,601**	**7,91,228**	**7,90,239**
Assets														
Gold Coin and Bullion	6,654	31,170	40,390	40,390	39,247	41,434	41,434	44,282	43,871	43,411	43,411	43,411	43,411	43,411
Foreign Securities	200	5,49,722	6,39,531	6,39,531	6,70,892	6,83,498	6,98,629	7,09,232	7,16,617	7,30,405	7,38,837	7,46,002	7,46,654	7,45,491
Rupee Coin (1)	29	136	106	106	150	29	132	41	107	193	172	142	117	291
Government of India Rupee Securities	46,924	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046
Banking Department														
Liabilities														
Deposits	**38,542**	**5,36,851**	**3,52,156**	**3,52,156**	**3,01,312**	**3,06,574**	**2,83,273**	**3,46,212**	**2,73,219**	**3,18,399**	**2,99,123**	**3,09,652**	**3,28,641**	**3,18,934**
Central Government	61	83,645	101	101	30,875	19,491	8,560	53,538	4,211	222	100	101	13,983	3,933
Market Stabilisation Scheme	–	1,68,392	88,077	88,077	18,773	18,773	18,773	18,773	7,737	7,737	7,737	2,737	2,737	2,737
State Governments	33	41	1,045	1,045	41	41	183	41	41	1,979	41	41	41	41
Scheduled Commercial Banks	33,484	2,57,122	238,195	2,38,195	2,25,681	2,42,199	2,28,609	2,47,196	2,34,244	2,79,695	2,62,757	2,77,982	2,81,695	2,81,390
Scheduled State Co-operative Banks	244	3,396	3,142	3,142	3,108	3,250	3,410	3,553	3,202	3,873	3,728	3,978	4,480	3,917
Non-Scheduled State Co-operative Banks	13	62	96	96	66	71	75	70	73	70	116	73	78	77
Other Banks	88	11,946	9,732	9,732	10,435	10,751	10,686	11,200	11,157	12,941	12,798	12,998	13,158	13,120
Others	4,619	12,247	11,768	11,768	12,333	11,998	12,978	11,840	12,553	11,883	11,845	11,741	12,470	13,719
Other Liabilities (2)	28,342	2,14,216	3,96,402	3,96,402	4,17,787	4,04,065	4,07,792	3,88,139	3,63,646	3,46,968	3,35,066	3,31,992	3,26,304	3,16,642
Total Liabilities or Assets	**66,884**	**7,51,067**	**7,48,557**	**7,48,557**	**7,19,100**	**7,10,639**	**6,91,066**	**7,34,350**	**6,36,865**	**6,65,367**	**6,34,190**	**6,41,644**	**6,54,945**	**6,35,577**

See 'Notes on Tables.'

No. 2: Reserve Bank of India *(Concld.)*

(Rs. crore)

Last Friday / Friday	1990-91	2007-08	2008-09	2009					2010					
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. 5	Mar. 12	Mar. 19	Mar. 26
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Assets														
Notes and Coins	23	20	16	16	20	23	15	16	19	15	10	17	14	17
Balances held Abroad (3)	4,008	6,49,661	5,82,537	5,82,537	5,94,343	5,70,194	5,30,841	5,01,488	4,73,081	4,44,743	4,25,239	4,15,358	4,08,763	4,01,429
Loans and Advances														
Central Government	–	–	–	–	–	–	–	–	–	–	–	–	–	–
State Governments (4)	916	–	–	–	227	169	100	85	778	1,067	341	1,041	324	558
Scheduled Commercial Banks	8,169	4,000	11,728	11,728	–	–	–	–	–	240	95	95	35	42
Scheduled State Co-op.Banks	38	–	–	–	–	20	–	–	–	–	–	–	–	–
Industrial Dev. Bank of India	3,705	–	–	–	–	–	–	–	–	–	–	–	–	–
NABARD	3,328	–	–	–	–	–	–	–	–	–	–	–	–	–
EXIM Bank	745	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	1,615	579	9,834	9,834	9,507	4,734	4,115	3,622	4,168	3,413	3,366	4,475	4,037	3,222
Bills Purchased and Discounted														
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	1,384	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	40,286	85,607	1,23,891	1,23,891	86,723	1,09,771	96,850	1,75,432	1,03,235	1,62,469	1,48,596	1,66,210	1,89,903	1,78,663
Other Assets (5)	2,666	11,201	20,552	20,552	28,278	25,727	59,144	53,708	55,583	53,422	56,541	54,447	51,869	51,646
	(–)	(6,984)	(9,050)	(9,050)	(8,794)	(9,284)	(40,747)	(40,226)	(39,852)	(39,434)	(39,434)	(39,434)	(39,434)	(39,434)

No. 3: All Scheduled Banks – Business in India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009						2010	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting Banks	299	239	235	234	234	234	234	234	234	233	233
Liabilities to the Banking System (1)	**6,673**	**1,01,724**	**1,04,419**	**1,06,370**	**92,059**	**85,036**	**82,043**	**76,649**	**88,386**	**81,272**	**85,187**
Demand and Time Deposits from Banks (2)	5,598	50,306	53,134	48,319	55,813	58,898	53,916	52,240	56,210	57,530	58,479
Borrowings from Banks (3)	998	33,034	29,504	27,928	22,782	19,924	22,409	18,841	26,630	18,199	20,852
Other Demand and Time Liabilities (4)	77	18,385	21,780	30,123	13,464	6,214	5,718	5,568	5,546	5,543	5,856
Liabilities to Others (1)	**2,13,125**	**37,06,404**	**43,79,668**	**42,71,383**	**46,50,953**	**46,68,524**	**47,63,652**	**47,85,036**	**47,94,326**	**48,73,006**	**49,53,465**
Aggregate Deposits (5)	**1,99,643**	**32,97,074**	**39,52,603**	**38,48,855**	**42,09,619**	**42,49,067**	**43,19,566**	**43,34,914**	**43,53,579**	**44,39,045**	**45,03,048**
Demand	34,823	5,35,930	5,34,791	4,86,608	5,49,812	5,67,090	5,54,083	5,44,780	5,63,827	5,77,318	5,82,670
Time (5)	1,64,820	27,61,144	34,17,813	33,62,247	36,59,807	36,81,978	37,65,484	37,90,134	37,89,752	38,61,728	39,20,378
Borrowings (6)	645	1,07,712	1,15,355	1,16,495	1,19,414	95,823	1,33,803	1,29,792	1,22,766	1,05,143	1,07,082
Other Demand and Time Liabilities (4)	12,838	3,01,618	3,11,709	3,06,032	3,21,920	3,23,634	3,10,283	3,20,331	3,17,981	3,28,818	3,43,334
Borrowings from Reserve Bank (7)	**3,483**	**4,000**	**11,728**	**7,113**	**–**	**–**	**20**	**–**	**–**	**–**	**240**
Against Usance Bills / Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	3,483	4,000	11,728	7,113	–	–	20	–	–	–	240
Cash in Hand and Balances with Reserve Bank	**25,995**	**2,83,514**	**2,65,699**	**2,22,394**	**2,41,482**	**2,58,069**	**2,76,231**	**2,64,277**	**2,80,602**	**2,68,387**	**3,15,587**
Cash in Hand	1,847	18,593	20,825	21,917	24,167	25,449	26,846	28,413	25,783	26,929	27,303
Balances with Reserve Bank (9)	24,147	2,64,921	2,44,874	2,00,477	2,17,315	2,32,620	2,49,385	2,35,864	2,54,819	2,41,458	2,88,284

See "Notes on Tables".

No. 3: All Scheduled Banks – Business in India *(Concld.)*

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009						2010	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. (P)
1	2	3	4	5	6	7	8	9	10	11	12
Assets with the Banking System	**6,848**	**1,03,411**	**1,47,546**	**1,41,312**	**1,26,118**	**1,24,710**	**1,16,498**	**1,13,598**	**1,32,448**	**1,20,963**	**1,27,785**
Balances with Other Banks	3,347	41,310	59,896	51,339	55,084	60,231	55,070	52,636	58,734	59,052	60,395
In Current Account	1,926	16,553	13,280	11,765	11,080	12,342	10,970	10,871	12,495	11,904	11,725
In Other Accounts	1,421	24,757	46,616	39,574	44,004	47,889	44,100	41,765	46,239	47,148	48,670
Money at Call and Short Notice	2,201	25,766	26,295	29,776	23,325	21,047	25,342	24,029	33,513	23,678	24,554
Advances to Banks (10)	902	4,157	3,215	2,984	1,976	2,662	2,175	2,257	3,354	2,486	3,092
Other Assets	398	32,177	58,140	57,213	45,733	40,770	33,911	34,676	36,847	35,747	39,744
Investment	**76,831**	**10,05,952**	**12,05,544**	**12,25,285**	**14,11,565**	**14,18,247**	**13,96,886**	**14,30,558**	**14,11,209**	**14,52,708**	**14,30,397**
Government Securities (11)	51,086	9,91,899	11,93,456	12,13,641	14,00,951	14,08,431	13,87,564	14,20,952	14,01,184	14,42,801	14,13,192
Other Approved Securities	25,746	14,053	12,089	11,644	10,614	9,816	9,322	9,606	10,025	9,907	17,206
Bank Credit	**1,25,575**	**24,47,646**	**28,59,554**	**27,52,547**	**28,88,410**	**29,57,035**	**29,69,500**	**29,91,459**	**30,56,482**	**31,18,352**	**31,78,591**
Loans, Cash-credits and Overdrafts	1,14,982	23,45,470	27,57,577	26,56,246	27,89,439	28,51,807	28,64,825	28,89,173	29,47,518	30,09,034	30,62,233
Inland Bills-Purchased	3,532	12,988	12,470	12,344	11,184	11,418	11,051	10,645	11,765	12,028	12,204
Inland Bills-Discounted	2,409	41,400	43,987	41,651	46,261	49,884	52,255	48,359	54,708	56,687	59,155
Foreign Bills-Purchased	2,788	16,535	18,651	16,463	15,495	17,310	16,200	16,766	16,367	15,556	17,345
Foreign Bills-Discounted	1,864	31,253	26,868	25,843	26,031	26,616	25,169	26,516	26,123	25,047	27,654
Cash-Deposit Ratio	13.0	8.6	6.7	5.8	5.7	6.1	6.4	6.1	6.4	6.0	7.0
Investment-Deposit Ratio	38.5	30.5	30.5	31.8	33.5	33.4	32.3	33.0	32.4	32.7	31.8
Credit-Deposit Ratio	62.9	74.2	72.3	71.5	68.6	69.6	68.7	69.0	70.2	70.2	70.6

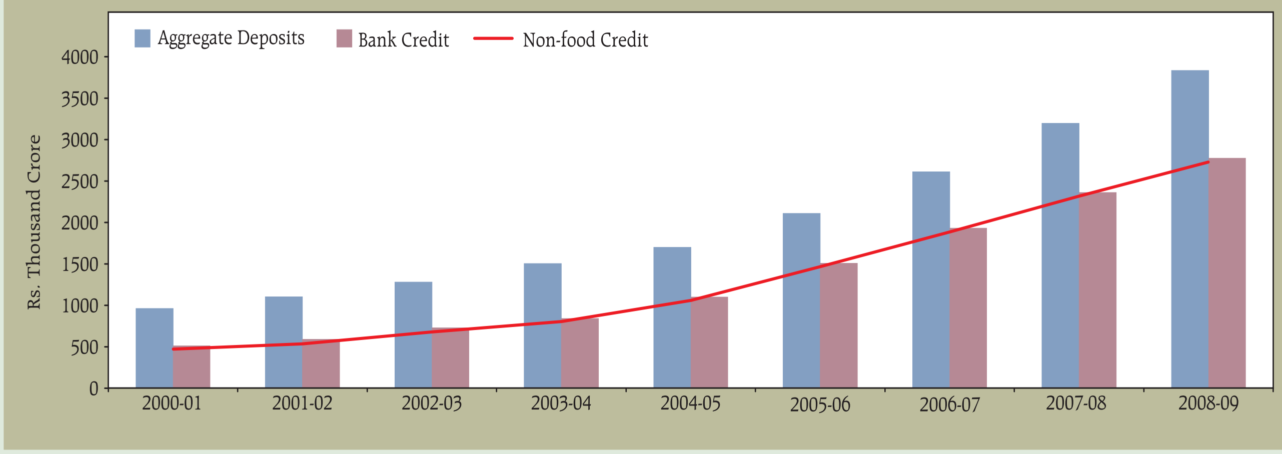
No. 4: All Scheduled Commercial Banks – Business in India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009						2010	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Number of Reporting Banks	271	170	166	165	165	165	165	165	165	164	164
Liabilities to the Banking System (1)	**6,486**	**98,154**	**1,00,116**	**1,02,158**	**87,191**	**80,412**	**79,807**	**74,422**	**86,146**	**79,006**	**82,880**
Demand and Time Deposits from Banks **(2), (12)**	5,443	46,778	48,856	44,138	50,961	54,304	51,715	50,031	53,994	55,278	56,186
Borrowings from Banks (3)	967	32,996	29,487	27,901	22,769	19,898	22,380	18,828	26,615	18,192	20,840
Other Demand and Time Liabilities (4)	76	18,379	21,773	30,119	13,461	6,209	5,712	5,562	5,538	5,536	5,854
Liabilities to Others (1)	**2,05,600**	**36,01,799**	**42,55,566**	**41,52,351**	**45,16,406**	**45,32,201**	**46,21,293**	**46,44,510**	**46,49,444**	**47,26,661**	**48,06,883**
Aggregate Deposits (5)	**1,92,541**	**31,96,939**	**38,34,110**	**37,34,739**	**40,80,711**	**41,18,603**	**41,83,284**	**42,00,661**	**42,15,348**	**42,99,396**	**43,63,330**
Demand	33,192	5,24,310	5,23,085	4,75,791	5,37,835	5,54,660	5,41,003	5,31,468	5,50,004	5,63,263	5,68,652
Time (5)	1,59,349	26,72,630	33,11,025	32,58,948	35,42,876	35,63,943	36,42,281	36,69,193	36,65,345	37,36,133	37,94,678
Borrowings (6)	470	1,06,504	1,13,936	1,15,244	1,18,067	94,442	1,32,049	1,28,150	1,20,830	1,03,202	1,05,504
Other Demand and Time Liabilities (4), (13)	12,589	2,98,355	3,07,520	3,02,367	3,17,628	3,19,156	3,05,959	3,15,699	3,13,265	3,24,063	3,38,049
Borrowings from Reserve Bank (7)	**3,468**	**4,000**	**11,728**	**7,113**	**–**	**–**	**–**	**–**	**–**	**–**	**240**
Against Usance Bills/ Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others	3,468	4,000	11,728	7,113	–	–	–	–	–	–	240

See 'Notes on Tables'.

Select Banking Aggregates



No. 4: All Scheduled Commercial Banks – Business in India *(Concld.)*

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2007-08	2008-09	2009						2010	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.(P)
1	2	3	4	5	6	7	8	9	10	11	12
Cash in Hand and Balances with Reserve Bank	**25,665**	**2,75,166**	**2,58,475**	**2,15,788**	**2,33,915**	**2,50,480**	**2,68,259**	**2,56,377**	**2,72,330**	**2,60,479**	**3,06,413**
Cash in Hand	1,804	18,044	20,281	21,322	23,484	24,798	26,060	27,768	25,133	26,236	26,718
Balances with Reserve Bank (9)	23,861	2,57,122	2,38,195	1,94,466	2,10,431	2,25,681	2,42,199	2,28,609	2,47,196	2,34,244	2,79,695
Assets with the Banking System	**5,582**	**90,877**	**1,22,571**	**1,18,622**	**95,388**	**93,319**	**83,590**	**80,961**	**1,01,048**	**90,226**	**99,123**
Balances with Other Banks	2,846	36,016	52,909	44,989	46,014	50,810	46,192	43,963	50,420	51,022	52,768
In Current Account	1,793	14,871	11,810	10,502	9,705	11,052	9,692	9,674	11,270	10,450	10,349
In Other Accounts	1,053	21,145	41,099	34,487	36,309	39,759	36,500	34,289	39,150	40,572	42,419
Money at Call and Short Notice	1,445	19,925	15,038	19,998	11,718	9,906	11,633	10,407	20,795	10,985	12,650
Advances to Banks (10)	902	3,779	2,904	2,672	1,697	2,384	1,922	1,994	2,954	2,196	2,804
Other Assets	388	31,156	51,721	50,963	35,958	30,218	23,843	24,597	26,879	26,023	30,900
Investment	**75,065**	**9,71,715**	**11,66,410**	**11,86,557**	**13,65,992**	**13,72,085**	**13,49,839**	**13,82,702**	**13,61,410**	**14,02,421**	**13,79,296**
Government Securities (11)	49,998	9,58,661	11,55,786	11,76,105	13,57,134	13,64,083	13,42,342	13,75,441	13,54,262	13,95,649	13,65,231
Other Approved Securities	25,067	13,053	10,624	10,452	8,859	8,003	7,497	7,260	7,148	6,772	14,065
Bank credit (14)	**1,16,301 (4,506)**	**23,61,914 (44,399)**	**27,75,549 (46,211)**	**26,67,928 (48,430)**	**28,06,741 (49,111)**	**28,74,670 (42,418)**	**28,87,191 (39,904)**	**29,09,141 (42,355)**	**29,71,932 (45,239)**	**30,31,224 (43,915)**	**30,89,323 (47,891)**
Loans,Cash-Credits and Overdrafts	1,05,982	22,61,576	26,75,677	25,73,670	27,09,703	27,71,417	27,84,387	28,08,625	28,64,741	29,23,757	29,74,848
Inland Bills-Purchased	3,375	12,594	11,714	11,619	10,165	10,387	10,110	10,132	11,243	11,468	11,591
Inland Bills-Discounted	2,336	40,553	43,157	40,759	45,688	49,296	51,667	47,437	53,802	55,763	58,247
Foreign Bills-Purchased	2,758	16,499	18,522	16,432	15,452	17,270	16,169	16,725	16,323	15,486	17,261
Foreign Bills-Discounted	1,851	30,691	26,479	25,448	25,733	26,300	24,859	26,222	25,823	24,751	27,376
Cash-Deposit Ratio	13.3	8.6	6.7	5.8	5.7	6.1	6.4	6.1	6.5	6.1	7.0
Investment- Deposit Ratio	39.0	30.4	30.4	31.8	33.5	33.3	32.3	32.9	32.3	32.6	31.6
Credit-Deposit Ratio	60.4	73.9	72.4	71.4	68.8	69.8	69.0	69.3	70.5	70.5	70.8

No. 5: Scheduled Commercial Banks' Investments

(Rs. crore)

Outstanding as on	SLR Securities	Commercial Paper	Shares Issued by			Bonds / Debentures issued by			Instruments Issued by	
			PSUs	Private Corporate Sector	Others	PSUs	Private Corporate Sector	Others	Mutual Funds	Financial Institutions
1	2	3	4	5	6	7	8	9	10	11
March 21, 2003	5,47,546	4,041	1,639	7,591	–	48,258	33,026	–	6,455	31,066
March 19, 2004	6,77,588	3,835	1,565	7,400	41	49,720	27,966	5,232	11,930	32,988
March 18, 2005	7,39,154	3,944	1,886	10,289	44	46,939	31,994	6,980	12,744	31,557
March 31, 2006	7,17,454	4,837	2,627	10,502	41	33,018	29,550	15,153	10,410	29,203
March 30, 2007	7,91,516	9,038	2,129	16,225	74	29,232	27,641	17,787	11,761	26,568
March 28, 2008	9,71,715	13,270	3,025	23,389	294	27,935	28,700	29,230	18,824	25,942
March 27, 2009	11,66,410	20,001	2,769	25,060	407	25,456	33,131	31,073	37,035	32,585
January 2, 2009	11,50,038	16,730	3,358	25,157	114	25,056	31,183	26,261	43,185	25,347
January 16, 2009	11,39,279	18,702	2,988	25,073	516	25,610	33,522	30,056	60,355	26,148
January 30, 2009	11,68,305	17,174	3,005	25,178	359	26,195	34,226	30,170	71,246	28,767
February 13, 2009	11,68,869	17,717	2,771	25,400	355	25,825	33,765	30,178	83,258	30,282
February 27, 2009	11,86,557	15,752	2,778	25,455	251	26,988	33,442	29,764	90,273	24,327
March 13 ,2009	11,80,132	15,248	2,782	25,507	251	25,041	33,352	29,967	83,957	30,968
March 27, 2009	11,66,410	20,001	2,769	25,060	407	25,456	33,131	31,073	37,035	32,585
April 10, 2009	12,51,702	20,018	2,760	25,117	646	23,121	33,774	28,462	90,840	32,708
April 24, 2009	12,36,092	17,559	2,757	25,002	305	23,403	33,631	30,350	1,04,318	29,479
May 8, 2009	12,68,610	15,424	2,719	24,893	263	23,234	32,790	30,802	1,19,372	29,800
May 22, 2009	12,56,911	16,841	2,565	24,710	391	22,364	34,186	29,576	1,21,039	28,784
June 5, 2009	12,73,903	16,668	2,481	24,564	320	22,485	34,253	29,944	1,20,546	28,269
June 19, 2009	12,91,463	15,830	2,561	24,370	255	22,050	34,863	28,592	1,23,452	27,510
July 3, 2009	13,36,303	15,595	2,475	24,468	239	22,098	35,473	30,874	89,570	27,516
July 17, 2009	13,18,106	15,029	2,456	24,587	194	21,806	34,612	30,665	1,32,267	26,939
July 31, 2009	13,35,768	14,610	2,355	24,406	111	21,783	35,328	31,809	1,39,934	26,185
August 14, 2009	13,43,160	13,490	2,062	24,826	99	21,987	34,535	31,400	1,54,232	28,221
August 28, 2009	13,65,992	13,327	2,247	24,957	98	22,741	36,738	30,793	1,51,498	26,927
September 11, 2009	13,46,824	12,859	2,329	24,765	95	22,918	35,027	32,332	1,57,503	26,563
September 25, 2009	13,72,085	14,830	2,229	24,677	88	23,212	35,273	34,744	62,434	25,887
October 9, 2009	13,65,433	11,454	2,542	27,358	149	23,110	31,518	32,511	1,46,785	26,839
October 23, 2009	13,55,400	10,917	2,512	23,771	82	23,175	34,952	31,444	1,56,630	26,094
November 6, 2009	13,67,833	11,078	2,664	23,815	80	22,613	35,207	31,602	1,61,279	25,980
November 20, 2009	13,62,435	10,837	2,694	23,892	78	22,977	35,607	31,703	1,65,791	27,053
December 4, 2009	13,86,444	11,297	2,721	24,305	78	23,456	36,380	31,040	1,69,568	27,000
December 18, 2009	13,49,540	12,707	2,796	25,249	64	23,322	36,526	30,109	1,45,224	28,784
January 1, 2010	14,12,798	18,078	2,780	25,502	63	22,326	36,935	30,081	42,428	28,939
January 15, 2010	13,80,157	14,030	2,699	25,266	63	20,228	36,539	29,571	1,03,087	27,418
January 29, 2010	14,01,558	15,473	3,001	25,398	82	20,238	37,229	30,184	1,07,391	28,291
February 12, 2010	13,94,192	15,623	3,053	25,896	88	18,832	39,093	29,234	1,20,512	27,937
February 26, 2010	13,79,296	16,375	4,143	26,170	104	20,558	38,446	29,943	1,09,453	29,406

PSUs : Public Sector Undertakings.

Note : Data on Investments are based on Statutory Section 42(2) Returns.
Final data upto : December 18, 2009.

No. 6: State Co-operative Banks - Maintaining Accounts with the Reserve Bank of India

(Rs. crore)

Last Reporting Friday (in case of March)/ Last Friday/ Reporting Friday	1990-91	2007-08	2008-09	2008	2009								
				Nov	May	Jun.	Jul.	Aug .	Sep.	Oct.	Nov. 6	Nov. 20	Nov. 27
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Number of Reporting Banks	28	31	31	31	31	31	31	31	31	31	31	31	31
Demand and Time Liabilities													
Aggregate Deposits (1)	**2,152**	**19,611**	**22,588**	**21,010**	**23,812**	**24,030**	**24,112**	**24,179**	**24,676**	**25,775**	**25,657**	**25,456**	**25,960**
Demand Liabilities	**1,831**	**6,636**	**8,051**	**7,105**	**7,138**	**7,442**	**7,478**	**7,366**	**7,704**	**7,703**	**8,261**	**8,043**	**8,231**
Deposits													
Inter-Bank	718	1,539	1,936	1,727	1,126	1,299	1,332	1,397	1,497	1,336	1,434	1,503	1,562
Others	794	3,628	4,058	3,758	4,066	4,198	4,270	4,056	4,323	4,430	4,457	4,403	4,586
Borrowings from Banks	181	428	367	338	399	346	237	240	321	299	580	509	481
Others	139	1,041	1,689	1,282	1,547	1,599	1,639	1,672	1,562	1,638	1,791	1,628	1,603
Time Liabilities	**3,963**	**47,523**	**59,625**	**51,749**	**64,608**	**64,472**	**65,484**	**65,699**	**66,425**	**69,093**	**69,132**	**69,369**	**69,719**
Deposits													
Inter-Bank	2,545	31,111	40,589	34,004	44,368	44,164	45,110	45,123	45,533	47,222	47,390	47,724	47,820
Others	1,359	15,983	18,530	17,252	19,746	19,832	19,842	20,123	20,353	21,345	21,200	21,054	21,374
Borrowings from Banks	–	8	7	8	7	10	80	7	73	73	73	73	73
Others	59	421	500	486	488	466	452	447	466	453	468	518	451
Borrowing from Reserve Bank	15	–	–	22	10	10	–	–	–	–	–	–	–
Borrowings from the State Bank and / or a Notified bank (2) and State Government	**1,861**	**13,988**	**11,879**	**11,639**	**11,165**	**11,309**	**9,930**	**10,525**	**10,363**	**10,101**	**10,059**	**9,332**	**9,242**
Demand	116	3,378	3,057	3,189	2,715	2,646	2,448	2,538	2,368	2,192	2,563	2,468	2,433
Time	1,745	10,610	8,822	8,450	8,450	8,663	7,482	7,988	7,995	7,909	7,496	6,864	6,808
Assets													
Cash in Hand and Balances with Reserve Bank	**334**	**3,639**	**3,387**	**3,089**	**3,247**	**3,496**	**3,381**	**3,306**	**3,325**	**3,490**	**3,474**	**3,774**	**3,633**
Cash in Hand	24	143	149	149	156	161	150	149	152	176	166	162	148
Balance with Reserve Bank	310	3,496	3,238	2,941	3,091	3,335	3,230	3,157	3,174	3,314	3,308	3,612	3,484
Balances with Other Banks in Current Account	93	486	554	514	435	498	473	474	508	492	527	527	458
Investments in Government Securities (3)	1,058	16,806	18,432	17,970	20,561	21,148	21,516	22,302	22,308	22,113	22,257	22,386	22,510
Money at Call and Short Notice	498	7,855	15,801	12,005	17,292	17,620	16,378	16,637	16,317	17,707	17,787	17,542	17,539
Bank Credit (4)	**2,553**	**17,345**	**18,501**	**16,563**	**17,956**	**17,451**	**16,767**	**16,923**	**16,865**	**16,272**	**17,081**	**17,051**	**17,129**
Advances													
Loans, Cash-Credits and Overdrafts	2,528	17,336	18,490	16,555	17,947	17,441	16,761	16,917	16,858	16,266	17,074	17,045	17,122
Due from Banks (5)	5,560	32,466	27,239	28,620	25,339	25,416	24,770	25,742	25,925	25,657	24,708	24,535	24,508
Bills Purchased and Discounted	25	9	10	7	8	10	7	6	7	7	7	7	8
Cash - Deposit Ratio	15.5	18.6	15.0	14.7	13.6	14.5	14.0	13.7	13.5	13.5	13.5	14.8	14.0
Investment - Deposit Ratio	49.2	85.7	81.6	85.5	86.3	88.0	89.2	92.2	90.4	85.8	86.7	87.9	86.7
Credit - Deposit Ratio	118.6	88.4	81.9	78.8	75.4	72.6	69.5	70.0	68.3	63.1	66.6	67.0	66.0

See 'Notes on Tables'.

No. 7: Reserve Bank's Standing Facilities to Scheduled Commercial Banks

(Rs. crore)

As on last reporting Friday of	Export Credit Refinance (1)		General Refinance (2)		Special Liquidity Support (3)		Total Refinance (4)	
	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding
1	2	3	4	5	6	7	8	9
1996-97	6,654.40	559.97	–	–			6,654.40	559.97
1997-98	2,402.96	394.52	1,115.02	0.11			3,517.98	394.63
1998-99	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
March 1999	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
April 1999	8,638.29	5,164.76	1,115.02	56.31	–	–	9,753.31	5,221.07

As on last reporting Friday of	Export Credit Refinance (1)						Others @						Total Standing Facility	
	Normal *		Back Stop **		Total ***		Normal *		Back Stop **		Total			
	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing
1	2	3	4	5	6 =(2+4)	7 =(3+5)	8	9	10	11	12 =(8+10)	13 =(9+11)	14 =(6+12)	15 =(7+13)
2001-02	6,060.29	3,144.11	3,025.60	49.83	9,085.89	3,193.94	837.62	422.35	218.7	–	1,056.27	422.35	10,142.16	3,616.29
2002-03	2,524.13	61.51	2,524.13	23.00	5,048.26	84.51	399.66	–	–	–	399.66	–	5,447.92	84.51
2003-04	1,553.25	–	3,111.17	–	4,664.42	–	399.66	–	–	–	399.66	–	5,064.08	–
2004-05	–	–	–	–	4,912.13	50.00	399.66	–	–	–	399.66	–	5,311.79	50.00
2005-06	–	–	–	–	6,050.63	1,567.68	–	–	–	–	–	–	6,050.63	1,567.68
2006-07	–	–	–	–	8,110.33	4,984.94	–	–	–	–	–	–	8,110.33	4,984.94
2007-08	–	–	–	–	9,103.46	2,825.00	–	–	–	–	–	–	9,103.46	2,825.00
2008-09	–	–	–	–	34,951.79	3,106.62	–	–	–	–	–	–	34,951.79	3,106.62
Dec. 2007	–	–	–	–	7,818.76	779.00	–	–	–	–	–	–	7,818.76	779.00
Mar. 2008	–	–	–	–	9,103.46	2,825.00	–	–	–	–	–	–	9,103.46	2,825.00
Jun. 2008	–	–	–	–	9,052.03	1,132.14	–	–	–	–	–	–	9,052.03	1,132.14
May 2008	–	–	–	–	9,264.62	166.00	–	–	–	–	–	–	9,264.62	166.00
Jun. 2008	–	–	–	–	9,052.03	1,132.14	–	–	–	–	–	–	9,052.03	1,132.14
Jul. 2008	–	–	–	–	9,763.13	3,129.09	–	–	–	–	–	–	9,763.13	3,129.09
Aug. 2008	–	–	–	–	9,449.95	976.58	–	–	–	–	–	–	9,449.95	976.58
Sep. 2008	–	–	–	–	9,434.35	4,481.44	–	–	–	–	–	–	9,434.35	4,481.44
Oct. 2008	–	–	–	–	9,653.48	91.00	–	–	–	–	–	–	9,653.48	91.00
Nov. 2008	–	–	–	–	34,740.28	2,697.63	–	–	–	–	–	–	34,740.28	2,697.63
Dec. 2008	–	–	–	–	35,991.95	5,330.51	–	–	–	–	–	–	35,991.95	5,330.51
Jan. 2009	–	–	–	–	37,367.21	1,037.00	–	–	–	–	–	–	37,367.00	1,037.00
Feb. 2009	–	–	–	–	35,173.13	1,531.59	–	–	–	–	–	–	35,173.13	1,531.59
Mar. 2009	–	–	–	–	34,951.79	3,106.62	–	–	–	–	–	–	34,951.79	3,106.62
Apr. 2009	–	–	–	–	36,432.22	1,322.35	–	–	–	–	–	–	36,432.22	1,322.35
May 2009	–	–	–	–	34,542.21	715.18	–	–	–	–	–	–	34,542.21	715.18
Jun. 2009	–	–	–	–	33,195.57	1,800.00	–	–	–	–	–	–	33,195.57	1,800.00
Jul. 2009	–	–	–	–	33,293.12	–	–	–	–	–	–	–	33,293.12	–
Aug. 2009	–	–	–	–	31,855.00	–	–	–	–	–	–	–	31,855.00	–
Sep. 2009	–	–	–	–	31,996.53	–	–	–	–	–	–	–	31,996.53	–
Oct. 2009	–	–	–	–	32,534.90	–	–	–	–	–	–	–	32,534.90	–
Nov. 2009	–	–	–	–	9,321.95	–	–	–	–	–	–	–	9,321.95	–
Dec. 2009	–	–	–	–	9,055.76	–	–	–	–	–	–	–	9,055.76	–
Jan. 2010	–	–	–	–	9,221.13	–	–	–	–	–	–	–	9,221.13	–

@ : 'Others' include Collateralised Lending Facility (CLF) (withdrawn completely effective from October 5, 2002) / Additional CLF (withdrawn effective from June 5, 2000), *etc.*

* : Normal Limit = 1/2 of total limit effective from November 16, 2002; 1/3 rd of the total limit effective from December 27, 2003.

** : Back-Stop Limit = 1/2 of total limit effective from November 16, 2002; 2/3 rd of the total limit effective from December 27, 2003.

*** : Total limits under Normal Facility and Back-Stop facility merged in to a single facility effective from March 29, 2004.

Also see 'Notes on Tables'.

No. 8: Cheque Clearing Data

(Number in Lakhs and Amount in Rs. crore)

Month/Year	Total		Total MICR* Centres		Total Non-MICR** Centres		Total of RBI Centres		RBI Centres***					
									Ahmedabad		Bangalore		Bhopal	
1	2 = (3+4)		3 = (5+22)		4		5		6		7		8	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	9,015.0	1,25,75,254.0	5,377.0	1,09,47,391.0	3,638.0	16,27,863.0	5,377.0	1,09,47,391.0	414.0	2,07,524.0	445.0	2,69,346.0	–	–
2002-03	10,139.0	1,34,24,313.0	5,980.0	1,09,78,762.0	4,159.0	24,45,551.0	5,980.0	1,09,78,762.0	434.0	2,25,060.0	485.0	3,07,577.0	–	–
2003-04	10,228.0	1,15,95,960.0	6,241.0	91,78,751.0	3,987.0	24,17,209.0	6,241.0	91,78,751.0	473.0	2,80,649.0	547.0	3,75,885.0	–	–
2004-05	11,668.5	1,04,58,894.9	9,414.6	93,56,252.2	2,253.9	11,02,642.7	7,384.8	84,93,320.7	525.5	3,52,696.6	601.6	4,77,810.1	59.3	47,188.1
2005-06	12,867.6	1,13,29,133.5	10,318.4	94,74,370.8	2,549.2	18,54,762.8	7,942.4	81,94,976.7	603.7	4,06,598.7	656.1	4,98,344.5	71.9	32,181.0
2006-07	13,672.8	1,20,42,425.7	11,441.0	1,04,35,436.1	2,231.8	16,06,989.5	8,309.9	85,99,494.3	594.4	4,29,955.8	702.5	5,58,675.6	71.7	52,224.6
2007-08	14,605.6	1,33,96,065.9	12,229.6	1,15,28,690.2	2,376.0	18,67,375.7	8,775.9	94,51,748.3	647.3	5,06,759.2	734.5	6,32,327.8	77.4	62,651.9
2008-09 (P)	13,959.1	1,24,61,201.7	11,623.4	1,04,00,308.7	2,335.7	20,60,892.9	8,332.4	82,89,452.1	570.3	4,77,112.7	687.6	5,46,017.8	74.5	70,837.6
2008-09 (P)														
April	1,189.1	12,07,897.2	990.1	9,72,117.8	199.0	2,35,779.4	711.8	7,93,764.5	48.8	42,523.7	59.7	50,815.7	6.2	6,141.1
May	1,156.6	10,97,478.6	965.8	9,14,063.8	190.8	1,83,414.8	688.4	7,35,573.5	49.4	44,123.5	59.2	47,445.8	6.7	5,431.2
June	1,125.4	10,73,408.2	933.8	9,11,800.1	191.6	1,61,608.1	671.6	7,38,462.2	47.6	40,484.2	57.3	47,982.1	5.6	4,784.8
July	1,223.9	11,15,084.0	1,018.8	9,48,393.9	205.1	1,66,690.1	745.2	7,82,797.7	50.7	41,511.1	63.5	51,084.8	6.6	6,334.2
August	1,144.2	10,00,694.3	961.0	8,62,233.0	183.3	1,38,461.3	687.0	6,74,870.0	46.8	38,179.2	57.7	45,389.6	6.1	4,885.8
September	1,120.9	10,45,407.1	938.7	9,09,992.5	182.1	1,35,414.6	676.5	7,17,759.1	44.9	38,924.6	52.1	43,490.3	6.3	4,969.9
October	1,247.7	10,72,497.2	1,049.0	9,31,616.6	198.7	1,40,880.6	736.8	7,34,950.9	55.0	41,697.0	60.4	52,112.4	6.7	6,034.7
November	1,104.3	8,96,451.0	916.4	7,52,536.0	188.0	1,43,914.9	649.5	5,93,325.3	40.5	35,366.3	53.9	37,748.8	5.9	5,373.9
December	1,173.4	9,36,948.1	964.0	8,04,450.9	209.4	1,32,497.1	699.1	6,40,108.8	45.5	37,278.9	58.0	43,832.8	6.1	6,756.2
January	1,138.6	9,38,909.5	947.5	7,64,997.5	191.1	1,73,912.0	678.1	5,99,237.5	45.5	37,052.0	55.4	41,128.3	6.2	5,738.4
February	1,087.9	8,59,981.6	901.4	7,15,893.1	186.6	1,44,088.5	646.4	5,60,954.3	42.5	33,371.1	52.1	38,879.2	5.7	6,105.2
March	1,247.1	12,16,444.9	1,037.2	9,12,213.5	209.9	3,04,231.4	742.1	7,17,648.3	53.0	46,601.0	58.2	46,108.1	6.5	8,282.2
Total (upto Mar, 09)	**13,959.1**	**1,24,61,201.7**	**11,623.4**	**1,04,00,308.7**	**2,335.7**	**20,60,892.9**	**8,332.4**	**82,89,452.1**	**570.3**	**4,77,112.7**	**687.6**	**5,46,017.8**	**74.5**	**70,837.6**
2009-10														
April (P)	1,108.9	9,37,769.0	922.5	7,78,434.1	186.5	159,335.0	657.2	6,08,919.0	44.6	36,015.6	54.8	42,179.6	5.6	5,131.8
May (P)	1,102.3	8,51,448.4	910.9	6,92,706.9	191.4	1,58,741.5	643.2	5,32,225.1	46.2	35,614.5	54.4	35,229.2	5.5	4,726.4
June (P)	1,122.4	8,58,216.7	935.1	7,24,654.8	187.3	1,33,561.9	662.1	5,56,784.7	46.1	36,102.4	54.0	39,237.0	5.5	5,774.7
July (P)	1,200.9	9,00,803.8	1,002.7	7,60,467.7	198.2	1,40,336.1	711.4	5,89,480.4	50.1	35,569.2	59.2	42,623.4	6.4	5,355.0
August (P)	1,115.1	8,11,856.3	927.7	6,86,446.9	187.5	1,25,409.3	671.3	5,45,345.9	49.8	35,295.9	54.7	37,459.0	6.4	5,355.0
September (P)	1,089.4	8,21,805.6	912.0	6,85,011.4	177.4	1,36,794.2	634.1	5,27,335.8	47.4	36,866.3	50.8	35,811.8	5.6	5,507.3
October (P)	1,250.5	9,16,009.3	1,044.5	7,63,886.0	206.0	1,52,123.3	730.2	5,88,533.1	54.1	38,656.5	59.6	41,451.9	6.8	6,210.9
November (P)	1,095.3	7,45,163.7	906.5	6,05,263.9	188.8	1,39,899.8	641.2	4,53,702.3	45.7	23,802.2	51.5	32,738.6	5.8	4,326.0
December (P)	1,174.6	8,32,195.1	973.8	6,77,081.6	200.8	1,55,113.5	685.4	5,08,183.3	49.6	38,898.2	56.5	37,100.2	5.3	5,218.4
January (P)	1,128.0	8,01,727.5	940.9	6,58,725.6	187.1	1,43,002.0	658.2	4,80,122.8	47.0	38,402.9	53.2	35,191.4	5.8	5,224.1
February (P)	1024.1	7,17,811.8	891.5	6,20,485.6	132.6	97,326.2	633.8	4,68,747.2	48.0	41,152.3	49.6	33,121.9	5.3	4,572.8
Total (upto Feb, 10)	**12,411.6**	**91,94,807.4**	**10,368.1**	**76,53,164.6**	**2043.5**	**15,41,642.8**	**7,328.1**	**58,59,379.7**	**528.7**	**3,96,376.2**	**598.4**	**4,12,143.8**	**64.1**	**57,402.2**

* : MICR - Magnetic Ink Character Recognition - automated CPC (Cheque Processing Centres).

** : Non MICR - Clearing done at the clearing house where MICR cheque processing centres have not been setup. The processing is done either using magnetic media based clearing system (MMBCS) or is done manually.

*** : RBI Centres (MICR) refers to all centres where RBI is the manager of Clearing House.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakhs and Amount in Rs. crore)

Month/Year	RBI Centres***													
	Bhubaneswar		Chandigarh		Chennai		Guwahati		Hyderabad		Jaipur		Kanpur	
1	9		10		11		12		13		14		15	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	27.0	21,625.0	–	–	522.0	5,00,872.0	30.0	19,592.0	305.0	1,82,764.0	123.0	54,432.0	67.0	32,369.0
2002-03	33.0	26,349.0	–	–	557.0	5,52,913.0	34.0	22,436.0	337.0	2,15,035.0	130.0	58,202.0	73.0	34,532.0
2003-04	37.0	37,136.0	–	–	602.0	6,12,158.0	37.0	27,840.0	369.0	2,75,503.0	148.0	70,122.0	78.0	41,397.0
2004-05	41.8	47,252.7	112.8	1,11,091.8	735.1	7,59,883.1	42.4	32,713.9	390.2	3,01,678.8	168.0	89,086.6	87.1	47,225.8
2005-06	48.6	53,649.7	123.8	1,27,037.9	813.2	6,55,277.9	48.2	39,660.5	416.8	3,63,317.1	187.4	1,13,452.5	92.7	55,328.7
2006-07	56.2	64,833.9	140.7	1,98,205.1	803.5	6,92,201.6	55.1	49,100.5	438.9	3,95,911.4	197.8	1,37,784.8	96.9	64,396.1
2007-08	60.0	80,993.5	141.4	1,61,218.5	854.1	7,78,853.6	59.5	55,169.2	454.6	4,52,498.8	219.3	1,62,021.8	100.0	69,885.1
2008-09 (P)	57.9	88,061.5	131.8	1,45,451.1	832.0	8,01,963.7	59.7	62,085.7	447.8	4,34,737.4	197.6	1,50,889.6	92.8	72,692.4
2008-09 (P)														
April	4.8	7,898.6	11.1	15,341.9	70.7	72,489.2	4.9	6,274.0	38.4	40,598.4	16.6	13,502.7	8.1	6,010.4
May	4.8	8,125.9	11.4	13,000.7	69.6	69,582.6	5.1	5,392.7	38.8	38,131.8	16.6	13,568.5	8.3	6,029.0
June	4.5	6,632.5	10.2	11,862.1	68.7	71,149.3	4.6	4,930.8	37.3	38,755.0	15.6	12,802.2	7.1	5,740.4
July	5.3	8,800.5	11.4	11,275.7	75.6	78,720.8	5.1	5,111.4	41.1	41,507.0	17.3	13,557.8	8.0	5,968.0
August	4.7	6,984.8	10.7	11,619.5	70.3	70,375.1	4.6	4,265.3	36.9	36,005.4	16.0	12,053.7	7.6	5,526.9
September	4.9	6,957.5	10.5	13,186.6	70.2	72,544.8	4.8	4,809.8	37.8	36,634.4	15.8	14,134.9	6.4	4,998.1
October	5.3	7,253.1	11.9	13,155.4	72.0	71,608.6	4.9	4,905.6	38.0	36,958.1	18.4	14,329.4	8.7	7,371.3
November	4.7	6,844.5	10.7	11,879.8	63.8	61,432.9	5.0	4,954.1	37.1	34,102.3	15.7	11,459.3	8.3	5,956.9
December	4.9	7,605.8	11.1	10,674.5	69.4	61,611.0	5.2	4,780.9	35.4	32,809.5	15.8	11,200.5	7.4	6,203.8
January	4.5	6,374.5	11.1	11,166.4	64.0	57,150.4	5.0	5,294.0	35.0	31,278.3	16.4	11,180.4	7.7	6,086.7
February	4.4	6,598.2	10.0	10,250.6	65.4	52,115.5	4.9	4,834.0	33.4	31,257.2	15.1	10,078.4	6.9	5,633.2
March	5.1	7,985.6	11.7	12,037.9	72.4	63,183.7	5.7	6,533.1	38.7	36,699.8	18.2	13,021.7	8.2	7,167.7
Total (upto Mar. 09)	**57.9**	**88,061.5**	**131.8**	**1,45,451.1**	**832.0**	**8,01,963.7**	**59.7**	**62,085.7**	**447.8**	**4,34,737.4**	**197.6**	**1,50,889.6**	**92.8**	**72,692.4**
2009-10														
April (P)	4.5	5,308.6	11.5	14,123.3	64.1	63,050.0	4.6	5,704.3	34.6	32,461.9	16.0	11,286.1	6.9	6,478.5
May (P)	4.5	4,607.0	10.5	12,097.6	61.7	54,521.9	5.1	5,035.9	33.6	27,842.7	15.4	10,283.0	7.7	6,668.5
June (P)	4.3	5,330.6	10.3	11,231.1	65.7	54,603.2	5.1	4,790.2	34.7	30,336.9	15.6	10,714.8	7.2	6,535.7
July (P)	5.4	5,258.2	11.4	10,576.6	71.7	60,060.5	5.2	4,962.7	37.3	33,317.0	17.3	10,421.8	7.7	6,830.0
August (P)	5.0	4,682.1	10.5	10,176.4	66.7	51,118.9	5.3	4,342.2	33.3	27,933.7	16.8	10,087.0	7.6	5,121.6
September (P)	4.8	4,586.5	10.4	10,176.9	61.7	52,474.5	5.0	4,745.2	30.6	26,893.9	15.7	10,052.8	6.8	4,925.8
October (P)	5.5	5,285.1	12.3	13,388.3	71.6	57,171.6	5.9	4,641.1	38.9	31,921.1	18.5	12,215.8	8.5	5,581.8
November (P)	4.5	4,966.9	10.4	12,375.3	61.2	52,212.9	5.1	3,922.2	32.8	27,181.2	14.9	9,023.7	7.9	4,852.1
December (P)	5.1	5,298.1	11.8	12,174.4	66.0	53,928.2	5.8	4,682.9	35.1	27,209.9	16.9	11,074.3	7.3	5,241.5
January (P)	4.6	5,099.1	10.3	10,357.5	61.0	41,672.9	5.0	4,514.7	33.3	28,450.4	16.6	10,976.5	7.0	5,376.2
February (P)	4.7	5,548.9	11.5	10,276.7	62.3	39,576.6	5.3	4,728.8	31.6	24,444.0	16.4	11,066.3	6.6	4,506.2
Total (upto Feb. 10)	**52.9**	**55,971.0**	**120.8**	**1,26,954.2**	**713.7**	**580,391.2**	**57.4**	**52,070.1**	**375.6**	**3,17,992.7**	**180.1**	**1,17,202.0**	**81.4**	**62,117.7**

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakhs and Amount in Rs. crore)

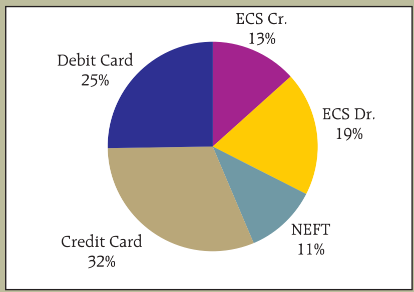
Month/Year	RBI Centres***											
	Kolkata		Mumbai		Nagpur		New Delhi		Patna		Thiruvananthapuram	
1	16		17		18		19		20		21	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	523.0	3,73,131.0	1,679.0	82,17,816.0	102.0	41,151.0	1,079.0	9,90,315.0	27.0	17,421.0	34.0	19,032.0
2002-03	531.0	4,19,164.0	2,019.0	76,94,748.0	109.0	46,924.0	1,164.0	13,19,625.0	37.0	19,506.0	37.0	36,691.0
2003-04	470.0	4,65,308.0	2,162.0	55,11,293.0	120.0	56,330.0	1,107.0	13,54,677.0	50.0	26,739.0	41.0	43,714.0
2004-05	599.9	5,60,659.9	2,304.1	37,53,670.3	124.4	63,495.1	1,479.3	17,73,610.1	65.0	30,861.7	48.2	44,396.1
2005-06	642.4	6,58,639.7	2,391.9	33,42,829.4	134.8	75,772.3	1,597.2	16,97,583.2	59.2	36,819.8	54.6	38,484.0
2006-07	684.2	6,82,358.0	2,518.3	33,19,090.1	145.6	92,546.6	1,690.9	17,73,548.3	56.8	47,968.8	56.2	40,693.0
2007-08	730.5	7,78,304.3	2,651.6	36,85,407.3	151.3	1,06,351.7	1,775.7	18,00,975.6	62.6	61,006.5	56.0	57,323.4
2008-09 (P)	692.3	7,53,067.8	2,512.7	27,99,764.9	146.2	1,06,246.5	1,726.9	16,64,709.4	62.0	67,977.2	55.0	55,769.9
2008-09 (P)												
April	57.9	67,101.2	215.7	2,83,396.5	12.4	9,090.9	146.9	1,61,140.8	5.0	5,581.2	4.7	5,858.2
May	58.3	64,139.9	206.7	2,65,785.6	12.4	9,361.1	146.2	1,43,245.2	5.1	5,105.0	4.7	5,038.1
June	53.1	64,292.9	201.7	2,64,352.0	11.5	9,176.0	137.8	1,45,474.3	4.6	5,939.4	4.4	4,104.2
July	61.9	70,511.5	221.9	2,75,708.5	12.7	9,900.2	153.8	1,52,336.3	5.3	5,540.7	4.9	4,929.1
August	56.7	61,340.9	209.1	2,28,975.1	11.8	8,125.4	138.5	1,32,723.4	4.9	4,566.5	4.5	3,853.2
September	59.5	66,626.1	201.0	2,46,840.5	11.3	8,364.3	141.5	1,46,688.8	5.2	4,539.5	4.3	4,048.7
October	55.4	52,842.5	223.5	2,54,526.8	13.2	9,625.6	152.4	1,49,637.9	5.9	6,788.9	5.0	6,103.7
November	56.0	55,757.8	194.2	1,90,205.0	11.8	7,845.1	132.2	1,15,444.6	5.0	5,122.5	4.6	3,831.4
December	57.5	61,904.2	214.4	2,07,613.3	12.2	8,255.4	146.2	1,30,249.6	5.3	5,432.2	4.6	3,900.1
January	54.9	56,491.2	205.3	1,91,938.8	12.3	8,204.8	145.2	1,20,465.4	5.1	5,344.5	4.6	4,343.6
February	56.2	56,321.9	195.2	1,71,979.0	11.4	8,103.0	134.2	1,16,729.6	4.9	4,921.4	4.1	3,776.7
March	64.8	75,737.5	224.0	2,18,443.9	13.2	10,194.7	152.0	1,50,573.3	5.6	9,095.2	4.7	5,982.9
Total (upto Mar, 09)	**692.3**	**7,53,067.8**	**2,512.7**	**27,99,764.9**	**146.2**	**1,06,246.5**	**1,726.9**	**16,64,709.4**	**62.0**	**67,977.2**	**55.0**	**55,769.9**
2009-10												
April (P)	54.6	59,580.7	198.3	1,86,379.5	11.6	8,391.5	136.2	1,22,837.9	4.9	5,936.5	4.2	4,053.4
May (P)	51.6	48,641.7	194.5	1,64,609.0	11.3	7,241.1	132.1	1,07,565.6	4.7	4,388.7	4.2	3,152.3
June (P)	55.4	52,890.9	206.2	1,70,059.4	11.3	7,770.9	131.3	1,11,993.3	5.0	5,250.5	4.5	4,163.0
July (P)	57.8	56,100.5	214.5	1,86,871.2	12.2	8,357.6	144.9	1,13,810.1	5.5	5,342.2	4.7	4,024.2
August (P)	56.9	51,771.9	205.3	1,86,392.4	11.1	7,152.2	132.1	99,454.4	5.1	4,767.8	4.7	4,235.3
September (P)	52.8	51,425.9	196.1	1,73,285.5	10.9	7,388.9	126.5	95,083.7	5.2	4,974.1	3.7	3,136.7
October (P)	59.8	52,062.5	218.5	1,91,283.4	12.7	8,241.8	147.3	1,11,068.6	5.4	5,569.0	4.9	3,783.8
November (P)	54.0	48,556.8	200.3	1,21,056.0	11.2	6,931.4	126.3	93,648.1	5.2	5,285.5	4.2	2,823.5
December (P)	57.8	54,578.4	209.5	1,33,465.1	12.4	7,347.7	136.3	1,03,186.1	5.6	5,317.6	4.4	3,462.4
January (P)	53.4	49,815.1	206.6	1,29,988.0	11.7	6,679.7	133.0	1,00,010.2	5.2	4,849.8	4.3	3,514.4
February (P)	55.4	51,799.3	192.5	1,25,510.0	10.9	6,396.7	124.4	98,259.2	5.4	5,091.5	3.9	2,696.2
Total (upto Feb, 10)	**609.5**	**5,77,223.6**	**2,242.3**	**17,68,899.7**	**127.3**	**81,899.6**	**1470.5**	**11,56,917.2**	**57.2**	**56,773.1**	**47.9**	**39,045.2**

No. 8: Cheque Clearing Data *(Concld.)*

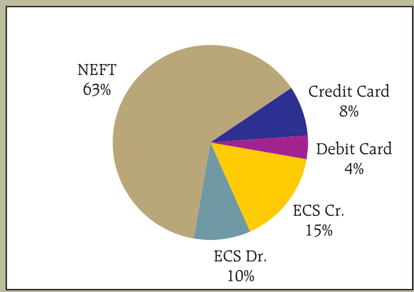
(Number in Lakhs and Amount in Rs. crore)

Month/Year	Other MICR Centres	
1	22	
	Number	Amount
2001-02	–	–
2002-03	–	–
2003-04	–	–
2004-05	2,029.8	8,62,931.5
2005-06	2,375.9	12,79,394.1
2006-07	3,131.1	18,35,941.8
2007-08	3,453.7	20,76,941.9
2008-09 (P)	3,291.0	21,10,856.7
2008-09 (P)		
April	278.2	1,78,353.3
May	277.4	1,78,490.3
June	262.2	1,73,337.9
July	273.5	1,65,596.2
August	274.0	1,87,363.0
September	262.3	1,92,233.3
October	312.2	1,96,665.7
November	266.9	1,59,210.7
December	264.9	1,64,342.2
January	269.3	1,65,760.0
February	255.0	1,54,938.8
March	295.1	1,94,565.2
Total (upto Mar, 09)	**3,291.0**	**21,10,856.7**
2009-10		
April (P)	265.3	1,69,515.0
May (P)	267.7	1,60,481.8
June (P)	273.0	1,67,870.2
July (P)	291.3	1,70,987.3
August (P)	256.4	1,41,101.1
September (P)	278.0	1,57,675.7
October (P)	314.3	1,75,352.9
November (P)	265.3	1,51,561.6
December (P)	288.4	1,68,898.2
January (P)	282.8	1,78,602.7
February (P)	257.7	1,51,738.5
Total (upto Feb, 10)	**3040.1**	**17,93,784.9**

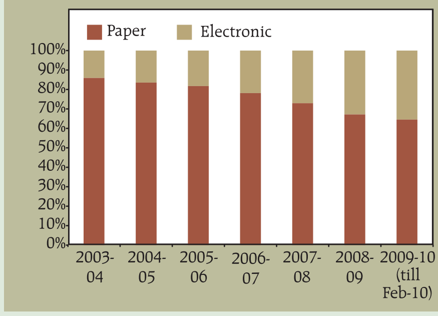
Retail Electronic Transactions - Volume in percentage in Feb. 10



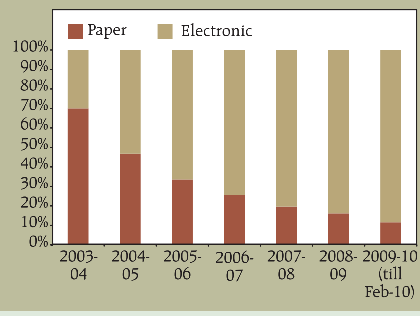
Retail Electronic Transactions - Value in percentage in Feb. 10



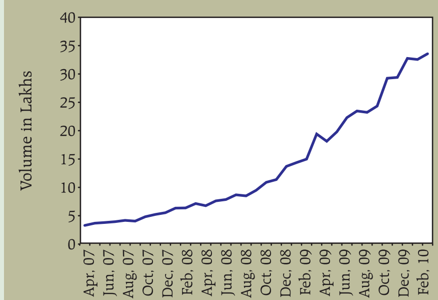
Representation of Electronic Transactions Volume in Total



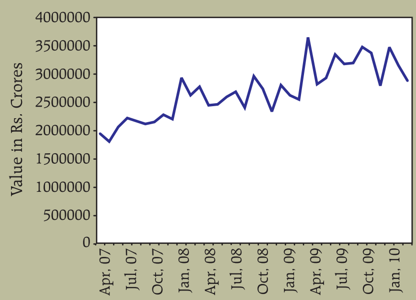
Representation of Electronic Transaction Value in Total



Growth in RTGS Volume



Growth in RTGS Value



No. 9A: Retail Electronic Payment Systems

(Number in Lakh and Amount in Rs. crore)

Year / Period	Total Electronic Payments		Electronic Clearing Services (ECS)				Electronic Funds Transfer EFT/NEFT		Card Payments#					
			ECS (Credit)		ECS (Debit)				Credit			Debit*		
1	2=(3+4+5+6+7)		3		4		5		6			7		
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount	Number of Out-standing Cards**	Volume	Amount	Number of Out-standing Cards**	Volume	Amount
2003-04	1,669.55	52,142.78	203.00	10,228.00	79.00	2,253.58	8.19	17,124.81	–	1,001.79	17,662.72	–	377.57	4,873.67
2004-05	2,289.04	1,08,749.83	400.51	20,179.81	153.00	2,921.24	25.49	54,601.38	–	1,294.72	25,686.36	–	415.32	5,361.04
2005-06	2,850.13	1,46,382.68	442.16	32,324.35	359.58	12,986.50	30.67	61,288.22	173.27	1,560.86	33,886.47	497.63	456.86	5,897.14
2006-07	3,787.09	2,35,693.12	690.19	83,273.09	752.02	25,440.79	47.76	77,446.31	231.23	1,695.36	41,361.31	749.76	601.77	8,171.63
2007-08	5,353.09	10,41,991.93	783.65	7,82,222.30	1,271.20	48,937.20	133.15	1,40,326.48	275.47	2,282.03	57,984.73	1,024.37	883.06	12,521.22
2008-09 (P)	6,678.24	5,00,321.79	883.94	97,486.58	1,600.55	66,975.89	321.61	2,51,956.38	246.99	2,595.61	65,355.80	1,374.31	1,276.54	18,547.14
2008-09 (P)														
April	504.99	38,723.13	60.96	8,590.47	127.11	5,009.43	17.02	18,286.34	283.12	215.45	5,611.38	1,049.91	84.44	1,225.51
May	506.95	37,466.82	47.25	5,314.57	132.70	5,129.74	18.71	20,067.09	267.34	214.96	5,581.88	1,082.53	93.33	1,373.54
June	514.71	32,493.74	64.17	7,553.91	132.26	5,196.29	19.16	13,194.69	270.16	206.21	5,261.63	1,101.52	92.91	1,287.22
July	573.60	45,791.13	92.35	10,371.04	133.35	5,447.80	22.93	22,999.52	268.68	224.47	5,578.37	1,130.39	100.49	1,394.40
August	616.33	37,792.91	121.09	9,493.34	133.94	5,546.76	22.61	15,213.86	267.33	226.28	5,801.48	1,140.63	112.41	1,737.47
September	576.27	39,119.45	96.34	9,122.00	131.57	5,627.37	25.25	17,221.08	268.20	219.16	5,635.60	1,197.44	103.96	1,513.40
October	642.60	49,765.73	121.40	9,733.60	134.92	5,906.58	30.77	25,722.44	266.75	236.47	6,442.34	1,219.60	119.03	1,960.77
November	532.91	41,524.54	57.72	6,758.28	137.13	5,755.72	27.19	22,097.04	265.74	205.74	5,355.01	1,255.11	105.13	1,558.49
December	560.72	41,535.94	48.31	7,202.24	135.93	5,901.41	31.95	21,449.44	261.53	225.97	5,311.21	1,275.33	118.56	1,671.64
January	558.77	49,523.22	52.93	9,153.85	137.01	5,845.04	32.27	27,635.01	258.71	217.87	5,171.06	1,314.18	118.69	1,718.27
February	544.10	40,681.80	75.48	8,431.26	129.05	5,688.24	33.21	20,367.58	255.12	195.98	4,659.48	1,342.36	110.38	1,535.25
March	546.29	45,903.38	45.93	5,762.04	135.58	5,921.52	40.54	27,702.30	246.99	207.04	4,946.34	1,374.31	117.21	1,571.18
Total (upto Mar. 09)	**6,678.24**	**5,00,321.79**	**883.94**	**97,486.58**	**1,600.55**	**66,975.89**	**321.61**	**2,51,956.38**	**246.99**	**2,595.61**	**65,355.80**	**1,374.31**	**1,276.54**	**18,547.14**
2009-10														
April (P)	505.71	55,380.45	38.20	11,134.18	122.17	5,807.17	39.42	31,728.54	243.67	185.44	4,932.37	1,405.51	120.47	1,778.20
May (P)	520.52	42,635.99	51.19	6,665.42	121.27	5,792.75	38.94	23,474.15	240.54	182.04	4,815.94	1,430.33	127.08	1,887.71
June (P)	550.17	51,609.91	60.72	8,668.65	127.46	5,750.13	45.04	30,513.06	228.44	191.02	4,863.35	1,463.92	125.93	1,814.71
July (P)	637.01	63,785.64	115.45	12,797.93	126.22	5,671.51	50.97	38,261.03	222.56	202.11	4,957.33	1,512.59	142.27	2,097.84
August (P)	633.43	57,344.37	118.95	15,037.64	117.64	5,714.31	52.22	29,400.62	219.49	196.68	4,858.34	1,550.99	147.94	2,333.46
September (P)	607.92	54,091.91	114.20	11,420.36	116.13	6,069.78	49.49	29,582.34	213.08	191.25	4,905.47	1,590.17	136.86	2,113.96
October (P)	673.66	67,922.96	134.34	10,983.93	130.98	5,051.28	59.48	43,654.55	211.18	204.65	5,660.93	1,628.09	144.22	2,572.28
November (P)	588.45	48,791.52	75.89	7,311.27	122.19	5,815.54	55.82	28,151.66	208.41	193.24	5,256.18	1,658.30	141.32	2,256.87
December (P)	607.09	57,128.01	58.27	7,385.70	126.52	6,035.36	63.07	35,766.61	206.45	204.84	5,506.55	1,705.68	154.39	2,433.80
January (P)	613.65	59,993.14	65.14	7,733.98	125.68	5,895.96	61.95	38,446.69	204.39	202.63	5,425.51	1,741.27	158.25	2,491.00
February (P)	584.02	58,474.34	78.08	9,051.96	111.90	5,623.81	64.22	36,630.78	201.73	182.70	4,947.30	1,779.59	147.13	2,220.50
Total (upto Feb. 10)	**6,521.62**	**6,17,158.24**	**910.42**	**1,08,191.01**	**1,348.15**	**63,227.61**	**580.61**	**3,65,610.03**	**201.73**	**2,136.60**	**56,129.27**	**1,779.59**	**1,545.84**	**24,000.32**

\# : Card Payments figures pertain only to Point of Sale (POS) transactions.

* : Debit Cards figures for 2003-04 and 2004-05 are estimated based on 2005-06 figures.

** : Cards issued by banks (excluding those withdrawn/blocked).

No. 9B: Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in Rs. crore)

Year / Period	Real Time Gross Settlement System									
	Total		Customer Remittance		Inter-Bank Remittance		Inter-bank Clearing Settlement**		Total Inter-bank	
1	2=(3+4+5)		3		4		5		6=(4+5)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2003-04	0.001	1,965.49	0.00	0.00	0.001	1,965.49	–	–	0.001	1,965.49
2004-05	4.604	40,66,184.00	0.68	2,49,662.00	3.92	38,16,522.00	–	–	3.92	38,16,522.00
2005-06	17.670	1,15,40,836.25	7.13	25,70,212.29	10.54	89,70,623.96	–	–	10.54	89,70,623.96
2006-07	38.80	2,46,19,179.99	24.82	71,67,807.91	13.94	1,13,13,346.69	0.04	61,38,025.39	13.98	1,74,51,372.08
2007-08	58.54	4,82,94,558.97	41.46	1,61,00,172.88	16.94	1,12,18,157.41	0.14	2,09,76,228.68	17.08	3,21,94,386.10
2008-09	133.84	6,11,39,912.44	112.34	2,00,04,107.80	21.32	1,22,75,773.49	0.19	2,88,60,031.15	21.50	4,11,35,804.65
2008-09										
April	6.78	48,47,956.95	5.19	15,95,777.62	1.57	8,53,187.78	0.011	23,98,991.55	1.58	32,52,179.34
May	7.63	44,48,417.00	5.95	15,80,007.83	1.67	8,85,628.25	0.012	19,82,780.92	1.68	28,68,409.17
June	7.87	45,13,960.83	6.21	16,46,155.13	1.65	9,51,811.99	0.012	19,15,993.71	1.66	28,67,805.70
July	8.70	49,62,469.06	6.92	15,87,652.09	1.76	11,00,562.35	0.016	22,74,254.62	1.78	33,74,816.97
August	8.52	41,00,796.82	6.86	14,36,487.67	1.64	9,70,634.47	0.014	16,93,674.67	1.65	26,64,309.14
September	9.50	54,67,011.33	7.83	18,56,151.15	1.66	11,07,216.33	0.016	25,03,643.85	1.67	36,10,860.18
October	10.91	57,09,503.32	9.17	16,00,262.02	1.72	11,38,951.40	0.019	29,70,289.89	1.74	41,09,241.29
November	11.39	40,13,012.27	9.64	13,33,676.48	1.73	10,05,503.61	0.018	16,73,832.18	1.75	26,79,335.79
December	13.72	52,94,123.86	11.76	17,33,974.18	1.94	10,71,438.17	0.017	24,88,711.51	1.96	35,60,149.68
January	14.39	56,25,933.45	12.44	16,17,258.72	1.93	10,07,993.11	0.018	30,00,681.62	1.95	40,08,674.73
February	15.00	55,82,079.52	13.15	15,88,921.37	1.84	9,62,785.66	0.015	30,30,372.49	1.85	39,93,158.15
March (P)	19.43	65,74,648.05	17.22	24,27,783.53	2.20	12,20,060.37	0.020	29,26,804.14	2.22	41,46,864.51
Total (upto Mar, 09)	**133.84**	**6,11,39,912.44**	**112.34**	**2,00,04,107.80**	**21.32**	**1,22,75,773.49**	**0.19**	**2,88,60,031.15**	**21.50**	**4,11,35,804.65**
2009-10										
April	18.15	74,83,009.75	16.20	18,82,570.44	1.94	9,38,518.59	0.014	46,61,920.71	1.95	56,00,439.31
May	19.81	93,67,548.14	17.72	20,05,120.69	2.07	9,26,922.08	0.017	64,35,505.38	2.09	73,62,427.46
June	22.32	1,00,45,166.89	20.10	24,14,892.93	2.20	9,32,255.88	0.017	66,98,018.08	2.22	76,30,273.96
July	23.48	99,66,068.81	21.24	23,61,696.14	2.23	8,17,679.51	0.015	67,86,693.16	2.25	76,04,372.67
August	23.24	92,48,113.39	21.13	24,51,621.30	2.10	7,44,363.88	0.008	60,52,128.20	2.11	67,96,492.08
September	24.34	92,58,141.64	22.18	26,39,052.07	2.16	8,39,448.23	0.008	57,79,641.34	2.16	66,19,089.57
October	29.26	84,49,696.31	26.79	26,11,319.99	2.46	7,62,282.04	0.007	50,76,094.28	2.46	58,38,376.33
November (P)	29.40	77,80,524.10	27.03	21,22,556.52	2.36	6,72,712.97	0.007	49,85,254.61	2.37	56,57,967.58
December	32.76	76,68,126.33	30.27	26,98,071.73	2.48	7,76,396.36	0.007	41,93,658.24	2.49	49,70,054.60
January	32.56	73,34,900.73	30.06	23,91,646.42	2.49	7,62,906.61	0.006	41,80,347.70	2.50	49,43,254.31
February	33.57	69,00,931.55	31.10	22,09,498.00	2.46	6,75,175.29	0.006	40,16,258.25	2.47	46,91,433.54
Total (upto Feb. 10)	**288.88**	**9,35,02,227.65**	**263.83**	**2,57,88,046.24**	**24.94**	**88,48,661.44**	**0.11**	**5,88,65,519.96**	**25.05**	**6,77,14,181.40**

* : Inter-Bank Clearing Settlement pertains to the MNSB batches. MNSB settlement in RTGS started from 12 August, 2006.

** : The MNSB Settlement relates to the settlement of ECS, EFT, NEFT, REPO, Outright, FOREX, CBLO and Cheque Clearing at Mumbai.

No. 9B: Large Value Clearing and Settlement Systems *(Concld.)*

(Number in Lakh and Amount in Rs. crore)

Year / Period	CCIL Operated Systems							
	Government Securities Settlement				Forex Settlement		CBLO Settlement	
	Outright		Repo					
1	7		8		9		10	
	Number of Trades	Value	Number of Trades	Value	Number of Trades	Value	Number of Trades	Value
2003-04	2.44	15,75,133.00	0.21	9,43,189.00	3.31	23,18,530.80	0.03	76,850.70
2004-05	1.61	11,34,222.08	0.24	15,57,906.55	4.66	40,42,434.86	0.29	9,76,757.10
2005-06	1.25	8,64,751.40	0.25	16,94,508.70	4.90	52,39,673.90	0.68	29,53,133.90
2006-07	1.37	10,21,535.70	0.30	25,56,501.50	6.06	80,23,078.00	0.86	47,32,271.30
2007-08	1.89	16,53,851.30	0.27	39,48,750.70	7.57	1,27,26,831.90	1.13	81,10,828.60
2008-09	2.46	21,60,233.30	0.24	40,94,285.90	8.38	1,69,37,488.60	1.19	88,24,784.30
2008-09								
April	0.12	1,08,602.80	0.02	3,44,220.20	0.56	12,06,935.70	0.11	8,93,038.50
May	0.17	1,42,728.70	0.02	3,68,236.20	0.75	12,28,186.00	0.11	9,08,156.90
June	0.10	1,09,956.10	0.02	2,81,545.80	0.69	13,67,490.70	0.11	8,94,344.20
July	0.10	93,002.60	0.01	2,23,370.40	0.83	15,57,981.60	0.10	6,15,406.80
August	0.16	1,21,961.30	0.01	2,50,899.70	0.76	14,50,096.30	0.09	5,30,643.70
September	0.22	1,66,720.60	0.01	2,55,691.60	0.81	17,15,233.60	0.09	4,93,139.60
October	0.18	1,42,787.80	0.02	2,10,993.60	0.76	17,12,726.60	0.08	3,69,994.30
November	0.23	1,92,139.70	0.02	3,49,388.60	0.69	14,66,754.00	0.09	5,60,709.60
December	0.44	3,76,930.40	0.02	4,23,566.00	0.69	14,83,818.30	0.11	8,06,517.70
January	0.37	3,17,482.70	0.02	4,51,316.30	0.64	12,40,573.00	0.10	7,94,849.10
February	0.21	1,91,203.20	0.03	4,38,427.00	0.51	9,99,461.50	0.09	8,46,655.30
March (P)	0.17	1,96,717.40	0.03	4,96,630.50	0.68	15,08,231.30	0.11	11,11,328.60
Total (upto Mar. 09)	**2.46**	**21,60,233.30**	**0.24**	**40,94,285.90**	**8.38**	**1,69,37,488.60**	**1.19**	**88,24,784.30**
2009-10								
April	0.30	2,84,512.00	0.02	4,10,899.00	0.59	12,26,979.40	0.09	8,79,157.70
May	0.27	2,59,204.90	0.03	5,38,787.60	0.72	13,15,408.80	0.11	11,64,123.10
June	0.27	2,49,716.30	0.03	5,64,048.70	0.74	12,61,790.90	0.12	13,92,384.30
July	0.35	3,04,702.70	0.03	5,26,596.50	0.78	11,98,562.10	0.12	12,09,014.80
August	0.19	1,70,488.90	0.02	5,59,288.90	0.66	10,21,144.80	0.12	13,70,383.70
September	0.29	2,82,081.60	0.03	6,43,526.40	0.68	10,77,227.40	0.12	14,34,930.10
October	0.25	2,36,007.80	0.02	5,39,220.20	0.75	10,58,821.70	0.12	13,41,205.60
November (P)	0.33	3,00,251.80	0.02	5,18,161.90	0.79	10,35,551.10	0.12	12,62,123.40
December	0.27	2,45,506.40	0.02	5,12,490.30	0.75	11,42,151.90	0.13	13,83,446.70
January	0.25	2,34,273.00	0.02	3,64,133.00	0.80	12,04,118.00	0.11	12,64,283.00
February	0.21	1,81,384.00	0.02	4,36,071.00	0.79	12,75,948.00	0.12	14,00,191.00
Total (upto Feb. 10)	**2.98**	**27,48,129.40**	**0.26**	**56,13,223.50**	**8.04**	**1,28,17,704.10**	**1.28**	**1,41,01,243.40**

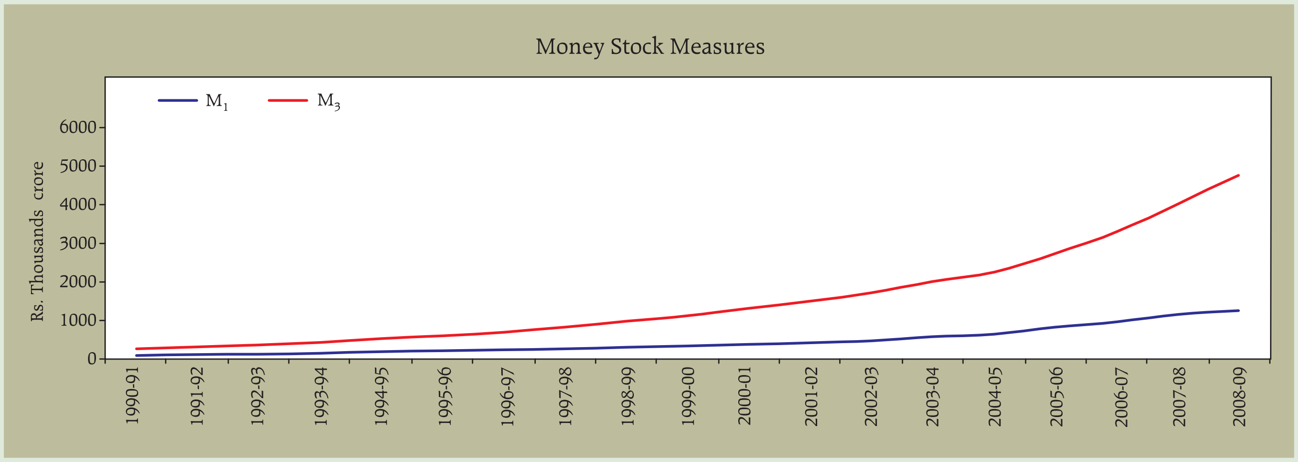
No. 10: Money Stock Measures

(Rs. crore)

March 31/ Reporting Fridays of the month/ Last reporting Friday of the month	Currency with the Public					Deposit money of the Public			M_1 (6+9)	Post Office Savings Bank Deposits	M_2 (10+11)	Time Deposits with Banks	M_3 (10+13)	Total Post Office Deposits	M_4 (14+15)
	Notes in Circulation(1)	Circulation of		Cash on Hand with Banks	Total (2+3+4-5)	Demand Deposits with Banks	'Other' Deposits with Reserve Bank (3)	Total (7+8)							
		Rupee Coins (2)	Small Coins (2)												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
2006-2007	4,95,938	6,684	1,477	21,244	4,82,854	4,77,604	7,496	4,85,100	**9,67,955**	5,041	**9,72,996**	23,42,113	**33,10,068**	25,969	**33,36,037**
2007-2008	5,81,577	7,656	1,567	22,390	5,68,410	5,78,372	9,054	5,87,427	**11,55,837**	5,041	**11,60,878**	28,62,046	**40,17,883**	25,969	**40,43,852**
2008-2009	6,81,099	8,487	1,567	24,790	6,66,364	5,81,247	5,573	5,86,820	**12,53,184**	5,041	**12,58,225**	35,10,835	**47,64,019**	25,969	**47,89,988**
February 13, 2009	6,66,041	8,350	1,567	23,362	6,52,596	5,00,083	6,915	5,06,998	**11,59,594**	5,041	**11,64,635**	34,42,918	**46,02,512**	25,969	**46,28,481**
February 27, 2009	6,65,243	8,417	1,567	25,108	6,50,120	5,30,514	5,976	5,36,490	**11,86,610**	5,041	**11,91,651**	34,68,070	**46,54,680**	25,969	**46,80,649**
October 2009	7,32,961	9,164	1,567	30,823	7,12,870	5,94,082	4,004	5,98,086	**13,10,955**	5,041	**13,15,996**	38,46,741	**51,57,697**	25,969	**51,83,666**
November 2009	7,40,732	9,164	1,567	27,661	7,23,802	5,76,971	4,779	5,81,750	**13,05,553**	5,041	**13,10,594**	38,90,003	**51,95,555**	25,969	**52,21,524**
December 2009	7,56,449	9,164	1,567	28,645	7,38,535	5,83,218	5,050	5,88,267	**13,26,802**	5,041	**13,31,843**	38,82,520	**52,09,322**	25,969	**52,35,291**
January 2010	7,61,622	9,164	1,567	30,250	7,42,103	6,22,876	4,361	6,27,238	**13,69,340**	5,041	**13,74,381**	39,70,066	**53,39,406**	25,969	**53,65,375**
February 12, 2010	7,74,627	9,164	1,567	28,117	7,57,242	6,06,595	3,567	6,10,162	**13,67,404**	5,041	**13,72,445**	39,91,414	**53,58,818**	25,969	**53,84,787**
February 26, 2010	7,75,040	9,164	1,567	30,694	7,55,078	6,29,841	3,692	6,33,533	**13,88,611**	5,041	**13,93,652**	40,28,352	**54,16,963**	25,969	**54,42,932**

Note : Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

Also see 'Notes on Tables'.



No. 11: Sources of Money Stock (M_3)

(Rs.crore)

Source	Outstandings as on March 31/Reporting Fridays of the Month/Last Reporting Friday of the Month				
	2006-07	2007-08	2008-09	February 13, 2009	February 27, 2009
1	2	3	4	5	6
1. Net Bank Credit to Government (A+B)	**8,27,626**	**8,99,518**	**12,77,199**	**11,88,583**	**11,96,919**
A. RBI's net credit to Government (i-ii)	2,423	-1,13,209	61,580	-29,814	-39,791
(i) Claims on Government (a+b)	97,512	1,16,194	1,59,166	73,274	62,342
(a) Central Government (1)	97,184	1,14,725	1,57,488	73,274	62,099
(b) State Governments	328	1,468	1,678	–	243
(ii) Government deposits with RBI (a+b)	95,089	2,29,403	97,586	1,03,088	1,02,133
(a) Central Government	95,048	2,29,361	95,727	1,03,047	1,02,091
(b) State Governments	41	41	1,859	41	41
B. Other Banks' Credit to Government	8,25,204	10,12,727	12,15,619	12,18,397	12,36,710
2. Bank Credit to Commercial Sector (A+B)	**21,28,862**	**25,78,990**	**30,13,337**	**28,75,521**	**28,96,375**
A. RBI's credit to commercial sector (2)	1,537	1,788	13,820	5,749	6,841
B. Other banks' credit to commercial sector (i+ii+iii)	21,27,325	25,77,201	29,99,517	28,69,772	28,89,535
(i) Bank credit by commercial banks	19,31,189	23,61,914	27,75,549	26,52,004	26,67,928
(ii) Bank credit by co-operative banks	1,77,344	1,98,816	2,09,828	2,03,412	2,07,862
(iii) Investments by commercial and co-operative banks in other securities	18,792	16,472	14,139	14,356	13,744
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**9,13,179**	**12,95,131**	**13,52,184**	**12,55,433**	**13,03,156**
A. RBI's net foreign exchange assets (i-ii)(3)	8,66,153	12,36,130	12,80,116	12,12,701	12,60,424
(i) Gross foreign assets	8,66,170	12,36,147	12,80,133	12,12,719	12,60,442
(ii) Foreign liabilities	17	17	17	17	17
B. Other banks' net foreign exchange assets	47,026	59,001	72,068	42,731	42,731
4. Government's Currency Liabilities to the Public	**8,161**	**9,224**	**10,054**	**9,917**	**9,984**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**5,67,761**	**7,64,980**	**8,88,754**	**7,26,941**	**7,51,755**
A. Net non-monetary liabilities of RBI(3)	1,77,019	2,10,221	3,87,927	3,10,769	3,56,857
B. Net non-monetary liabilities of other banks(residual)	3,90,742	5,54,759	5,00,828	4,16,172	3,94,898
M_3 (1+2+3+4-5)	**33,10,068**	**40,17,883**	**47,64,019**	**46,02,512**	**46,54,680**

No. 11: Sources of Money Stock (M_3) *(Concld.)*

(Rs.crore)

Source	Outstandings as on March 31/Reporting Fridays of the Month/Last Reporting Friday of the Month					
	October 2009	November 2009	December 2009	January 2010	February 12, 2010	February 26, 2010
1	7	8	9	10	11	12
1. Net Bank Credit to Government (A+B)	**14,61,128**	**14,87,583**	**14,85,167**	**15,48,261**	**15,70,234**	**15,87,882**
A. RBI's net credit to Government (i-ii)	43,722	72,328	86,910	90,212	1,17,441	1,51,876
(i) Claims on Government (a+b)	75,378	96,051	1,54,118	1,02,202	1,25,384	1,61,814
(a) Central Government (1)	74,866	94,982	1,54,060	1,01,424	1,24,578	1,60,747
(b) State Governments	512	1,069	58	778	806	1,067
(ii) Government deposits with RBI (a+b)	31,656	23,723	67,208	11,989	7,943	9,938
(a) Central Government	31,615	23,681	67,167	11,948	7,837	7,959
(b) State Governments	41	41	41	41	105	1,979
B. Other Banks' Credit to Government	14,17,406	14,15,255	13,98,257	14,58,049	14,52,793	14,36,006
2. Bank Credit to Commercial Sector (A+B)	**31,05,016**	**31,37,509**	**31,83,293**	**32,81,437**	**33,02,035**	**33,36,084**
A. RBI's credit to commercial sector (2)	6,491	5,396	4,718	5,468	4,906	4,713
B. Other banks' credit to commercial sector (i+ii+iii)	30,98,525	31,32,112	31,78,575	32,75,969	32,97,129	33,31,371
(i) Bank credit by commercial banks	28,68,265	28,98,770	29,41,293	30,29,079	30,51,676	30,89,323
(ii) Bank credit by co-operative banks	2,18,725	2,15,019	2,16,947	2,26,826	2,27,203	2,22,597
(iii) Investments by commercial and co-operative banks in other securities	11,534	18,324	20,335	20,064	18,250	19,451
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,45,858**	**13,51,841**	**13,47,060**	**13,22,301**	**13,16,870**	**13,06,868**
A. RBI's net foreign exchange assets (i-ii)(3)	12,97,175	13,03,158	12,98,377	12,73,618	12,68,187	12,58,185
(i) Gross foreign assets	12,97,192	13,03,176	12,98,395	12,73,635	12,68,205	12,58,203
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	48,683	48,683	48,683	48,683	48,683	48,683
4. Government's Currency Liabilities to the Public	**10,731**	**10,731**	**10,731**	**10,731**	**10,731**	**10,731**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**7,65,036**	**7,92,109**	**8,16,930**	**8,23,324**	**8,41,053**	**8,24,602**
A. Net non-monetary liabilities of RBI(3)	3,87,562	3,88,519	3,83,923	3,54,639	3,48,742	3,39,704
B. Net non-monetary liabilities of other banks(residual)	3,77,474	4,03,590	4,33,006	4,68,686	4,92,311	4,84,898
M_3 (1+2+3+4-5)	**51,57,697**	**51,95,555**	**52,09,322**	**53,39,406**	**53,58,818**	**54,16,963**

Notes : 1. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

2. Net Foreign Exchange Assets of the RBI includes investment in foreign currency denominated bonds issued by IIFC (UK) since March 20, 2009.

Also see 'Notes on Tables'.

No. 11A: Commercial Bank Survey

(Rs. crore)

Item		Outstanding as on						
		Mar. 30, 2007	Mar. 28, 2008	Feb. 13, 2009	Feb. 27, 2009	Mar. 27, 2009	Feb. 12, 2010	Feb. 26, 2010
1		2	3	4	5	6	7	8
Components								
C.I	**Aggregate Deposits of Residents** (C.I.1+C.I.2)	**25,44,473**	**31,40,004**	**36,23,516**	**36,67,759**	**37,66,842**	**42,32,417**	**42,96,483**
C.I.1	Demand Deposits	4,29,731	5,24,310	4,48,048	4,75,791	5,23,085	5,44,885	5,68,652
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	21,14,742	26,15,695	31,75,468	31,91,967	32,43,757	36,87,532	37,27,830
C.I.2.1	Short-term Time Deposits	9,51,634	11,77,063	14,28,961	14,36,385	14,59,691	16,59,389	16,77,524
C.I.2.1.1	Certificates of Deposits (CDs)	97,442	1,66,642	1,79,770	1,81,852	1,98,931	2,92,946	3,13,271
C.I.2.2	Long-term Time Deposits	11,63,108	14,38,632	17,46,508	17,55,582	17,84,067	20,28,143	20,50,307
C.II	**Call/Term Funding from Financial Institutions**	**85,836**	**1,06,504**	**1,11,708**	**1,15,244**	**1,13,936**	**1,05,981**	**1,05,504**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**28,65,959**	**35,07,759**	**40,76,301**	**41,11,501**	**41,51,147**	**47,29,106**	**47,44,326**
S.I.1	Credit to the Government	7,76,058	9,58,661	11,58,334	11,76,105	11,55,786	13,81,776	13,65,231
S.I.2	Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)	20,89,901	25,49,097	29,17,967	29,35,396	29,95,361	33,47,331	33,82,100
S.I.2.1	Bank Credit	19,31,189	23,61,914	26,52,004	26,67,928	27,75,549	30,51,676	30,89,323
S.I.2.1.1	Non-food Credit	18,84,669	23,17,515	26,04,935	26,19,498	27,29,338	30,07,149	30,41,432
S.I.2.2	Net Credit to Primary Dealers	2,799	3,521	5,877	1,942	1,671	2,970	4,114
S.I.2.3	Investments in Other Approved Securities	15,458	13,053	10,535	10,452	10,624	12,417	14,065
S.I.2.4	Other Investments (in non-SLR Securities)	1,40,455	1,70,609	2,49,551	2,55,073	2,07,517	2,80,267	2,74,598
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-40,612**	**-70,196**	**-69,798**	**-43,396**	**-53,359**	**-77,579**	**-72,112**
S.II.1	Foreign Currency Assets	58,754	31,189	39,957	67,695	55,312	27,440	31,884
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	67,461	56,935	64,436	66,980	67,268	67,426	66,848
S.II.3	Overseas Foreign Currency Borrowings	31,905	44,451	45,319	44,110	41,404	37,592	37,148
S.III	**Net Bank Reserves (S.III.1+S.III.2-S.III.3)**	**1,90,116**	**2,71,166**	**2,12,578**	**2,08,675**	**2,46,748**	**2,72,297**	**3,06,173**
S.III.1	Balances with the RBI	1,80,222	2,57,122	2,00,608	1,94,466	2,38,195	2,48,335	2,79,695
S.III.2	Cash in Hand	16,139	18,044	19,672	21,322	20,281	23,962	26,718
S.III.3	Loans and Advances from the RBI	6,245	4,000	7,702	7,113	11,728	–	240
S.IV	**Capital Account**	**2,02,800**	**2,72,622**	**3,31,350**	**3,31,179**	**3,32,444**	**3,85,945**	**3,84,718**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,82,354**	**1,89,598**	**1,52,506**	**1,62,597**	**1,31,313**	**1,99,482**	**1,94,687**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	2,10,329	2,53,905	2,42,049	2,58,257	2,66,116	2,91,618	3,00,901
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	13,903	10,797	-4,412	-14,522	-20,785	-5,754	-12,129

Note : Data provisional.

No. 11B: Monetary Survey

(Rs. crore)

Item		Outstanding as on						
		Mar. 31, 2007	Mar. 31, 2008	Feb. 13, 2009	Feb. 27, 2009	Mar. 31, 2009	Feb. 12, 2010	Feb. 26, 2010
1		2	3	4	5	6	7	8
Monetary Aggregates								
M_1 (C.I+C.II.1+C.III)		9,69,509	11,54,454	11,59,130	11,84,554	12,51,143	13,63,291	13,83,363
NM_2 (M_1+C.II.2.1)		19,90,818	24,06,796	26,67,494	27,00,941	27,88,457	31,08,972	31,44,956
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**33,24,921**	**40,43,940**	**46,22,758**	**46,69,547**	**47,81,333**	**53,48,561**	**54,03,518**
Components								
C.I	**Currency with the Public**	**4,82,859**	**5,68,401**	**6,52,675**	**6,50,241**	**6,66,383**	**7,57,453**	**7,55,398**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**27,48,730**	**33,59,981**	38,51,460	**38,98,087**	**39,95,441**	**44,81,560**	**45,38,924**
C.II.1	Demand Deposits	4,79,154	5,76,999	4,99,541	5,28,338	5,79,188	6,02,271	6,24,273
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	22,69,576	27,82,982	33,51,919	33,69,749	34,16,254	38,79,289	39,14,651
C.II.2.1	Short-term Time Deposits	10,21,309	12,52,342	15,08,364	15,16,387	15,37,314	17,45,680	17,61,593
C.II.2.1.1	Certificates of Deposits (CDs)	97,442	1,66,642	1,79,770	1,81,852	1,98,931	2,92,946	3,13,271
C.II.2.2	Long-term Time Deposits	12,48,267	15,30,640	18,43,556	18,53,362	18,78,940	21,33,609	21,53,058
C.III	**'Other' Deposits with RBI**	**7,496**	**9,054**	**6,915**	**5,976**	**5,573**	**3,567**	**3,692**
C.IV	**Call/Term Funding from Financial Institutions**	**85,836**	**1,06,504**	**1,11,708**	**1,15,244**	**1,13,936**	**1,05,981**	**1,05,504**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**30,97,537**	**36,38,516**	**42,96,781**	**43,23,383**	**44,76,836**	**51,18,277**	**51,61,492**
S.I.1	Net Bank Credit to the Government (S.I.1.1+S.I.1.2)	8,25,770	8,94,995	11,79,339	11,87,335	12,68,805	15,56,611	15,72,378
S.I.1.1	Net RBI credit to the Government	2,423	-1,13,209	-29,814	-39,791	61,580	1,17,441	1,51,876
S.I.1.2	Credit to the Government by the Banking System	8,23,347	10,08,204	12,09,153	12,27,125	12,07,225	14,39,170	14,20,503
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	22,71,767	27,43,521	31,17,442	31,36,048	32,08,032	35,61,666	35,89,113
S.I.2.1	RBI Credit to the Commercial Sector	1,537	1,788	5,749	6,841	13,820	4,906	4,713
S.I.2.2	Credit to the Commercial Sector by the Banking System	22,70,230	27,41,733	31,11,693	31,29,207	31,94,212	35,56,760	35,84,400
S.I.2.2.1	Other Investments (Non-SLR Securities)	1,49,417	1,79,572	2,58,513	2,64,036	2,16,479	2,89,230	2,83,560
S.II	**Government's Currency Liabilities to the Public**	**8,161**	**9,224**	**9,917**	**9,984**	**10,054**	**10,731**	**10,731**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**8,25,541**	**11,65,934**	**11,42,903**	**12,17,028**	**12,26,757**	**11,90,608**	**11,86,073**
S.III.1	Net Foreign Exchange Assets of the RBI	8,66,153	12,36,130	12,12,701	12,60,424	12,80,116	12,68,187	12,58,185
S.III.2	Net Foreign Currency Assets of the Banking System	-40,612	-70,196	-69,798	-43,396	-53,359	-77,579	-72,112
S.IV	**Capital Account**	**3,84,250**	**4,75,973**	**6,42,776**	**6,87,057**	**7,16,693**	**7,41,409**	**7,28,582**
S.V	**Other items (net)**	**2,22,067**	**2,93,760**	**1,84,068**	**1,93,790**	**2,15,622**	**2,29,646**	**2,26,196**

Notes : 1. Data are provisional.
2. Monetary Aggregates as at end-March incorporate data on i) scheduled commercial banks as on Last Reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.
3. Government Balances as on March 31, 2009 are aftere closure of accounts.

No. 11C: Reserve Bank of India Survey

(Rs. crore)

Item		Outstanding as on						
		Mar. 31, 2007	Mar. 31, 2008	Feb. 13, 2009	Feb. 27, 2009	Mar. 31, 2009	Feb. 12, 2010	Feb. 26, 2010
1		2	3	4	5	6	7	8
Components								
C.I	Currency in Circulation	5,04,099	5,90,801	6,75,958	6,75,228	6,91,153	7,85,359	7,85,772
C.II	Bankers' Deposits with the RBI	1,97,295	3,28,447	2,12,613	2,06,512	2,91,275	2,63,598	2,96,578
C.II.1	Scheduled Commercial Banks	1,86,322	3,11,880	2,00,608	1,94,466	2,77,462	2,48,335	2,79,695
C.III	'Other' Deposits with the RBI	7,496	9,054	6,915	5,976	5,573	3,567	3,692
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V)**	**7,08,890**	**9,28,302**	**8,95,486**	**8,87,715**	**9,88,001**	**10,52,524**	**10,86,042**
Sources								
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**11,596**	**-1,06,831**	**-16,363**	**-25,837**	**85,757**	**1,22,347**	**1,56,829**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	2,423	-1,13,209	-29,814	-39,791	61,580	1,17,441	1,51,876
S.I.1.1	Net RBI credit to the Central Government (S.I.1.1.1+S.I.1.1.2+S.I.1.1.3+S.I.1.1.4-S.I.1.1.5)	2,136	-1,14,636	-29,773	-39,992	61,761	1,16,741	1,52,788
S.I.1.1.1	Loans and Advances to the Central Government	–	–	15,392	9,603	–	–	–
S.I.1.1.2	Investments in Treasury Bills	–	–	–	–	–	–	–
S.I.1.1.3	Investments in dated Government Securities	97,172	1,14,593	57,875	52,320	1,57,389	1,24,525	1,60,554
S.I.1.1.3.1	Central Government Securities	96,125	1,13,547	56,829	51,274	1,56,343	1,23,479	1,59,508
S.I.1.1.4	Rupee Coins	12	132	7	176	99	53	193
S.I.1.1.5	Deposits of the Central Government	95,048	2,29,361	1,03,047	1,02,091	95,727	7,837	7,959
S.I.1.2	Net RBI credit to State Governments	287	1,427	-41	201	-181	701	-912
S.I.2	RBI's Claims on Banks	7,635	4,590	7,702	7,113	10,357	–	240
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	6,310	4,571	7,702	7,113	10,164	–	240
S.I.3	RBI's Credit to Commercial Sector	1,537	1,788	5,749	6,841	13,820	4,906	4,713
S.I.3.1	Loans and Advances to Primary Dealers	153	405	–	–	750	–	–
S.I.3.2	Loans and Advances to NABARD	–	–	–	–	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**8,161**	**9,224**	**9,917**	**9,984**	**10,054**	**10,731**	**10,731**
S.III	**Net Foreign Exchange Assets of the RBI**	**8,66,153**	**12,36,130**	**12,12,701**	**12,60,424**	**12,80,116**	**12,68,187**	**12,58,185**
S.III.1	Gold	29,573	40,124	43,549	49,440	48,793	83,724	82,845
S.III.2	Foreign Currency Assets	8,36,597	11,96,023	11,69,170	12,11,002	12,31,340	11,84,481	11,75,358
S.IV	**Capital Account**	**1,57,279**	**1,79,181**	**2,87,256**	**3,31,707**	**3,60,078**	**3,31,293**	**3,19,694**
S.V	**Other Items (net)**	**19740**	**31,040**	**23,513**	**25,149**	**27,849**	**17,449**	**20,010**

Note: Data provisional.

No. 11D: Liquidity Aggregates (Outstanding Amounts)

(Rs. crore)

Month/Year	NM_3	Postal Deposits	L_1	Liabilities of Financial Institutions					Public Deposits with NBFCs	L_3
				Term Money Borrowings	CDs	Term Deposits	Total	L_2		
1	2	3	**4=(2+3)**	5	6	7	8=(5+6+7)	**9=(4+8)**	10	**11=(9+10)**
2007-08										
April	33,28,404	1,15,589	**34,43,993**	2,656	31	245	2,932	**34,46,925**		
May	33,43,424	1,16,135	**34,59,559**	2,656	31	245	2,932	**34,62,491**		
June	33,96,545	1,16,573	**35,13,118**	2,656	31	245	2,932	**35,16,050**	24,215	**35,40,265**
July	34,63,324	1,16,874	**35,80,198**	2,656	31	245	2,932	**35,83,130**		
August	34,97,908	1,16,886	**36,14,794**	2,656	31	245	2,932	**36,17,726**		
September	35,97,030	1,16,882	**37,13,912**	2,656	31	245	2,932	**37,16,844**	24,663	**37,41,507**
October	36,22,614	1,16,886	**37,39,500**	2,656	31	245	2,932	**37,42,432**		
November	36,89,321	1,16,994	**38,06,315**	2,656	31	245	2,932	**38,09,247**		
December	37,23,960	1,16,901	**38,40,861**	2,656	31	245	2,932	**38,43,793**	24,670	**38,68,463**
January	38,22,313	1,15,871	**39,38,184**	2,656	31	245	2,932	**39,41,116**		
February	39,11,566	1,14,579	**40,26,145**	2,656	31	245	2,932	**40,29,077**		
March	40,43,940	1,14,851	**41,58,791**	2,656	31	245	2,932	**41,61,723**	24,852	**41,86,575**
2008-09										
April	40,60,194	1,14,497	**41,74,691**	2,656	31	245	2,932	**41,77,623**		
May	41,10,950	1,15,131	**42,26,081**	2,656	31	245	2,932	**42,29,013**		
June	41,28,575	1,15,471	**42,44,046**	2,656	31	245	2,932	**42,46,978**	24,647	**42,71,625**
July	41,65,104	1,15,714	**42,80,818**	2,656	31	245	2,932	**42,83,750**		
August	42,47,373	1,15,507	**43,62,880**	2,656	31	245	2,932	**43,65,812**		
September	43,02,978	1,15,451	**44,18,429**	2,656	31	245	2,932	**44,21,361**	24,647	**44,46,008**
October	43,78,543	1,15,441	**44,93,984**	2,656	31	245	2,932	**44,96,916**		
November	44,14,019	1,15,157	**45,29,176**	2,656	31	245	2,932	**45,32,108**		
December	44,63,076	1,14,988	**45,78,064**	2,656	31	245	2,932	**45,80,996**	24,647	**46,05,643**
January	45,86,824	1,13,965	**47,00,789**	2,656	31	245	2,932	**47,03,721**		
February	46,69,547	1,13,471	**47,83,018**	2,656	31	245	2,932	**47,85,950**		
March	47,81,333	1,14,076	**48,95,409**	2,656	31	245	2,932	**48,98,341**	24,647	**49,22,988**
2009-10										
April	48,91,225	1,13,894	**50,05,119**	2,656	31	245	2,932	**50,08,051**		
May	49,35,153	1,14,140	**50,49,293**	2,656	31	245	2,932	**50,52,225**		
June	49,28,037	1,14,429	**50,42,466**	2,656	31	245	2,932	**50,45,398**	24,647	**50,70,045**
July	50,18,076	1,14,309	**51,32,385**	2,656	31	245	2,932	**51,35,317**		
August	50,46,726	1,14,199	**51,60,925**	2,656	31	245	2,932	**51,63,857**		
September	50,74,238	1,14,543	**51,88,781**	2,656	31	245	2,932	**51,91,713**	24,647	**52,16,360**
October	51,39,511	1,14,434	**52,53,945**	2,656	31	245	2,932	**52,56,877**		
November	51,77,633	1,14,556	**52,92,189**	2,656	31	245	2,932	**52,95,121**		
December	52,05,283	90,632	**53,19,839**	2,656	31	245	2,932	**53,22,771**	24,647	**53,47,418**
January	53,25,903	1,14,972	**54,40,459**	2,656	31	245	2,932	**54,43,391**		
February	54,03,518	1,14,972	**54,40,459**	2,656	31	245	2,932	**54,43,391**		

CDs: Certificates of Deposits; L_1, L_2 and L_3: Liquidity Aggregates; NBFCs: Non-Banking Financial Companies.

Notes:
1. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
2. Financial Institutions (FIs), here, comprise IFCI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC. Since October 2004, data on FIs do not include that of IDBI reflecting its conversion into a banking entity.
3. Since July 2001, the term money borrowings of the FIs comprise borrowings from corporates and others.
4. Since August 2002, Term Deposits include CPs and Others.
5. Estimates of public deposits are generated on the basis of returns received from all NBFCs with public deposits of Rs. 20 crore and more as had been recommended by the Working Group.
6. While L_1 and L_2 are compiled on a monthly basis, L_3 is compiled on a quarterly basis.
7. Data are provisional. Wherever data are not available, the estimates for the last available month have been repeated.

No. 12: Reserve Money and its Components

(Rs. crore)

Outstandings as on March 31/each Friday/ last reporting Friday of the month	Currency in Circulation		'Other' Deposits with RBI	Bankers' Deposits with RBI	**Reserve Money (2+4+5)**
	Total	o / w cash with banks			
1	2	3	4	5	6
2006-2007	5,04,099	21,244	7,496	1,97,295	**7,08,890**
2007-2008	5,90,801	22,390	9,054	3,28,447	**9,28,302**
2008-2009	6,91,153	24,790	5,573	2,91,275	**9,88,001**
February 6, 2009	6,68,437	–	4,941	2,12,142	**8,85,520**
February 13, 2009	6,75,958	23,362	6,915	2,12,613	**8,95,486**
February 20, 2009	6,76,858	–	5,442	2,30,123	**9,12,424**
February 27, 2009	6,75,228	25,108	5,976	2,06,512	**8,87,715**
October 2009	7,43,693	30,823	4,004	2,22,880	**9,70,577**
November 2009	7,51,463	27,661	4,816	2,46,853	**10,03,131**
December 2009	7,67,180	28,645	5,050	2,44,746	**10,16,976**
January 2010	7,72,353	30,250	4,361	2,48,677	**10,25,391**
February 5, 2010	7,78,664	–	3,562	2,36,075	**10,18,300**
February 12, 2010	7,85,359	28,117	3,567	2,63,598	**10,52,524**
February 19, 2010	7,86,197	–	3,596	2,75,759	**10,65,552**
February 26, 2010	7,85,772	30,694	3,692	2,96,578	**10,86,042**

See 'Notes on Table'.

No. 13: Sources of Reserve Money

(Rs. crore)

Outstanding as on March 31/each Friday/ last reporting Friday of the month	Reserve Bank's claims on				Net Foreign Exchange Assets of RBI (3)	Government's Currency Liabilities to the Public	Net Non-Monetary Liabilities of RBI (3)	**Reserve Money (2+3+4+5 +6+7-8)**
	Government (net)(1)	Commercial & Co-operative banks	National Bank for Agriculture and Rural Development	Commercial sector(2)				
1	2	3	4	5	6	7	8	9
2006-2007	2,423	7,635	–	1,537	866,153	8,161	1,77,019	**7,08,890**
2007-2008	-1,13,209	4,590	–	1,788	12,36,130	9,224	2,10,221	**9,28,302**
2008-2009	61,580	10,357	–	13,820	12,80,116	10,054	3,87,927	**9,88,001**
February 6, 2009	-35,907	3,992	–	5,214	12,21,901	9,917	3,19,597	**8,85,520**
February 13, 2009	-29,814	7,702	–	5,749	12,12,701	9,917	3,10,769	**8,95,486**
February 20, 2009	-12,488	7,093	–	6,649	12,39,039	9,917	3,37,785	**9,12,424**
February 27, 2009	-39,791	7,113	–	6,841	12,60,424	9,984	3,56,857	**8,87,715**
October 2009	43,722	20	–	6,491	12,97,175	10,731	3,87,562	**9,70,577**
November 2009	72,328	–	–	5,396	13,03,158	10,731	3,88,483	**10,03,131**
December 2009	86,910	163	–	4,718	12,98,377	10,731	3,83,923	**10,16,976**
January 2010	90,212	–	–	5,468	12,73,618	10,731	3,54,639	**10,25,391**
February 5, 2010	80,043	–	–	6,214	12,68,308	10,731	3,46,996	**10,18,300**
February 12, 2010	1,17,441	–	–	4,906	12,68,187	10,731	3,48,742	**10,52,524**
February 19, 2010	1,31,560	270	–	4,629	12,66,149	10,731	3,47,786	**10,65,552**
February 26, 2010	1,51,876	240	–	4,713	12,58,185	10,731	3,39,704	**10,86,042**

See 'Notes on Tables'.

Note : 1. Net Foreign Exchange Assets of the RBI includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

No. 14: Daily Call Money Rates

As on	Range of Rates		Weighted Average Rates	
	Borrowings	Lendings	Borrowings	Lendings
1	2	3	4	5
February 1, 2010	2.00 – 3.40	2.00 – 3.40	3.21	3.21
February 2, 2010	2.00 – 3.35	2.00 – 3.35	3.13	3.13
February 3, 2010	2.00 – 3.35	2.00 – 3.35	3.14	3.14
February 4, 2010	1.00 – 3.35	1.00 – 3.35	3.12	3.12
February 5, 2010	1.75 – 3.40	1.75 – 3.40	3.16	3.16
February 6, 2010	0.75 – 3.30	0.75 – 3.30	2.70	2.70
February 8, 2010	1.00 – 3.30	1.00 – 3.30	3.20	3.20
February 9, 2010	2.00 – 3.35	2.00 – 3.35	3.21	3.21
February 10, 2010	2.00 – 3.35	2.00 – 3.35	3.20	3.20
February 11, 2010	2.00 – 3.40	2.00 – 3.40	3.23	3.23
February 12, 2010	2.00 – 3.40	2.00 – 3.40	3.23	3.23
February 13, 2010	2.10 – 3.40	2.10 – 3.40	3.24	3.24
February 15, 2010	2.00 – 3.40	2.00 – 3.40	3.26	3.26
February 16, 2010	2.00 – 3.35	2.00 – 3.35	3.25	3.25
February 17, 2010	2.10 – 3.35	2.10 – 3.35	3.24	3.24
February 18, 2010	2.00 – 3.35	2.00 – 3.35	3.28	3.28
February 19, 2010	2.00 – 3.35	2.00 – 3.35	3.28	3.28
February 20, 2010	2.00 – 3.30	2.00 – 3.30	2.95	2.95
February 22, 2010	1.75 – 3.35	1.75 – 3.35	3.27	3.27
February 23, 2010	2.00 – 3.35	2.00 – 3.35	3.23	3.23
February 24, 2010	2.00 – 3.35	2.00 – 3.35	3.23	3.23
February 25, 2010	2.00 – 3.75	2.00 – 3.75	3.23	3.23
February 26, 2010	2.00 – 3.40	2.00 – 3.40	3.27	3.27
February 27, 2010	2.00 – 3.40	2.00 – 3.40	3.27	3.27
March 1, 2010	2.00 – 3.40	2.00 – 3.40	3.27	3.27
March 2, 2010	2.00 – 3.40	2.00 – 3.40	3.29	3.29
March 3, 2010	2.00 – 3.35	2.00 – 3.35	3.27	3.27
March 4, 2010	2.00 – 3.40	2.00 – 3.40	3.25	3.25
March 5, 2010	1.50 – 3.40	1.50 – 3.40	3.23	3.23
March 6, 2010	1.50 – 3.45	1.50 – 3.45	3.16	3.16
March 8, 2010	2.00 – 3.30	2.00 – 3.30	3.23	3.23
March 9, 2010	2.05 – 3.30	2.05 – 3.30	3.27	3.27
March 10, 2010	2.00 – 4.75	2.00 – 4.75	3.28	3.28
March 11, 2010	2.00 – 3.37	2.00 – 3.37	3.26	3.26
March 12, 2010	1.90 – 3.35	1.90 – 3.35	3.28	3.28
March 13, 2010	2.00 – 3.40	2.00 – 3.40	3.25	3.25
March 15, 2010	2.00 – 4.00	2.00 – 4.00	3.70	3.70

No. 15: Average Daily Turnover in Call Money Market

(Rs. crore)

Fortnight ended			Average Daily Call Money Turnover				
			Banks		Primary Dealers		**Total**
			Borrowings	Lendings	Borrowings	Lendings	
1			2	3	4	5	6
January	16,	2009	8,907	10,280	1,376	4	**20,567**
January	30,	2009	7,129	8,802	1,682	9	**17,622**
February	13,	2009	8,838	10,548	1,711	2	**21,099**
February	27,	2009	9,637	11,534	1,906	9	**23,087**
March	13,	2009	10,473	12,600	2,127	–	**25,199**
March	27,	2009	10,610	12,154	1,551	6	**24,320**
April	10,	2009	7,658	9,807	2,148	–	**19,613**
April	24,	2009	8,647	10,227	1,595	15	**20,484**
May	8,	2009	10,052	11,550	1,513	14	**23,129**
May	22,	2009	8,874	10,120	1,264	18	**20,275**
June	5,	2009	8,050	8,867	824	7	**17,748**
June	19,	2009	7,974	9,096	1,122	–	**18,192**
July	3,	2009	6,576	7,487	913	2	**14,978**
July	17,	2009	4,854	5,966	1,112	–	**11,932**
July	31,	2009	7,078	8,175	1,096	–	**16,349**
August	14,	2009	4,636	5,413	781	4	**10,835**
August	28,	2009	8,669	9,997	1,334	6	**20,005**
September	11,	2009	6,860	7,855	1,028	32	**15,774**
September	25,	2009	8,051	8,816	766	1	**17,634**
October	9,	2009	5,198	6,034	835	–	**12,067**
October	23,	2009	7,900	9,139	1,244	5	**18,287**
November	6,	2009	5,146	5,986	847	8	**11,987**
November	20,	2009	6,554	7,511	959	1	**15,025**
December	4,	2009	5,744	6,910	1,168	2	**13,824**
December	18,	2009	4,784	5,645	867	6	**11,302**
January	1,	2010	7,261	7,971	713	4	**15,948**
January	15,	2010	5,243	6,016	777	3	**12,038**
January	29,	2010	6,332	7,291	961	2	**14,586**
February	12,	2010	4,642	5,431	790	–	**10,864**
February	26,	2010	5,921	6,671	766	17	**13,376**
March	12,	2010	7,698	8,587	889	–	**17,174**

Notes : 1. Data are provisional.

2. Since August 6, 2005 eligible participants are Banks and Primary Dealers.

No. 16: Issue of Certificates of Deposit by Scheduled Commercial Banks

(Amount in Rs. crore)

Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @
1		2	3	1		2	3	1		2	3
2007-08				**2008-09**				**2009-10**			
April	13	93,808	9.50-11.50	April	11	1,49,986	8.00-9.72	April	10	1,98,497	5.90-11.50
	27	95,980	9.40-11.50		25	1,50,865	7.70-9.96		24	2,10,954	3.90-11.50
May	11	97,292	10.05-11.50	May	9	1,53,410	7.75-10.20	May	8	2,11,370	3.75-6.20
	25	99,715	7.00-10.82		23	1,56,780	8.00-10.20		22	2,18,437	3.65-7.60
June	8	99,287	6.13-10.95	June	6	1,59,696	8.60-10.20	June	5	2,18,079	3.90-6.60
	22	98,337	7.00-10.20		20	1,63,143	8.62-9.79		19	2,21,491	3.60-8.00
July	6	1,02,992	6.25-9.69	July	4	1,64,557	8.30-10.60	July	3	2,28,638	3.34-8.25
	20	1,05,317	5.50-10.82		18	1,64,892	8.92-10.95		17	2,35,715	3.34-8.00
August	3	1,03,750	6.05-10.75	August	1	1,63,546	8.92-11.05		31	2,40,395	3.55-8.00
	17	1,06,350	6.87-8.91		15	1,66,996	8.92-11.11	August	14	2,30,198	3.75-8.00
	31	1,09,224	6.87-10.75		29	1,71,966	10.00-11.57		28	2,32,522	3.60-8.00
September	14	1,13,892	6.87-10.00	September	12	1,78,280	8.92-12.00	September	11	2,26,756	3.70-6.21
	28	1,18,481	6.87-10.00		26	1,75,522	8.92-12.35		25	2,16,691	3.75-6.51
October	12	1,22,142	6.87-10.00	October	10	1,74,975	8.92-21.00	October	9	2,25,781	3.70-6.05
	26	1,24,232	6.85-10.00		24	1,58,562	8.80-12.90		23	2,27,227	3.74-6.41
November	9	1,25,653	6.87-9.00	November	7	1,54,172	8.92-11.50	November	6	2,35,859	3.55-7.00
	23	1,27,143	6.87-9.03		21	1,51,493	8.80-11.75		20	2,45,101	3.15-7.00
December	7	1,25,327	8.05-9.25	December	5	1,50,779	8.50-11.00	December	4	2,43,584	3.50-6.50
	21	1,23,466	8.05-10.00		19	1,51,214	7.00-11.50		18	2,48,440	3.60-6.75
January	4	1,27,154	6.87-9.82	January	2	1,52,901	7.00-11.50	January	1	2,64,246	3.75-6.75
	18	1,29,123	7.90-9.21		16	1,62,883	6.10-11.50		15	2,64,698	3.38-6.61
February	1	1,32,395	7.90-9.85		30	1,64,979	5.25-11.50		29	2,82,284	3.09-6.51
	14	1,35,097	6.83-9.75	February	13	1,74,088	5.40-11.50	February	12	2,78,388	3.35-6.76
	29	1,39,160	9.22-10.27		27	1,75,057	5.40-11.50				
March	14	1,43,714	7.00-10.48	March	13	1,67,320	5.45-11.50				
	28	1,47,792	9.00-10.75		27	1,92,867	6.00-11.50				

@ : Effective discount rate range per annum.

No. 17: Issue of Commercial Paper* By Companies

(Amount in Rs. crore)

Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @
1		2	3	1		2	3	1		2	3
2007-08				**2008-09**				**2009-10**			
April	15	19,012.70	10.00-14.00	April	15	35,793.55	7.74-10.25	April	15	46,550.90	6.00-12.50
	30	18,759.00	9.65-11.75		30	37,583.55	7.35-10.10		30	52,880.90	3.30-10.25
May	15	19,288.00	9.25-11.45	May	15	41,005.55	7.15-10.75	May	15	57,844.90	2.83-9.90
	31	22,024.00	8.71-12.00		31	42,031.55	7.70-10.50		31	60,739.90	3.32-9.00
June	15	25,499.75	7.00-10.80	June	15	45,982.80	8.25-11.60	June	15	67,238.75	3.50-9.15
	30	26,256.25	7.35-12.00		30	46,847.30	9.00-12.25		30	68,720.55	3.20-12.00
July	15	28,129.25	4.00-11.50	July	15	48,342.30	9.50-12.25	July	15	77,559.58	3.04-8.85
	31	30,631.25	7.05-11.50		31	51,569.30	9.60-12.00		31	79,582.05	3.25-8.90
August	15	31,784.25	7.59-13.50	August	15	52,830.55	9.54-12.50	August	15	77,352.05	3.43-9.20
	31	31,527.00	8.30-10.25		31	55,035.55	10.20-14.75		31	83,025.90	3.05-9.35
September	15	33,227.00	6.35-10.90	September	15	54,181.95	10.25-14.25	September	15	88,161.00	3.20-9.05
	30	33,614.05	7.70-12.00		30	52,037.60	11.40-13.95		30	79,228.10	3.90-8.35
October	15	38,494.55	7.00-13.00	October	15	49,359.00	11.90-17.75	October	15	91,930.00	2.98-9.00
	31	42,182.55	6.70-12.00		31	48,442.00	11.55-16.90		31	98,835.00	3.07-7.90
November	15	41,677.55	7.50-12.00	November	15	45,382.10	11.50-15.50	November	15	1,03,315.00	3.00-8.85
	30	41,307.55	8.05-11.50		30	44,487.10	9.00-15.50		30	1,03,915.00	2.85-8.40
December	15	40,913.55	8.22-11.50	December	15	40,166.00	10.40-16.00	December	15	1,06,676.50	3.00-9.25
	31	40,231.17	8.40-11.70		31	38,055.00	8.96-14.00		31	90,305.00	3.72-10.00
January	15	42,391.55	7.35-12.50	January	15	48,802.60	7.75-14.00	January	15	92,363.00	3.15-7.55
	31	50,063.05	7.55-16.00		31	51,668.00	6.75-13.00		31	91,564.00	3.35-7.50
February	15	43,920.58	6.95-11.00	February	15	53,614.60	5.25-12.50	February	15	96,152.00	3.30-8.00
	29	40,642.05	7.40-11.00		28	52,559.60	5.80-11.75		28	97,000.00	3.20-8.50
March	15	37,282.76	9.50-11.00	March	15	49,952.75	7.50-12.50				
	31	32,591.55	9.50-14.25		31	44,171.25	6.40-12.50				

* : Issued at face value by companies.
@ : Typical effective discount rate range per annum on issues during the fortnight.

Government Accounts

No. 18: Union Government Accounts at a Glance

(Amount in Rs. crore)

Item	Financial Year	April-February- 2009-10			
	2009-10 (Revised Estimates)	2008-09 (Actuals)	2009-10 (Actuals)	Percentage to Revised Estimates	
				2008-09	2009-10
1	2	3	4	5	6
1. Revenue Receipts	**5,77,294**	**4,37,397**	**4,58,732**	**77.8**	**79.5**
2. Tax Revenue (Net)	4,65,103	3,56,390	3,58,641	76.5	77.1
3. Non-Tax Revenue	1,12,191	81,007	1,00,091	84.2	89.2
4. Capital Receipts	**4,44,253**	**3,10,927**	**3,99,573**	**91.8**	**89.9**
5. Recovery of Loans	4,254	3,751	5,886	38.7	138.4
6. Other Receipts	25,958	43	12,786	1.7	49.3
7. Borrowings and Other Liabilities	4,14,041	3,07,133	3,80,901	94.1	92.0
8. Total Receipts (1+4)	**10,21,547**	**7,48,324**	**8,58,305**	**83.1**	**84.0**
9. Non-Plan Expenditure	**7,06,371**	**5,15,747**	**6,01,198**	**83.5**	**85.1**
10. On Revenu,e Account	6,41,944	4,82,062	5,57,414	85.8	86.8
of which :					
(i) Interest Payments	2,19,500	1,65,799	1,77,257	86.0	80.8
11. On Capital Account	64,427	33,685	43,784	59.9	68.0
12. Plan Expenditure	**3,15,176**	**2,32,577**	**2,57,107**	**82.2**	**81.6**
13. On Revenue Account	2,64,411	1,99,848	2,17,191	82.7	82.1
14. On Capital Account	50,765	32,729	39,916	79.2	78.6
15. Total Expenditure (9+12)	**10,21,547**	**7,48,324**	**8,58,305**	**83.1**	**84.0**
16. Revenue Expenditure (10+13)	9,06,355	6,81,910	7,74,605	84.9	85.5
17. Capital Expenditure (11+14)	1,15,192	66,414	83,700	68.1	72.7
18. Revenue Deficit (16-1)	**3,29,061**	**2,44,513**	**3,15,873**	**101.3**	**96.0**
19. Fiscal Deficit {15-(1+5+6)}	**4,14,041**	**3,07,133**	**3,80,901**	**94.1**	**92.0**
20. Gross Primary Deficit [19-10(i)]	**1,94,541**	**1,41,334**	**2,03,644**	**105.6**	**104.7**

Notes : 1. Financial year runs from "April to March".
2. Actuals are unaudited figures.

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

Government Securities Market

No. 19: Government of India : 91 Day Treasury Bills (Outstanding at Face Value)

(Rs. crore)

March 31/ Last Friday/ Friday	Reserve Bank of India			Banks		State Governments		Others		Foreign Central Banks	
	Tap*		Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction
	Re-discounted	Ad hocs									
1	2	3	4	5	6	7	8	9	10	11	12
Mar. 31, 2000	–	–	288	–	557	–	–	–	455	–	220
Mar. 31, 2001	–	–	67	–	868	–	–	–	153	–	630
Mar. 31, 2002	–	–	154	–	2,292	–	450	–	360	–	1,301
Mar. 31, 2003	–	–	–	–	6,427	–	800	–	780	–	700
Mar. 31, 2004	–	–	–	–	3,948	–	600	–	1,452	–	39
Mar. 31, 2005	–	–	–	–	21,176	–	1,755	–	4,829	–	32
Mar. 31, 2006	–	–	–	–	5,943	–	9,762	–	576	–	37
Mar. 31, 2007	–	–	–	–	12,684	–	24,250	–	6,743	–	5
Mar. 31, 2008	–	–	–	–	6,057	–	23,825	–	10,075	–	–
Mar. 31, 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Mar. 2008	–	–	–	–	6,057	–	23,825	–	10,075	–	–
Apr. 2008	–	–	–	–	7,596	–	23,547	–	10,946	–	–
May 2008	–	–	–	–	10,949	–	24,951	–	16,051	–	–
Jun. 2008	–	–	–	–	15,065	–	26,704	–	18,435	–	–
Jul. 2008	–	–	–	–	12,320	–	27,131	–	16,181	–	–
Aug. 2008	–	–	–	–	12,874	–	28,939	–	16,626	–	–
Sep. 2008	–	–	–	–	18,140	–	23,706	–	18,110	–	–
Oct. 2008	–	–	–	–	28,100	–	20,456	–	18,650	–	–
Nov. 2008	–	–	–	–	33,507	–	16,029	–	22,243	–	–
Dec. 2008	–	–	–	–	36,193	–	15,846	–	17,807	–	–
Jan. 2009	–	–	–	–	40,741	–	10,446	–	25,261	–	–
Feb. 2009	–	–	–	–	43,910	–	7,020	–	25,094	–	–
Mar. 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Apr. 2009	–	–	–	–	44,190	–	5,544	–	30,814	–	–
May 2009	–	–	–	–	39,653	–	5,000	–	35,347	–	–
Jun. 2009	–	–	–	–	38,979	–	5,000	–	36,021	–	–
Jul. 2009	–	–	–	–	25,841	–	–	–	50,309	–	350
Aug. 2009	–	–	–	–	26,840	–	–	–	49,185	–	475
Sep. 2009	–	–	–	–	37,133	–	–	–	38,892	–	475
Oct. 2009	–	–	–	–	25,250	–	–	–	46,925	–	325
Nov. 2009	–	–	–	–	21,635	–	–	–	49,825	–	40
Dec. 2009	–	–	–	–	27,154	–	–	–	44,306	–	40
Jan. 2010	–	–	–	–	25,428	–	–	–	46,074	–	–
Week Ended											
Feb. 5, 2010	–	–	–	–	25,732	–	–	–	45,771	–	–
Feb. 12, 2010	–	–	–	–	24,716	–	–	–	46,786	–	–
Feb. 19, 2010	–	–	–	–	24,645	–	–	–	46,857	–	–
Feb. 26, 2010	–	–	–	–	25,292	–	–	–	46,211	–	–

* : The rate of discount is 4.60 per cent –per annum.

No. 20: Auctions of 91 Day Government of India Treasury Bills

(Amount in Rs. crore)

Date of Auction		Date of Issue		Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
					Number	Total Face Value		Number	Total Face Value						
						Competitive	Non-Competitive		Competitive	Non-Competitive					
1		2		3	4	5	6	7	8	9	10	11	12	13	14
2008-09															
Mar.	4	Mar	6	4,500	111	16,008.35	0.30	41	4,500.00	0.30	–	4,500.30	98.85	4.6663	77,375.22
Mar.	12	Mar.	13	5,000	99	8,467.05	–	66	5,000.00	–	–	5,000.00	98.87	4.5842	72,100.22
Mar.	18	Mar.	20	5,000	136	12,741.75	–	58	5,000.00	–	–	5,000.00	98.80	4.8716	71,167.85
Mar	25	Mar	26	5,000	123	13,051.57	0.15	50	5,000.00	0.15	–	5,000.15	98.78	4.9538	75,549.00
2009-10															
Apr.	2	Apr.	6	500	51	1,974.00	5000.00	17	500.00	5000.00	–	5,500.00	98.89	4.5022	80,549.00
Apr.	8	Apr.	9	8,000	183	25,567.22	–	60	8,000.00	–	–	8,000.00	98.99	4.0924	80,549.00
Apr.	15	Apr.	17	8,000	135	22,989.28	–	53	8,000.00	–	–	8,000.00	99.06	3.8061	80,548.00
Apr.	22	Apr.	24	8,000	137	26,201.45	–	72	8,000.00	–	–	8,000.00	99.17	3.3570	80,547.70
Apr.	28	Apr.	29	8,000	99	22,553.60	–	48	8,000.00	–	–	8,000.00	99.18	3.3162	80,547.20
May	6	May	8	8,000	124	30,163.75	–	49	8,000.00	–	–	8,000.00	99.22	3.1532	80,003.48
May	13	May	15	5,000	85	17,295.42	–	58	5,000.00	–	–	5,000.00	99.19	3.2754	80,002.98
May	20	May	22	5,000	72	14,652.35	–	35	5,000.00	–	–	5,000.00	99.19	3.2754	80,000.68
May	27	May	29	5,000	71	12,755.00	–	41	5,000.00	–	–	5,000.00	99.18	3.3162	80,000.45
Jun.	3	Jun.	5	4,500	74	12,343.10	–	39	4,500.00	–	–	4,500.00	99.17	3.3570	80,000.15
Jun.	10	Jun.	12	5,000	77	15,594.06	–	22	5,000.00	–	–	5,000.00	99.17	3.3570	80,000.15
Jun.	17	Jun.	19	5,000	81	20,012.75	–	42	5,000.00	–	–	5,000.00	99.17	3.3570	80,000.15
Jun.	24	Jun.	26	5,000	61	18,082.10	–	19	5,000.00	–	–	5,000.00	99.18	3.3162	80,000.00
Jul.	1	Jul.	3	2,000	44	12,557.00	–	1	2,000.00	–	–	2,000.00	99.23	3.1124	76,500.00
Jul.	8	Jul.	10	8,000	82	25,695.00	–	37	8,000.00	–	–	8,000.00	99.20	3.2347	76,500.00
Jul.	15	Jul.	17	8,000	77	24,462.18	–	61	8,000.00	–	–	8,000.00	99.19	3.2754	76,500.00
Jul.	22	Jul.	24	8,000	68	29,287.85	–	41	8,000.00	–	–	8,000.00	99.19	3.2754	76,500.00
Jul.	29	Jul.	31	8,000	61	26,942.55	–	19	8,000.00	–	–	8,000.00	99.20	3.2347	76,500.00
Aug.	5	Aug.	7	8,000	63	21,896.20	–	29	8,000.00	–	–	8,000.00	99.19	3.2754	76,500.00
Aug.	12	Aug.	14	5,000	81	12,680.75	–	55	5,000.00	–	–	5,000.00	99.17	3.3570	76,500.00
Aug.	18	Aug.	21	5,000	62	17,015.62	–	29	5,000.00	–	–	5,000.00	99.17	3.3570	76,500.00
Aug.	26	Aug.	28	5,000	72	17,504.25	–	55	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00

No. 20: Auctions of 91 Day Government of India Treasury Bills *(Concld.)*

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2009-10													
Sep. 2	Sep. 4	4,500	72	15,258.50	–	33	4,500.00	–	–	4,500.00	99.16	3.3978	76,500.00
Sep . 9	Sep. 11	5,000	69	18,112.76	–	18	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00
Sep. 16	Sep. 18	5,000	55	15,635.00	–	22	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00
Sep. 23	Sep. 25	5,000	55	14,990.00	–	22	5,000.00	–	–	5,000.00	99.16	3.3978	76,500.00
Sep. 29	Oct. 1	2,000	45	10,375.00	–	6	2,000.00	–	–	2,000.00	99.22	3.1532	76,500.00
Oct. 7	Oct. 9	7,000	92	24,495.15	–	21	7,000.00	–	–	7,000.00	99.20	3.2347	75,500.00
Oct. 14	Oct. 16	7,000	74	19,518.44	–	23	7,000.00	–	–	7,000.00	99.20	3.2347	74,500.00
Oct. 21	Oct. 23	7,000	62	23,751.00	–	22	7,000.00	–	–	7,000.00	99.20	3.2347	73,500.00
Oct. 28	Oct. 30	7,000	52	20,386.55	–	28	7,000.00	–	–	7,000.00	99.20	3.2347	72,500.00
Nov. 4	Nov. 6	7,000	56	21,453.70	–	42	7,000.00	–	–	7,000.00	99.19	3.2754	71,500.00
Nov. 11	Nov. 13	5,000	45	22,125.00	–	34	5,000.00	–	–	5,000.00	99.19	3.2754	71,500.00
Nov. 18	Nov. 20	5,000	46	18,221.12	–	32	5,000.00	–	–-	5,000.00	99.19	3.2754	71,500.00
Nov. 25	Nov. 27	5,000	47	14,393.25	–	27	5,000.00	–	–	5,000.00	99.19	3.2754	71,500.00
Dec. 2	Dec. 4	4,500	55	13,927.91	–	25	4,500.00	–	–	4,500.00	99.18	3.3162	71,500.00
Dec. 9	Dec. 11	5,000	59	14,574.61	–	24	5,000.00	–	–	5,000.00	99.16	3.3978	71,500.00
Dec. 16	Dec. 18	5,000	78	12,201.00	–	36	5,000.00	–	–	5,000.00	99.09	3.6835	71,500.00
Dec. 23	Dec. 24	5,000	62	13,267.80	–	25	5,000.00	–	–	5,000.00	99.07	3.7652	71,500.00
Dec. 30	Jan. 1	2,000	50	8,954.08	–	12	2,000.00	–	–	2,000.00	99.09	3.6835	71,500.00
Jan. 6	Jan. 8	7,000	95	14,966.90	–	67	7,000.00	–	–	7,000.00	99.09	3.6835	71,500.00
Jan. 13	Jan. 15	7,000	82	13,273.49	–	59	7,000.00	–	–	7,000.00	99.06	3.8061	71,500.00
Jan. 20	Jan. 22	7,000	86	10,921.30	2.00	70	7,000.00	2.00	–	7,002.00	99.03	3.9288	71,502.00
Jan. 27	Jan. 29	7,000	94	16,091.55	0.50	66	7,000.00	0.50	–	7,000.50	99.01	4.0106	71,502.50
Feb 3	Feb 5	7,000	91	13,315.70	–	66	7,000.00	–	–	7,000.00	98.99	4.0924	71,502.50
Feb 10	Feb 11	5,000	94	11,365.52	–	51	5,000.00	–	–	5,000.00	98.99	4.0924	71,502.50
Feb 17	Feb 19	5,000	90	9,728.62	–	70	5,000.00	–	–	5,000.00	98.98	4.1334	71,502.50
Feb 24	Feb 26	5,000	64	11,289.85	0.50	31	5,000.00	0.50	–	5,000.50	98.98	4.1334	71,503.00

* : Effective from auction dated May 14,1999, devolvement would be on RBI only.

Note : Outstanding amount is net of redemption during the week.

No. 21: Auctions of 182-day Government of India Treasury Bills

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2008-09													
Nov. 12	Nov. 14	2,000	102	5,322.25	–	21	2,000.00	–	–	2,000.00	96.53	7.2092	24,000.00
Nov. 26	Nov. 28	2,000	94	6,566.00	–	27	2,000.00	–	–	2,000.00	96.60	7.0587	24,800.00
Dec. 10	Dec. 12	500	59	1,773.70	–	30	500.00	–	–	500.00	97.28	5.6075	23,675.00
Dec. 24	Dec. 26	500	59	2,891.20	–	7	500.00	–	–	500.00	97.52	5.1001	22,675.00
Jan. 7	Jan. 9	1,500	90	5,331.00	–	6	1,500.00	–	–	1,500.00	97.74	4.6372	22,175.00
Jan. 21	Jan. 23	1,500	74	4,321.00	–	23	1,500.00	–	–	1,500.00	97.78	4.5533	22,175.00
Feb. 4	Feb. 6	1,500	51	2,820.00	–	20	1,500.00	–	–	1,500.00	97.71	4.7002	21,175.00
Feb. 18	Feb. 21	1,500	63	2,760.00	–	40	1,500.00	–	–	1,500.00	97.70	4.7212	20,175.00
Mar. 4	Mar 6	1,500	51	4,925.00	–	16	1,500.00	–	–	1,500.00	97.75	4.6162	19,175.00
Mar. 18	Mar 20	3,000	99	6,166.00	–	59	3,000.00	–	–	3,000.00	97.52	5.1001	20,175.00
2009-10													
Apr. 2	Apr. 6	500	35	1,510.00	375.00	11	500.00	375.00	–	875.00	97.71	4.7002	20,375.00
Apr. 15	Apr. 17	2,000	85	5,149.00	–	50	2,000.00	–	–	2,000.00	98.01	4.0720	20,375.00
Apr. 28	Apr. 29	2,000	78	5,530.00	–	37	2,000.00	–	–	2,000.00	98.26	3.5514	20,375.00
May 13	May 15	2,000	63	4,955.00	–	19	2,000.00	–	–	2,000.00	98.29	3.4891	20,375.00
May 27	May 29	2,000	52	4,045.00	–	23	2,000.00	–	–	2,000.00	98.24	3.5929	20,375.00
Jun. 10	Jun. 12	500	35	2,645.00	–	5	500.00	–	–	500.00	98.24	3.5929	20,375.00
Jun. 24	Jun. 26	500	36	3,000.00	–	2	500.00	–	–	500.00	98.27	3.5306	20,375.00
Jul. 8	Jul. 10	1,500	52	4,717.00	–	5	1,500.00	–	–	1,500.00	98.32	3.4268	20,375.00
Jul. 22	Jul. 24	1,500	47	3,870.00	–	28	1,500.00	–	–	1,500.00	98.30	3.4683	20,375.00
Aug. 5	Aug. 7	1,500	45	2,745.00	–	31	1,500.00	–	–	1,500.00	98.16	3.7593	20,375.00
Aug. 18	Aug. 21	1,500	67	3,800.00	–	16	1,500.00	–	–	1,500.00	98.08	3.9259	20,375.00
Sep. 2	Sep. 4	1,500	62	7,365.00	–	11	1,500.00	–	–	1,500.00	98.05	3.9885	20,375.00
Sep. 16	Sep. 18	3,000	77	13,615.00	–	21	3,000.00	–	–	3,000.00	98.03	4.0302	20,375.00
Sep. 29	Oct. 1	1,000	34	3,075.00	–	9	1,000.00	–	–	1,000.00	98.14	3.8009	20,500.00
Oct. 14	Oct. 16	2,000	88	6,155.00	–	35	2,000.00	–	–	2,000.00	98.02	4.0511	20,500.00
Oct. 28	Oct. 30	2,000	79	9,365.50	–	22	2,000.00	–	–	2,000.00	98.06	3.9676	20,500.00
Nov. 11	Nov. 13	2,000	89	9,050.50	–	11	2,000.00	–	–	2,000.00	98.13	3.8217	20,500.00
Nov. 25	Nov. 27	2,000	92	5,295.00	–	51	2,000.00	–	–	2,000.00	98.17	3.7385	20,500.00
Dec. 9	Dec. 11	1,000	57	3,410.00	–	51	1,000.00	–	–	1,000.00	98.13	3.8217	21,000.00
Dec. 23	Dec. 24	1,000	44	2,560.00	–	29	1,000.00	–	–	1,000.00	97.88	4.3437	21,500.00
Jan. 6	Jan. 8	1,500	74	5,896.50	–	9	1,500.00	–	–	1,500.00	98.01	4.0720	21,500.00
Jan. 20	Jan. 22	1,500	68	4,888.22	–	27	1,500.00	–	–	1,500.00	97.95	4.1973	21,500.00
Feb. 3	Feb. 5	1,500	52	2,775.00	–	38	1,500.00	–	–	1,500.00	97.81	4.4904	21,500.00
Feb. 17	Feb. 19	1,500	79	4,745.12	–	32	1,500.00	–	–	1,500.00	97.78	4.5533	21,500.00

Notes :
1. Outstanding amount is net of redemption during the week.
2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated April 6, 2005.
3. The auctions of 182-day Treasury Bills (TBs) which were discontinued effective May 14, 2001 have been reintroduced from April 6, 2005 onwards.

No. 22: Auctions of 364-day Government of India Treasury Bills

(Amount in Rs. crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs/ SDs*	Total Issue (8+9+10)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
1	2	3	4	5	6	7	8	9	10	11	12	13	14
2008-09													
Feb 11	Feb. 13	3,000	116	9,810.00	–	22	3,000	–	–	3,000.00	95.63	4.5822	48,440.10
Feb. 25	Feb. 27	3,000	70	5,915.00	108.50	34	3,000	108.50	–	3,108.50	95.57	4.6481	50,548.60
Mar. 12	Mar. 13	3,000	58	3,985.00	250.00	50	3,000	250.00	–	3,250.00	95.26	4.9895	52,525.95
Mar. 25	Mar. 26	3.000	88	4,645.00	23.85	78	3,000	23.85	–	3,023.85	94.80	5.5003	54,549.80
2009-10													
Apr. 8	Apr. 9	1,000	76	5,875.00	–	4	1,000	–	–	1,000.00	95.80	4.3962	53,549.80
Apr. 22	Apr. 24	1,000	60	4,266.00	–	7	1,000	–	–	1,000.00	96.39	3.7555	52,549.80
May 6	May 8	1,000	58	4,330.00	–	12	1,000	–	–	1,000.00	96.63	3.4971	49,399.80
May 20	May 22	1,000	37	1,955.30	–	28	1,000	–	–	1,000.00	96.46	3.6800	47,899.80
Jun. 3	Jun. 5	1,000	39	2,160.50	–	27	1,000	–	–	1,000.00	96.16	4.0043	46,499.80
Jun. 17	Jun. 19	1,000	59	3,565.00	–	18	1,000	–	–	1,000.00	96.17	3.9935	46,499.80
Jul. 1	Jul. 3	1,000	56	3,650.00	–	8	1,000	–	–	1,000.00	96.34	3.8095	46,491.05
Jul. 15	Jul. 17	1,000	81	4,965.00	259.42	18	1,000	259.42	–	1,259.42	96.45	3.6908	45,500.47
Jul. 29	Jul. 31	1,000	46	3,070.00	–	24	1,000	–	–	1,000.00	96.35	3.7987	44,463.92
Aug. 12	Aug. 14	1,000	74	4,200.00	42.37	34	1,000	42.37	–	1,042.37	96.01	4.1672	43,006.29
Aug. 26	Aug. 28	1,000	51	3,315.00	–	23	1,000	–	–	1,000.00	95.85	4.3416	41,979.64
Sep. 9	Sep. 11	4,000	128	12,380.00	–	39	4,000.00	–	–	4,000.00	95.61	4.6042	41,979.64
Sep. 23	Sep. 25	1,000	55	5,000.00	33.30	3	1,000.00	33.30	–	1,033.30	95.86	4.3307	42,012.94
Oct. 7	Oct. 9	2,000	76	6,040.00	–	27	2,000.00	–	–	2,000.00	95.62	4.5932	42,012.94
Oct. 21	Oct. 23	2,000	100	5,402.00	–	34	2,000.00	–	–	2,000.00	95.67	4.5384	41,980.94
Nov. 4	Nov. 6	2,000	96	4,890.00	33.80	41	2,000.00	33.80	–	2,033.80	95.68	4.5275	42,014.74
Nov. 18	Nov. 20	2,000	110	8,555.00	–	3	2,000.00	–	–	2,000.00	95.75	4.4508	42,014.74
Dec. 2	Dec. 4	1,000	71	4,575.00	–	12	1,000.00	–	–	1,000.00	95.71	4.4946	42,014.74
Dec. 16	Dec. 18	1,000	79	4,890.00	–	8	1,000.00	–	–	1,000.00	95.54	4.6810	41,764.74
Dec. 30	Jan. 1	1,000	56	2,827.00	–	19	1,000.00	–	–	1,000.00	95.50	4.7250	41,764.74
Jan. 13	Jan. 15	1,000	69	4,503.00	–	8	1,000.00	–	–	1,000.00	95.55	4.6700	41,764.74
Jan. 27	Jan. 29	1,000	72	4,725.00	–	8	1,000.00	–	–	1,000.00	95.55	4.6700	41,751.24
Feb. 10	Feb. 11	3,000	96	8,422.00	14.40	40	3,000.00	14.40	–	3,014.40	95.36	4.8791	41,765.64
Feb. 24	Feb. 26	3,000	82	6,540.00	–	45	3,000.00	–	–	3,000.00	95.24	5.0116	41,657.14

* : Effective from auction dated May 19, 1999, devolvement would be on RBI only.

Note : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated October 27, 2004.

No. 23: Turnover in Government Securities Market (Face Value) at Mumbai @

(Rs. crore)

Week / Month +	Govt. of India Dated Securities	State Govt. Securities	Treasury Bills			RBI*
			91 Day	182 Day	364 Day	
1	2	3	4	5	6	7
2006-07						
April	1,10,559.28	851.16	2,193.88	2,046.40	16,666.50	922.00
May	1,00,542.72	4,781.64	6,217.52	4,076.30	10,766.88	1,453.00
June	77,255.06	2,395.66	5,996.84	8,689.56	12,871.16	883.00
July	65,538.70	1,376.06	5,206.80	3,761.72	8,127.34	387.88
August	1,48,081.02	1,048.40	10,290.66	8,646.20	12,898.72	166.48
September	2,84,464.66	1,893.48	8,821.54	6,014.18	17,127.28	279.19
October	1,22,101.80	776.32	5,898.98	3,134.06	9,134.16	233.42
November	2,57,667.60	1,358.46	4,857.48	8,209.80	13,484.26	151.08
December	2,39,765.16	3,072.80	6,087.18	2,928.06	9,965.98	58.44
January	1,40,660.36	1,319.26	6,006.94	3,306.44	6,204.12	551.14
February	1,13,360.08	1,362.28	4,998.06	2,854.74	4,948.44	72.88
March	1,10,983.52	4,861.96	5,968.82	4,739.42	6,464.76	1,405.99
2007-08						
April	1,29,393.26	3,090.88	9,866.80	2,869.22	5,782.54	333.23
May	1,14,658.96	2,481.32	7,160.10	1,498.68	3,183.70	680.35
June	2,20,172.02	2,078.77	29,236.33	7,998.44	10,091.95	266.57
July	3,83,106.46	1,906.39	19,820.37	3,291.27	22,143.25	715.20
August	2,41,706.99	2,514.20	11,899.43	6,877.99	13,643.66	482.50
September	1,74,533.46	1,201.42	5,521.11	8,768.86	10,539.40	428.36
October	1,45,814.85	1,714.00	22,191.32	13,299.05	20,733.58	531.41
November	1,73,573.07	3,058.32	8,788.56	6,219.26	14,338.14	193.03
December	2,12,467.87	2,344.34	5,998.32	2,498.72	13,450.44	5,372.60
January	5,54,272.55	4,412.28	5,581.92	6,000.66	21,903.31	5,344.63
February	4,34,802.32	4,730.56	2,810.06	4,485.10	11,915.60	2,998.80
March	1,72,568.68	1,962.38	2,892.25	2,054.68	8,168.54	3,429.97
2008-09						
April	1,63,277.17	2,403.36	8,859.66	2,530.12	8,201.96	1,590.93
May	3,18,354.85	11,798.94	11,537.89	2,526.64	4,653.10	350.87
June	1,95,337.16	1,445.24	10,065.13	1,546.76	4,919.92	13,982.55
July	1,44,355.59	4,278.14	4,681.45	2,666.96	7,285.49	7,236.53
August	2,67,462.66	1,453.34	14,490.32	2,031.75	6,843.56	8,110.26
September	2,98,155.18	658.34	16,333.94	2,676.00	5,348.22	2,680.46
October	2,81,273.77	3,210.06	12,052.81	2,694.73	6,280.86	1,264.93
November	3,52,322.10	2,854.11	20,603.48	3,193.06	11,987.06	883.69
December	6,07,851.56	8,459.43	28,399.05	2,698.80	8,698.45	9,436.27
January	6,95,344.05	5,979.19	28,907.53	3,098.29	12,589.53	5,833.07
February	3,31,881.02	3,012.96	39,519.13	5,003.80	8,568.70	6,254.99
March	2,73,558.86	24,942.96	29,000.26	4,899.04	9,781.90	54,278.76
2009-2010						
April	4,39,334.81	13,969.46	49,924.92	8,997.86	17,185.16	22,578.72
May	5,44,075.82	19,920.06	49,034.98	6,473.99	10,832.37	17,388.35
June	3,89,434.91	8,234.85	33,481.31	4,614.14	13,476.32	6,859.93
July	5,97,737.07	11,736.36	54,879.39	6,226.76	9,033.52	10,426.58
August	2,80,993.15	13,700.45	24,210.32	6,638.70	7,161.74	14,030.00
September	4,98,808.92	10,488.85	37,849.04	6,224.68	9,621.84	14,769.46
October	4,15,134.87	8,468.81	64,368.86	10,016.73	16,962.75	3,913.79
November	5,04,784.77	12,239.23	39,211.18	7,837.40	14,610.40	1,373.25
December	4,13,982.37	12,248.37	41,767.78	4,453.32	2,318.84	818.10
January	4,38,066.63	17,305.43	70,223.12	6,776.76	10,363.70	2,232.39
Week Ended						
February 5, 2010	76,381.64	4,644.22	14,653.16	2,105.06	4,193.60	152.35
February 12, 2010	64,746.28	2,967.76	6,723.18	1,908.82	1,842.00	–
February 19, 2010	75,784.82	2,980.12	6,244.14	1,179.36	2,090.00	71.03
February 26, 2010	80,550.14	3,874.92	11,919.26	190.24	1,955.48	393.75

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

+ : Turnover upto the last Friday of the month over the last Friday of preceding month.

* : RBI's Sales and Purchases include transactions in other offices and transactions on behalf of the State Governments and others. It excludes transactions relating to the Government of India and the Welfare Commissioner, Bhopal.

No. 24: Repo / Reverse Repo Auctions under Liquidity Adjustment Facility

(Amount in Rs. crore)

LAF Date	Repo/ Reverse Repo Period (Day(s))	REPO (INJECTION)					REVERSE REPO (ABSORPTION)					Net Injection (+)/ Absorption (–) of liquidity [(6) – (11)]	Outstanding Amount @
		Bids Received		Bids Accepted		Cut-off Rate (%)	Bids Received		Bids Accepted		Cut-off Rate (%)		
		Number	Amount	Number	Amount		Number	Amount	Number	Amount			
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Feb. 1, 2010	1	–	–	–	–	–	34	74,185	34	74,185	3.25	-74,185	74,185
Feb. 2, 2010	1	–	–	–	–	–	43	93,605	43	93,605	3.25	-93,605	93,605
Feb. 3, 2010	1	–	–	–	–	–	47	1,17,170	47	1,17,170	3.25	-1,17,170	1,17,170
Feb. 4, 2010	1	–	–	–	–	–	52	1,18,515	52	1,18,515	3.25	-1,18,515	1,18,515
Feb. 5, 2010	3	–	–	–	–	–	51	1,19,210	51	1,19,210	3.25	-1,19,210	1,19,210
Feb. 8, 2010	1	–	–	–	–	–	42	1,00,945	42	1,00,945	3.25	-1,00,945	1,00,945
Feb. 9, 2010	1	–	–	–	–	–	40	95,955	40	95,955	3.25	-95,955	95,955
Feb. 10, 2010	1	–	–	–	–	–	41	86,325	41	86,325	3.25	-86,325	86,325
Feb. 11, 2010	4	–	–	–	–	–	24	44,095	24	44,095	3.25	-44,095	
Feb. 11, 2010 $	4	–	–	–	–	–	35	28,805	35	28,805	3.25	-28,805	72,900
Feb. 15, 2010	1	–	–	–	–	–	35	66,885	35	66,885	3.25	-66,885	66,885
Feb. 16, 2010	1	–	–	–	–	–	32	70,960	32	70,960	3.25	-70,960	70,960
Feb. 17, 2010	1	–	–	–	–	–	37	73,725	37	73,725	3.25	-73,725	73,725
Feb. 18, 2010	1	–	–	–	–	–	34	62,020	34	62,020	3.25	-62,020	62,020
Feb. 19, 2010	3	–	–	–	–	–	33	58,860	33	58,860	3.25	-58,860	58,860
Feb. 22, 2010	1	–	–	–	–	–	33	62,365	33	62,365	3.25	-62,365	62,365
Feb. 23, 2010	1	–	–	–	–	–	40	70,890	40	70,890	3.25	-70,890	70,890
Feb. 24, 2010	1	–	–	–	–	–	34	67,520	34	67,520	3.25	-67,520	67,520
Feb. 25, 2010	1	–	–	–	–	–	44	73,335	44	73,335	3.25	-73,335	73,335
Feb. 26, 2010	4	–	–	–	–	–	17	27,630	17	27,630	3.25	-27,630	
Feb. 26, 2010 $	4	–	–	–	–	–	30	19,800	30	19,800	3.25	-19,800	47,430

$: Second LAF.
@ : Net of Repo. '–' No bid was received in the auction.
Note: 1. The second LAF is being conducted on Reporting Fridays with effect from May 8, 2009.
2. The Special Fiexed Rate Repo and Forex Swap facilities for banks have been discontinued with effect from October 27, 2009.

No. 25: Open Market Operations of Reserve Bank of India*

(Rs. crore)

Month End		Government of India Dated Securities - Face Value			Treasury Bills		
		Purchase	Sale	Net Purchases (+) / Net Sales (–)	Purchase	Sale	Net Purchases (+) / Net Sales (–)
1		2	3	4	5	6	7
2006-07							
April	2006	405.00	516.80	-111.80	–	–	–
May	2006	85.00	1,386.74	-1,301.74	–	–	–
June	2006	55.00	809.88	-754.88	–	–	–
July	2006	25.00	374.36	-349.36	–	–	–
August	2006	80.00	127.64	-47.64	–	–	–
September	2006	40.00	237.24	-197.24	–	–	–
October	2006	–	191.10	-191.10	–	–	–
November	2006	10.00	140.20	-130.20	–	–	–
December	2006	15.00	36.41	-21.41	–	–	–
January	2007	–	571.36	-571.36	–	–	–
February	2007	–	118.09	-118.09	–	–	–
March	2007	5.00	1,335.56	-1,330.56	–	–	–

Year / Month	Government of India Dated Securities - Face Value					Treasury bills				
	Purchase		Sale		Net purchase (+)/net sale (-)	Purchase		Sale		Net purchase (+)/net sale (-)
	Market	State Government and others	Market	State Government and others		Market	State Government and others	Market	State Government and others	
1	2	3	4	5	6	7	8	9	10	11
2007-08										
April	10.00	–	–	332.24	-3,22.24	–	–	–	–	–
May	–	–	–	742.80	-7,42.80	–	–	–	–	–
June	–	–	–	254.86	-2,54.86	–	–	–	–	–
July	25.00	–	–	656.74	-6,31.74	–	–	–	–	–
August	–	–	–	456.28	-4,56.28	–	–	–	–	–
September	15.00	–	–	413.35	-3,98.35	–	–	–	–	–
October	–	–	–	539.93	-5,39.93	–	–	–	–	–
November	–	–	–	184.51	-1,84.51	–	–	–	–	–
December	5,485.00	–	–	167.44	5,317.56	–	–	–	–	–
January	2,535.00	–	–	2,577.82	-42.82	–	–	–	–	–
February	2,660.00	–	–	290.27	2,369.73	–	–	–	–	–
March	2,780.00	–	–	970.93	1,809.07	–	–	–	–	–
2008-09										
April	745.58	–	–	861.19	-115.61	–	–	–	–	–
May	127.50	–	–	216.63	-89.13	–	–	–	–	–
June	15,238.80	–	–	310.18	14,928.62	–	–	–	–	–
July	5,218.50	–	–	701.20	4,517.30	–	–	–	–	–
August	4,338.00	–	–	4,446.59	-108.59	–	–	–	–	–
September	922.17	–	–	930.92	-8.75	–	–	–	–	–
October	627.75	–	–	530.30	97.46	–	–	–	–	–
November	757.20	–	–	127.51	629.69	–	–	–	–	–
December	11,901.38	–	–	295.74	11,605.64	–	–	–	–	–
January	2,568.00	–	–	504.21	2,063.79	–	–	–	–	–
February	6,027.80	–	–	236.59	5,791.22	–	–	–	–	–
March	56,007.66	–	–	770.98	55,236.68	–	–	–	–	–
2009-10										
April	21,130.00	–	–	747.03	20,382.97	–	–	–	–	–
May	15,374.40	–	–	207.91	15,166.49	–	–	–	–	–
June	6,765.60	–	–	315.25	6,450.35	–	–	–	–	–
July	7,724.37	–	–	2,479.71	5,244.66	–	–	–	–	–
August	13,462.09	–	–	982.68	12,479.41	–	–	–	–	–
September	14,111.64	–	–	243.85	13,867.79	–	–	–	–	–
October	2,497.90	–	–	1,415.89	1,082.01	–	–	–	–	–
November	777.70	–	–	601.74	175.96	–	–	–	–	–
December	920.00	–	–	284.85	635.15	–	–	–	–	–
January	1194.09	–	–	1200.78	-6.70	–	–	–	–	–
February	306.48 +	–	–	310.65	-4.17	–	–	–	–	–

* : RBI's sales, purchases include transactions in other offices and transactions on behalf of the State Governments and Others.

* : Excluding transactions of RBI with the Government of India and the Welfare Commissioner, Bhopal.

\+ : Includes purchase of Oil Marketing Companies Government of India Special Bonds (Oil Bonds) of Rs.NIL (face value) under Special Market Operations (SMOs).

No. 26 A: Secondary Market Outright Transactions in Government Dated Securities (Face Value)

(Amount in Rs. crore)

Week ended	Government of India Dated Securities – Maturing in the year										State Govt. Securities
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-18	2018-19	2019-20	Beyond 2020	
1	2	3	4	5	6	7	8	9	10	11	12
I. February 5, 2010											
a. Amount	–	1,030.65	165.02	2,226.00	915.35	1,488.97	8,394.94	12.68	22,434.05	1,522.66	2,322.11
b. YTM *											
Min.	–	3.9776	5.0886	6.0922	6.7887	7.1809	7.3716	7.7805	7.5444	4.6148	4.8396
Max.	–	4.7927	6.4000	6.3557	6.8678	7.2397	7.6731	7.7822	8.1721	8.3551	8.3999
II February 12, 2010											
a. Amount	–	1,626.20	175.00	1,319.70	257.12	855.90	8,287.63	14.66	18,122.98	1,713.94	1,483.88
b. YTM *											
Min.	–	3.9703	5.1123	6.0922	6.8033	7.1546	7.3784	7.8560	7.6328	4.6219	4.4065
Max.	–	4.7845	5.2314	6.4149	6.9391	7.2995	7.7448	7.9007	7.9292	8.3532	8.3802
III February 19, 2010											
a. Amount	–	1,810.00	935.69	1,249.60	934.75	126.90	8,121.80	106.53	22,642.84	1,964.30	1,490.06
b. YTM *											
Min.	–	3.9020	5.1900	6.1153	6.7999	7.2777	7.3292	7.8370	7.7820	4.6420	5.3965
Max.	–	5.0366	5.7214	6.4505	7.3800	7.5500	7.7400	8.1000	8.0424	8.4500	8.5799
IV February 26, 2010											
a. Amount	–	637.90	332.60	2,236.00	550.75	640.00	8,834.66	85.47	25,329.22	1,628.35	1,937.35
b. YTM *											
Min.	–	3.9961	5.2563	6.0929	6.8797	7.1964	7.3313	7.8074	7.7505	8.0000	4.0161
Max.	–	5.0604	6.4500	6.4915	7.3059	7.6986	7.8500	7.9000	8.0849	8.4955	8.5543

* : Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than Rs.5 crore).

No. 26 B: Secondary Market Outright Transactions in Treasury Bills

(Amount in Rs. crore, YTM in per cent per annum)

Week ended	Treasury Bills Residual Maturity in Days			
	up to 14 days	15 - 91 days	92 - 182 days	183 - 364 days
1	2	3	4	5
I. February 5, 2010				
a. Amount	1,518.49	8,019.58	812.84	125.00
b. YTM *				
Min.	2.7000	3.0499	3.9400	4.6200
Max.	3.3951	4.0924	4.4904	4.6300
II. February 12, 2010				
a. Amount	643.00	3,347.59	829.41	392.00
b. YTM *				
Min.	2.0687	2.9991	4.1502	4.8171
Max.	3.3038	4.0924	4.3500	4.8681
III. February 19, 2010				
a. Amount	350.00	3,117.07	484.68	805.00
b. YTM *				
Min.	2.9991	3.1696	3.6300	4.3000
Max.	3.3000	4.0924	4.5533	4.8700
IV. February 26, 2010				
a. Amount	1,850.00	4,239.63	47.76	895.10
b. YTM *				
Min.	3.2000	3.1500	4.2000	4.8400
Max.	3.2500	4.1334	4.5000	4.9785

* : Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than Rs.5 crore).

No. 26 C: Month-end Yield to Maturity of SGL Transactions in Central Government Dated Securities for Various Residual Maturities

(Per cent)

Term to Maturity (in years)	2009										2010	
	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12	13
1	5.1071	4.0065	4.0090	4.4459	4.1763	5.0370	4.8045	4.6422	4.7407	5.1304	5.4382	4.8537
2	5.5078	4.8017	4.9398	5.3876	5.2010	5.9969	6.0172	6.1403	5.7709	6.1123	5.9962	5.9237
3	6.0823	5.4287	5.8083	5.7660	6.2130	6.4633	6.6367	6.6949	6.5567	6.6742	6.5542	6.5828
4	6.4506	5.8113	6.0580	6.1519	6.5599	6.8698	6.8584	6.9754	6.7920	7.0227	6.9340	7.1481
5	6.6508	6.0037	6.3117	6.4988	6.7343	7.1895	7.0280	7.1328	7.0092	7.3081	7.2528	7.4894
6	6.7343	6.2194	6.6305	6.5920	6.8389	7.2960	7.1484	7.4270	7.1976	7.4253	7.3929	7.6131
7	6.9420	6.5487	6.8951	6.9382	6.9924	7.3850	7.1568	7.4334	7.2891	7.4439	7.4051	7.6728
8	7.1882	6.5640	6.9630	6.9917	7.0673	7.4468	7.1533	7.5113	7.4394	7.5088	7.4355	7.7297
9	7.1149	6.3958	6.8291	6.9899	7.0873	7.4272	7.1497	7.3874	7.3112	7.6097	7.4713	7.7866
10	7.0414	6.2923	6.7528	6.9536	6.9926	7.4969	7.3377	7.5877	7.4580	7.7366	7.5814	7.8570
11	7.2481	6.5485	6.9918	7.0107	7.2360	7.8458	7.6011	7.8282	7.6542	7.8922	7.7629	8.0039
12	7.4548	6.8046	7.3127	7.2511	7.3409	7.9966	7.6414	7.9177	7.8333	8.0478	7.9443	8.1476
13	7.6518	7.0182	7.4377	7.4029	7.4557	8.0248	7.6817	8.0073	8.0330	8.2033	8.0775	8.1902
14	7.6873	7.0669	7.4915	7.4148	7.4416	8.0530	7.7219	8.0968	8.2198	7.9874	8.1231	8.2328
15	7.7006	7.1156	7.5453	7.4206	7.4426	8.0812	7.7889	8.1653	8.1889	8.0201	8.1688	8.2754
16	7.7138	7.1644	7.5991	7.5399	7.5687	8.1095	7.9280	8.1958	8.1580	8.1205	8.2145	8.3180
17	7.7270	7.2131	7.6529	7.7222	7.6947	8.1377	8.0672	8.2264	8.1271	8.2210	8.2601	8.3606
18	7.7403	7.2548	7.6946	7.7408	7.7681	8.1561	8.1285	8.2309	8.1349	8.2423	8.2638	–
19	7.7535	7.2692	7.7067	7.7595	7.7800	8.1664	8.1425	8.2248	8.1527	8.2526	8.2655	–
20	7.7667	7.2836	7.7188	7.7781	7.7919	8.1766	8.1565	8.2187	8.1706	8.2628	8.2672	–
21	7.7800	7.2980	7.7309	7.7967	7.8038	8.1869	8.1705	8.2126	8.1885	8.2731	8.2689	–
22	7.7932	7.3125	7.7430	7.8154	7.8158	8.1971	8.1845	8.2065	8.2064	8.2833	8.2706	–
23	7.8065	7.3231	7.7551	7.8340	7.8277	8.1854	8.1985	8.2083	8.2243	8.2830	8.2725	–
24	7.8008	7.3016	7.7672	7.8526	7.8396	8.1553	–	8.2477	8.2421	8.2812	8.2743	–
25	7.7822	7.2713	7.7793	7.8713	7.8515	8.1252	–	8.2872	8.2600	8.2794	8.2606	–
26	7.7780	7.2603	7.7914	7.8899	7.8587	–	–	8.3266	–	–	8.2293	–
27	7.7840	7.2569	7.8035	7.9085	7.8658	–	–	8.3661	–	–	8.1980	–
28	7.7915	7.2534	–	–	–	–	–	–	–	–	–	–
29	7.7990	7.2500	–	–	–	–	–	–	–	–	–	–
30	7.8065	7.2465	–	–	–	–	–	–	–	–	–	–

No. 26 D: Secondary Market Repo Transactions# (Other than with RBI)

(Amount in Rs. crore)

Week ended	Govt. Of India Dated Securities	State Govt. Securities	91 Day Treasury Bills	182 Day Treasury Bills	364 Day Treasury Bills
1	2	3	4	5	6
I. February 5, 2010					
Amount	98,995	933	5,032	208	700
Repo Rate Min.	1.00	2.45	2.40	2.80	2.85
Repo Rate Max.	3.40	3.15	3.40	3.08	3.05
Repo Period Min.	1	1	1	1	1
Repo Period Max.	3	3	3	1	1
II. February 12, 2010					
Amount	1,08,627	709	6,403	1,196	2,133
Repo Rate Min.	1.00	2.30	2.40	2.60	2.50
Repo Rate Max.	3.35	3.15	3.10	3.10	3.10
Repo Period Min.	1	1	1	1	1
Repo Period Max.	5	4	4	4	4
III. February 19, 2010					
Amount	74,990	852	10,166	984	1,669
Repo Rate Min.	1.50	2.90	2.90	3.10	2.75
Repo Rate Max.	4.20	3.25	3.40	3.15	3.15
Repo Period Min.	1	1	1	1	1
Repo Period Max.	4	3	3	3	3
IV. February 26, 2010					
Amount	98,768	796	17,410	3,035	2,467
Repo Rate Min.	2.00	2.50	2.50	1.50	2.70
Repo Rate Max.	5.00	3.25	3.25	3.15	3.12
Repo Period Min.	1	1	1	1	1
Repo Period Max.	364	4	4	1	4

Represent the First Leg of Transactions.

Note : Repo rate in per cent per annum and repo period in days.

No. 27: Redemption Yield on Government of India Securities Based on SGL Transactions*

(Per cent per annum)

Sr. No.	Nomenclature of the loan	2007-08	2008-09	2009-10	2009 Jan.	2009 Feb.	2009 Nov.	2009 Dec.	2010 Jan.	2010 Feb.
1	2	3	4	5	6	7	8	9	10	11
	Terminable under 5 years									
1	5.48% 2009	7.63	7.28	3.73	4.73	4.80	..	..	..	..
2	6.65% 2009	7.66	6.62	..	4.66	4.68	..	..	..	..
3	6.99% 2009	..	..	..	..	..	..	..	..	..
4	7.00% 2009	8.09	7.75	..	4.91	5.37	..	..	..	..
5	11.50% 2009	7.95	7.31	..	7.14	..	..	..	..	..
6	11.99% 2009	7.65	7.40	..	4.63	4.85	..	..	..	..
7	5.87% 2010	7.63	7.48	3.97	4.63	4.67	..	4.76	..	..
8	6.00% 2010	..	..	..	..	..	..	..	..	..
9	6.20% 2010	..	..	..	..	..	..	..	..	..
10	7.50% 2010	7.35	7.61	6.23	4.88	6.50	..	4.38	..	7.82
11	7.55% 2010	7.69	6.57	4.15	4.61	4.78	4.03	4.34	3.89	4.05
12	8.75% 2010	..	7.52	4.79	6.41	..	..	5.02	4.68	..
13	11.30% 2010	7.70	7.64	4.44	4.84	4.75	4.15	5.21	4.35	4.80
14	11.50% 2010	7.70	6.39	4.43	4.71	5.37	..	4.57	4.23	4.25
15	12.25% 2010	7.55	6.90	4.26	4.93	4.70	..	4.12	4.15	..
16	12.29% 2010	7.78	7.66	4.02	..	5.02	3.48	4.10	4.39	..
17	5.03% 2011	..	..	..	..	..	..	..	..	..
18	6.57% 2011	7.37	7.24	5.08	4.71	4.90	5.04	5.26	4.84	4.90
19	8.00% 2011	7.93	7.11	6.32	5.27	6.62	..	5.09	7.19	5.29
20	9.39% 2011	7.78	7.09	5.42	5.11	5.14	5.48	5.70	5.33	5.12
21	10.95% 2011	7.94	6.86	5.44	..	..	5.50	5.66	5.35	5.26
22	11.50% 2011	7.82	6.37	5.36	4.84	5.81	5.15	5.40	4.80	5.26
23	12.00% 2011	7.95	6.92	5.40	5.32	5.70	5.71	5.77	..	..
24	12.32% 2011	7.85	7.09	5.01	5.15	5.12	4.95	..	4.81	4.74
25	6.72% 2012	7.87	7.75	..	..	..	..	..	..	..
26	6.85% 2012	7.80	6.32	6.29	5.67	5.65	6.46	6.48	6.22	6.22
27	7.40% 2012	7.83	7.26	6.07	5.69	5.67	6.29	6.47	6.25	6.14
28	9.40% 2012	7.87	7.10	6.41	5.61	5.58	..	..	6.53	6.40
29	10.25% 2012	8.08	8.36	6.52	9.24	6.78	..	6.58	6.48	6.30
30	11.03% 2012	8.10	6.63	6.55	6.04	5.68	6.54	6.70	6.69	6.30
31	7.27% 2013	7.66	7.21	6.45	5.69	5.87	6.70	6.88	6.77	6.86
32	9.00% 2013	8.25	7.61	7.39	5.89	6.27	..	7.37	7.81	7.30
33	9.81% 2013	8.11	6.92	6.96	5.92	..	7.45	..	6.90	6.77
34	12.40% 2013	7.99	7.90	6.76	6.07	6.66	7.01	7.04	6.94	6.72
	Between 5 to 10 years									
35	6.07%2014	..	6.52	6.73	..	..	7.13	7.21	7.25	7.28
36	6.72% 2014	7.89	6.63	6.72	..	..	7.01	..	..	7.35
37	7.32%2014	..	..	7.18	..	..	7.05	7.20	7.18	7.22
38	7.37% 2014	7.86	7.39	6.68	5.97	6.19	7.18	7.23	7.20	7.33
39	7.56% 2014	..	6.29	6.55	5.73	5.93	..	..	..	7.26
40	10.00% 2014	8.09	7.96	7.54	..	..	..	7.27	7.80	9.00
41	10.50% 2014	7.85	7.86	7.46	5.50	6.11	..	..	8.13	7.37
42	11.83% 2014	7.94	7.85	7.16	6.44	6.25	..	7.61	7.32	7.41
43	6.49% 2015	..	6.68	7.06	..	..	7.25	7.41	7.40	7.47
44	7.38% 2015	7.95	7.66	6.99	5.96	6.47	7.43	..	7.37	7.51
45	9.85% 2015	8.01	7.69	7.39	..	..	..	7.55	..	..
46	10.47% 2015	8.06	7.49	6.95	6.51	7.16	8.60	6.51	6.48	7.69
47	10.79% 2015	8.02	8.37	..	6.38	6.45	..	..	..	..
48	11.43% 2015	8.06	6.96	7.26	..	6.45	..	..	..	..
49	11.50% 2015	8.12	7.46	7.04	6.53	6.41	..	..	7.97	..
50	5.59% 2016	8.18	7.13	7.26	5.92	..	..	..	..	..
51	7.02% 2016	..	..	7.35	..	..	7.25	7.39	7.42	7.57

No. 27: Redemption Yield on Government of India Securities Based on SGL Transactions* *(Concld.)*

(Per cent per annum)

Sr. No.	Nomenclature of the loan	2007-08	2008-09	2009-10	2009				2010	
					Jan.	Feb.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11
52	7.59% 2016	7.91	7.32	6.97	6.19	6.52	7.42	7.42	7.52	7.69
53	10.71% 2016	7.89	6.44	7.43	6.44	..	..	..	..	..
54	12.30% 2016	8.41	8.04	7.46	6.46	6.59	..	7.59	8.15	7.78
55	7.46% 2017	7.88	7.00	7.16	6.13	6.61	7.49	7.48	7.47	7.58
56	7.49% 2017	7.87	7.56	7.18	6.18	6.71	7.49	7.67	7.52	7.66
57	7.99% 2017	7.85	7.84	7.06	6.46	6.67	7.63	..	7.59	7.67
58	8.07% 2017	7.93	7.28	7.12	6.13	6.58	7.66	7.52	8.80	7.74
59	5.69% 2018	7.99	7.53	7.00	6.05	6.25	8.50	..	8.80	7.90
60	6.25% 2018	8.03	7.14	6.92	6.03	6.49	7.60	7.44	7.31	7.85
61	8.24% 2018	..	7.60	7.12	5.71	6.36	7.85	7.60	7.62	7.90
62	10.45% 2018	8.19	7.00	7.41	..	..	..	..	7.76	..
63	12.60% 2018	..	7.74	7.81	..	..	7.38	7.97	8.47	7.82
	Between 10 to 15 years									
64	5.64% 2019	8.07	7.63	7.21	6.04	6.43	7.60	..	7.53	7.86
65	6.05% 2019	8.11	7.05	6.88	6.09	6.02	..	7.76	7.67	7.84
66	6.90%2019	..	6.98	7.38	..	..	7.26	7.55	7.71	7.89
67	10.03%2019	8.22	6.90	7.92	6.32	6.37	..	..	..	9.23
68	6.35% 2020	8.12	7.17	7.48	6.23	6.57	7.62	7.57	7.62	7.77
69	10.70% 2020	8.48	7.54	7.46	6.98	6.70	..	..	..	8.44
70	11.60%2020	8.00	7.91	8.39	6.61	..	8.39	..	..	..
71	7.94% 2021	8.11	7.51	7.48	5.94	7.19	7.78	8.90	7.74	8.05
72	10.25%2021	8.11	7.81	7.80	6.48	6.78	8.00	7.92	8.08	8.00
73	5.87% 2022	6.87	7.48	8.32	6.53	..	..	..	..	8.32
74	8.08% 2022	7.90	..	7.57	..	..	7.90	..	..	..
75	8.13% 2022	7.90	..	7.94	..	..	..	..	7.97	8.03
76	8.20% 2022	7.95	7.82	7.58	6.56	6.97	7.84	8.07	8.06	8.09
77	8.35% 2022	7.99	7.90	7.45	6.53	7.12	7.89	..	8.53	..
78	6.17% 2023	8.18	7.44	7.47	6.28	6.88	..	..	8.57	8.33
79	6.30% 2023	8.08	6.85	7.62	6.48	6.95	8.15	..	8.80	8.40
80	7.35% 2024	..	7.39	7.71	..	..	8.06	8.07	..	..
	Over 15 years									
81	10.18% 2026	8.26	8.00	8.14	7.18	..	..	8.33	..	8.44
82	8.24% 2027	8.06	8.31	7.97	6.83	7.26	8.19	8.26	8.24	8.34
83	8.26% 2027	8.21	8.34	8.26	6.96	..	..	8.36	..	..
84	8.28% 2027	..	..	8.07	..	..	..	..	..	..
85	6.01% 2028	8.28	7.81	7.66	6.54	6.97	8.30	..	8.44	8.06
86	6.13% 2028	8.31	7.58	7.53	6.63	7.11	..	..	8.54	..
87	7.95% 2032	8.19	8.18	7.90	6.82	7.45	8.16	8.16	8.16	8.19
88	8.28% 2032	..	8.27	8.24	7.01	7.40	8.28	8.34	8.28	8.32
89	8.32% 2032	7.94	..	8.20	..	..	..	..	..	..
90	8.33% 2032	..	8.26	8.27	..	..	8.26	8.28	..	..
91	7.5% 2034	8.38	7.64	7.95	6.97	7.47	8.27	8.28	8.24	8.33
92	7.40% 2035	8.27	7.55	7.92	6.95	7.30	8.18	8.10	8.26	8.21
93	8.33% 2036	8.28	8.05	7.88	6.92	7.50	8.40	8.31	8.26	8.45
94	6.83% 2039	..	7.39	7.64	6.93	7.30	..	8.21	8.06	8.29

* : Monthly redemption yield is computed from April 2000 as the mean of the daily weighted average yields of the transactions in each traded security. The weight is calculated as the share of the transaction in a given security in the aggregated value of transactions in the said security. Prior to April 2000, the redemption yield was not weighted and was computed as an average of daily prices of each security.

@ : GOI Securities issued with call and put options exercisable on or after 5 years from the date of issue.

.. : Indicates that the relevant security was not available for trading.

.. : Indicates that trading in the relevant security was nil/negligible during the month.

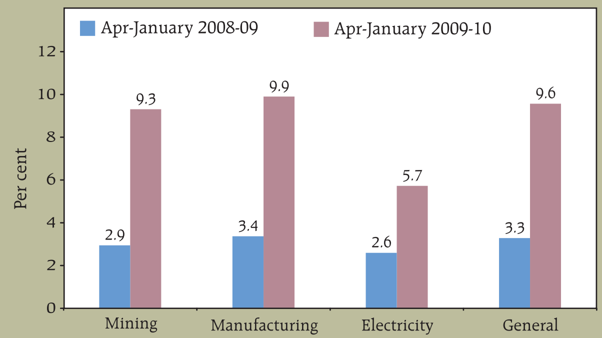
Production

No. 28: Group-wise Index Number of Industrial Production
(Base: 1993-94=100)

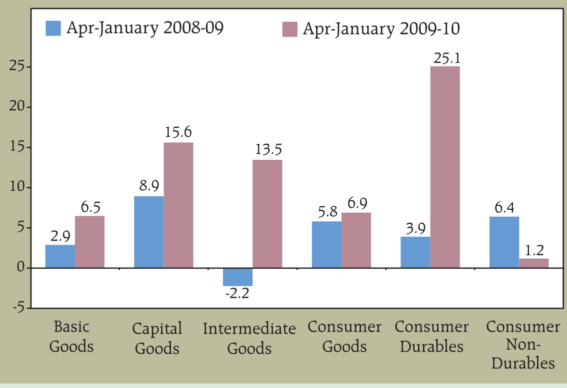
Sr. No.	Industry	Weight	Annual			Cumulative		Monthly	
			2006-07	2007-08	2008-09	April-January		January	
						2008-09	2009-10 P	2009	2010 P
1	2	3	4	5	6	7	8	9	10
	General Index	**100.00**	**247.1**	**268.0**	**275.4**	**272.2**	**298.2**	**284.8**	**332.3**
I.	**Sectoral Classification**								
1	Mining and Quarrying	**10.47**	163.2	171.6	176.0	171.9	187.9	188.1	215.6
2	Manufacturing	**79.36**	263.5	287.2	295.1	291.7	320.7	304.8	359.5
3	Electricity	**10.17**	204.7	217.7	223.7	223.1	235.9	227.9	240.6
II.	**Use-Based Classification**								
1	Basic Goods	**35.57**	209.3	223.9	229.7	227.9	242.7	233.6	258.7
2	Capital Goods	**9.26**	314.2	370.8	397.9	386.7	447.2	394.2	615.7
3	Intermediate Goods	**26.51**	242.4	264.1	259.0	257.2	291.8	247.5	300.2
4	Consumer Goods	**28.66**	276.8	293.6	307.5	303.8	324.8	347.2	361.8
4(a)	Consumer Durables	**5.36**	382.0	378.0	395.0	388.4	485.8	391.3	514.9
4(b)	Consumer Non-Durables	**23.30**	252.6	274.2	287.3	284.3	287.7	337.1	326.6

Source : Central Statistical Organisation, Government of India.

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification

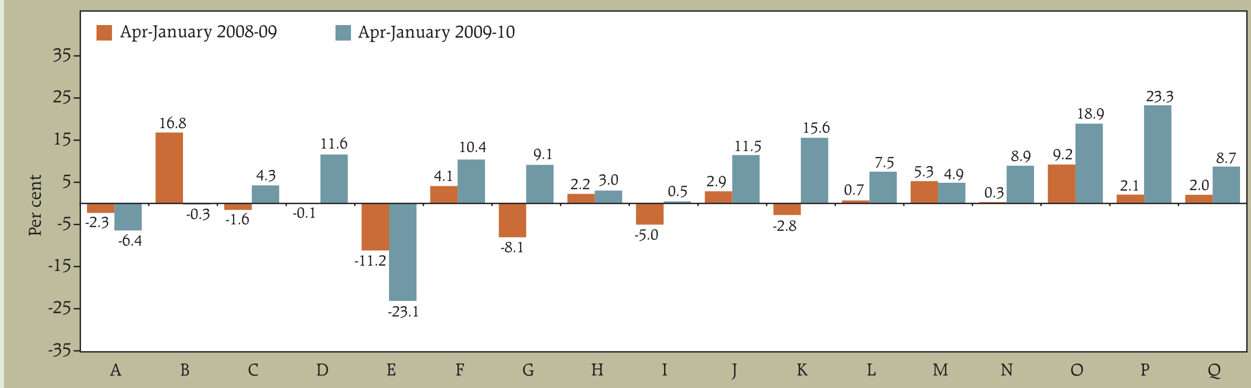


No. 29: IIP – Seventeen Major Industry Groups of Manufacturing Sector (Base : 1993-94 = 100)

Industry Group	Industry	Weight	Annual			Cumulative		Monthly	
			2006-07	2007-08	2008-09	April-January		January	
						2008-09	2009-10 P	2009	2010 P
1	2	3	4	5	6	7	8	9	10
	Manufacturing Index	**79.36**	**263.5**	**287.2**	**295.1**	**291.7**	**320.7**	**304.8**	**359.5**
20-21	Food Products	9.08	185.2	198.2	178.9	175.1	163.9	275.7	264.6
22	Beverages, Tobacco and Related Products	2.38	444.5	498.0	578.5	579.4	577.8	560.0	602.2
23	Cotton Textiles	5.52	157.3	164.0	160.9	161.6	168.5	158.5	170.2
24	Wool, Silk and Man-made Fibre Textiles	2.26	268.4	281.2	281.2	276.8	309.0	285.6	306.0
25	Jute and Other Vegetable Fibre Textiles (Except Cotton)	0.59	90.7	120.7	108.6	106.7	82.1	108.9	9.8
26	Textile Products (Including Wearing Apparel)	2.54	285.0	295.5	312.5	307.0	339.0	301.8	336.9
27	Wood and Wood Products, Furniture and Fixtures	2.70	91.0	127.9	115.6	116.4	127.0	103.0	117.6
28	Paper and Paper Products and Printing, Publishing and Allied Industries	2.65	248.6	255.3	260.0	261.0	268.9	248.6	273.5
29	Leather and Leather & Fur Products	1.14	150.2	167.8	156.3	160.3	161.1	166.8	163.2
30	Chemicals and Chemical Products (Except Products of Petroleum and Coal)	14.00	283.4	313.4	326.3	324.0	361.1	340.0	360.0
31	Rubber, Plastic, Petroleum and Coal Products	5.73	226.3	246.4	242.6	238.1	275.2	245.3	307.6
32	Non-metallic Mineral Products	4.40	305.8	323.2	327.0	323.0	347.3	320.2	373.4
33	Basic Metal and Alloy Industries	7.45	278.9	312.7	325.1	324.5	340.4	322.5	355.1
34	Metal Products and Parts, Except Machinery and Equipment	2.81	183.2	172.9	165.9	167.5	182.4	181.0	250.8
35-36	Machinery and Equipment Other than Transport Equipment	9.57	357.1	394.4	429.1	417.0	495.8	436.5	637.0
37	Transport Equipment and Parts	3.98	367.7	378.4	387.9	379.4	467.8	345.1	544.0
38	Other Manufacturing Industries	2.56	298.4	357.4	358.9	358.4	389.6	327.0	357.2

Source : Central Statistical Organisation, Government of India.

Growth Performance of Manufacturing Industries



A Food products
B Beverages-tobacco and related products
C Cotton textiles
D Wool,silk and man-made fibre textiles
E Jute and other vegetable fibre textiles (except cotton)
F Textile products (including wearing apparel)
G Wood and wood products-furniture & fixtures
H Paper and paper products and printing-publishing and allied industries
I Leather and leather & fur products
J Chemicals and chemical products (except products of petroleum & coal)
K Rubber-plastic-petroleum and coal products
L Non-metallic mineral products
M Basic metal and alloy industries
N Metal products and parts-except machinery and equipment)
O Machinery and equipment other than transport equipment
P Transport equipment and parts
Q Other manufacturing industries

Capital Market

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

(Amount in Rs. crore)

Security & Type of Issue	2007-08 (April-March)		2008-09 (April-March)		April-January 2008-09		April-January 2009-10	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
1	2	3	4	5	6	7	8	9
1) Equity Shares (a+b)	111	56,848.3	45	14,670.6	40	14,006.9	44	15,222.0
	(103)	(54,732.4)	(39)	(13,022.0)	(34)	(12,826.9)	(43)	(13,597.1)
a) Prospectus	85	47,477.5	25	2,673.3	20	2,009.6	26	12,269.9
	(83)	(46,138.8)	(24)	(1,966.5)	(19)	(1,771.5)	(26)	(11,049.2)
b) Rights	26	9,370.8	20	11,997.3	20	11,997.3	18	2,952.1
	(20)	(8,593.6)	(15)	(11,055.5)	(15)	(11,055.4)	(17)	(2,547.9)
2) Preference Shares (a+b)	1	5,480.8	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	5,480.8	–	–	–	–	–	–
3) Debentures (a+b)	2	808.8	–	–	–	–	1	180.0
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights *of which:*	2	808.8	–	–	–	–	1	180.0
I) Convertible (a+b)	1	205.9	–	–	–	–	1	180.0
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	205.9	–	–	–	–	1	180.0
II) Non-Convertible (a+b)	1	602.9	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	1	602.9	–	–	–	–	–	–
4) Bonds (a+b)	1	500.0	–	–	–	–	–	–
a) Prospectus	1	500.0	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) Total (1+2+3+4)	115	63,637.9	45	14,670.6	40	14,006.9	45	15,402.0
a) Prospectus	86	47,977.5	25	2,673.3	20	2,009.6	26	12,269.9
b) Rights	29	15,660.4	20	11,997.3	20	11,997.3	19	3,132.1

Note : Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Source : Data are compiled from prospectus/circulars/advertisements issued by companies, replies given by the companies to the Reserve Bank's questionnaire, information received from SEBI, stock exchanges, press reports, *etc.*

Also see 'Notes on Tables'.

No. 31: Index Numbers of Ordinary Share Prices

Year / Month		BSE Sensitive Index (Base : 1978 - 79 = 100)			BSE - 100 (Base : 1983 - 84 = 100)			S & P CNX Nifty (Base : November 3, 1995 = 1000)		
		Average	High	Low	Average	High	Low	Average	High	Low
1		2	3	4	5	6	7	8	9	10
2005-06		8280.08	11307.04	6134.86	4393.54	5904.17	3310.14	2513.44	3418.95	1902.50
2006-07		12277.33	14652.09	8929.44	6242.73	7413.22	4535.00	3572.44	4224.25	2632.80
2007-08		16568.89	20873.33	12455.37	8691.47	11509.96	6287.69	4896.60	6287.85	3633.60
2008-09		12365.55	17600.12	8160.40	6433.13	9348.64	4160.43	3731.03	5228.20	2524.20
February	2009	9188.03	9647.47	8822.06	4668.37	4900.74	4484.30	2819.21	2948.35	2733.90
March	2009	8995.45	10048.49	8160.40	4569.09	5091.61	4160.43	2802.27	3108.65	2573.15
April	2009	10911.20	11403.25	9901.99	5574.43	5814.66	5028.39	3359.83	3484.15	3060.35
May	2009	13046.14	14625.25	11682.99	6714.15	7620.13	5965.67	3957.96	4448.95	3554.60
June	2009	14782.47	15466.81	14265.53	7718.53	8050.77	7435.17	4436.37	4655.25	4235.25
July	2009	14635.19	15670.31	13400.32	7657.54	8176.54	6983.12	4343.10	4636.45	3974.05
August	2009	15414.67	15924.23	14784.92	8052.66	8322.22	7737.74	4571.11	4732.35	4387.90
September	2009	16338.45	17126.84	15398.33	8546.26	8930.31	8093.88	4859.31	5083.95	4593.55
October	2009	16825.66	17326.01	15896.28	8832.86	9128.35	8333.18	4994.11	5142.15	4711.70
November	2009	16684.29	17198.95	15404.94	8783.46	9042.23	8068.05	4953.54	5108.15	4563.90
December	2009	17090.31	17464.81	16601.20	9055.44	9229.71	8809.14	5099.74	5201.05	4952.60
January	2010	17260.41	17701.13	16289.82	9193.05	9419.46	8633.65	5156.22	5281.80	4853.10
February	2010	16183.81	16496.05	15790.93	8633.77	8805.16	8427.48	4839.57	4931.85	4718.65

Sources : 1. Bombay Stock Exchange Ltd.
2. National Stock Exchange of India Ltd.

No. 32: Volume in Corporate Debt Traded at NSE*

(Rs. crore)

Week / Month / Year (April-March)			Volume
1			2
2005 - 06			10,619.36
2006 - 07			6,639.78
2007 - 08			8,576.11
2008 - 09			11,934.44
2008 - 2009			
April		2008	443.76
May		2008	530.84
June		2008	1,053.75
July		2008	1,225.27
August		2008	237.06
September		2008	756.89
October		2008	384.25
November		2008	633.13
December		2008	1,901.88
January		2009	1,208.92
February		2009	2,067.15
March		2009	1,491.54
2009-10			
April		2009	4,178.12
May		2009	2,703.44
June		2009	2,168.95
July		2009	3,876.68
August		2009	4,388.71
September		2009	4,405.57
October		2009	4,938.30
November		2009	7,432.69
December		2009	2,260.34
January		2010	7,583.90
February		2010	3,420.74
Week ended			
January	1,	2010	203.71
January	8,	2010	1,208.83
January	15,	2010	3,493.47
January	22,	2010	1,957.54
January	29,	2010	924.06
February	5,	2010	754.43
February	12,	2010 @	686.06
February	19,	2010	988.03
February	26,	2010	992.21

* : Excluding trade in commercial papers.

@ : The data pertain to the week ended 11.02.2010 as markets were closed on 12.02.2010.

Source : National Stock Exchange of India Ltd.

No. 33: Assistance Sanctioned and Disbursed by All - India Financial Institutions

(Rs. crore)

	April-September		April-March	
	2003-04	2004-05	2002-03	2003-04
1	2	3	4	5
Sanctions				
All-India Development Banks	**9,831.9**	**12,860.0**	**22,318.1**	**23,444.3**
1. IDBI	2,860.2	6,314.4	5,898.2	5,630.8
2. IFCI	132.1	–	2,005.8	1,451.9
3. SIDBI	2,607.9	2,991.8	10,903.7	8,223.7
4. IIBI	1,392.8	0.9	1,206.4	2,411.9
5. IDFC	2,838.9	3,552.9	2,304.0	5,726.0
Investment Institutions	13,025.1	7,805.5	5,666.5	29,479.2
6. LIC	12,291.1	7,135.3	4,341.5	27,748.0
7. GIC	324.3	93.0	369.3	674.0
8. National Ins. Co. Ltd.	115.6	87.3	200.0	373.0
9. New India Ass. Co Ltd.	84.1	179.3	138.0	199.1
10. Oriental Ins. Co. Ltd.	93.3	28.2	123.9	134.8
11. United India Ins. Co. Ltd.	116.7	282.4	493.8	350.3
Total	**22,857.0**	**20,665.5**	**27,984.6**	**52,923.5**
Disbursements				
All India Development Banks	5,750.2	5,027.1	17,225.2	14,056.6
1. IDBI	637.2	2,085.1	6,614.9	4,409.1
2. IFCI	176.3	43.8	1,779.9	279.0
3. SIDBI	1,742.2	1,358.3	6,789.5	4,412.7
4. IIBI	1,216.5	7.6	1,091.9	2,251.8
5. IDFC	978.0	1,532.3	949.0	2,704.0
Investment Institutions	4,615.6	5,421.3	7,487.6	17,400.2
6. LIC	3,829.2	4,871.0	6,205.7	15,781.6
7. GIC	328.4	108.0	328.4	657.7
8. National Ins. Co. Ltd.	118.4	17.3	177.6	224.4
9. New India Ass. Co Ltd.	85.6	115.2	78.0	195.6
10. Oriental Ins. Co. Ltd.	135.0	27.4	241.5	187.1
11. United India Ins. Co. Ltd.	119.0	282.4	456.4	353.8
Total	**10,365.8**	**10,448.4**	**24,712.8**	**31,456.8**

Note : Data are provisional. Monthly data are not adjusted for inter-institutional flows.
Source : Industrial Development Bank of India.

Prices

No. 34: Monthly Average price of Gold and Silver in Mumbai

Month / Year		Standard Gold (Rs. per 10 grams)	Silver (Rs. per kilogram)
1		2	3
2000-01		4,474	7,868
2001-02		4,579	7,447
2002-03		5,332	7,991
2003-04		5,719	8,722
2004-05		6,145	10,681
2005-06		6,901	11,829
2006-07		9,240	19,057
2007-08		9,996	19,427
2008-09		12,905	21,272
March	2008	12,632	24,357
April	2008	11,810	23,474
May	2008	12,143	23,796
June	2008	12,369	24,213
July	2008	13,055	25,269
August	2008	11,855	22,265
September	2008	12,214	20,191
October	2008	12,766	18,687
November	2008	12,207	17,174
December	2008	12,897	17,327
January	2009	13,508	19,115
February	2009	14,781	21,442
March	2009	15,255	22,311
April	2009	14,501	21,336
May	2009	14,610	22,553
June	2009	14,620	23,069
July	2009	14,749	22,334
August	2009	14,996	23,646
September	2009	15,723	26,323
October	2009	15,864	27,360
November	2009	17,040	28,225
December	2009	17,138	28,345
January	2010	16,684	28,165
February	2010	16,535	25,677
March	2010	16,603	27,048

Source : Bombay Bullion Association Ltd.
Also see 'Notes on Tables'.

No. 35: Consumer Price Index Numbers for Industrial Workers – All-India and Selected Centres

(Base : 2001 = 100)

Centre	New Linking Factor (1)	1990-91 @	2007-08	2008-09	2009					2010	
					Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
All India (2)	**4.63**	**193**	**133**	**145**	**162**	**163**	**165**	**168**	**169**	**172**	**170**
Ahmedabad	4.62	196	131	141	158	156	158	162	162	165	164
Alwaye (Ernakulam)	4.52	176	133	145	155	155	155	160	160	161	161
Asansol	4.37	189	141	155	176	177	182	184	184	189	189
Bangalore	4.51	183	138	154	170	171	173	174	176	177	175
Bhavnagar	4.76	198	131	137	153	154	155	160	160	165	164
Bhopal	4.83	196	136	148	171	169	172	173	173	178	176
Chandigarh	5.26	189	132	143	158	162	163	166	166	170	169
Chennai	4.95	189	126	139	151	153	154	157	159	160	157
Coimbatore	4.49	178	129	140	153	156	159	160	163	164	164
Delhi	5.60	201	130	140	151	152	152	155	156	158	157
Faridabad	4.79	187	133	149	164	164	167	175	172	178	177
Guwahati	4.80	195	120	132	147	148	150	152	153	150	153
Howrah	5.42	212	132	142	158	162	163	166	166	167	165
Hyderabad	4.79	182	125	139	155	154	157	158	161	161	161
Jaipur	4.25	190	136	148	165	167	169	171	170	175	174
Jamshedpur	4.23	187	134	145	166	165	168	168	167	175	173
Kolkata	5.12	203	134	145	160	163	167	168	166	167	166
Ludhiana	4.12	193	136	149	165	166	169	172	170	173	168
Madurai	4.51	192	123	137	150	150	151	154	158	161	159
Monghyr-Jamalpur	4.30	189	136	148	166	167	173	173	171	177	178
Mumbai	5.18	201	136	148	161	162	164	170	171	171	168
Mundakayam	4.37	184	132	150	158	159	161	165	170	169	168
Nagpur	4.68	201	142	155	185	186	186	188	188	198	195
Pondicherry	4.88	204	133	151	165	166	166	170	175	176	174
Rourkela	4.03	179	140	153	174	175	175	178	179	180	177
Kanpur	4.50	195	133	144	166	167	170	172	171	179	176
Solapur	4.73	197	141	151	165	164	165	173	176	180	175
Srinagar	5.62	184	126	137	148	148	148	151	153	155	155

@ Base 1982=100.

Note : New series of Consumer Price Index for Industrial Workers with base 2001 = 100 was released in January 2006 by Labour Bureau, Shimla. Linking Factors between old and new series as published by the Labour Bureau are reproduced in column 2.

For (1) and (2) See 'Notes on Tables'.

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

No. 36: Consumer Price Index Numbers for Urban Non-manual Employees – All-India and Selected Centres

(Base : 1984 - 85 = 100)

Centre	1990-91	2006-07	2007-08	2007					2008		
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12
All India (1)	**161**	**486**	**515**	**498**	**516**	**520**	**519**	**518**	**520**	**523**	**528**
Mumbai	154	478	504	490	502	506	508	510	509	510	513
Delhi	156	499	521	508	522	528	523	523	525	529	532
Kolkata	164	439	476	449	481	486	480	479	479	482	484
Chennai	168	569	605	585	606	607	609	607	610	611	618
Hyderabad	164	526	560	541	558	561	565	564	564	568	574
Bangalore	161	513	546	527	545	544	547	551	559	563	566
Lucknow	158	465	484	471	488	487	482	480	480	486	492
Ahmedabad	153	426	449	435	450	454	453	454	452	453	459
Jaipur	165	477	515	491	517	519	521	519	527	532	545
Patna	167	451	484	466	490	494	495	492	496	496	501
Srinagar	150	475	513	496	511	517	515	513	524	528	538
Thiruvananthapuram	152	507	535	512	528	530	535	542	548	552	555
Cuttack	154	479	507	492	507	511	512	510	510	509	510
Bhopal	166	458	482	461	481	488	490	488	490	493	502
Chandigarh	176	637	665	649	672	672	669	666	668	671	678
Shillong	179	499	565	528	566	571	572	571	580	582	584
Shimla	163	490	511	506	517	519	511	508	507	508	513
Jammu	161	480	511	492	512	514	512	507	515	523	533
Amritsar	152	402	423	412	431	433	425	422	423	427	431
Kozhikode (Calicut)	150	447	465	452	462	464	469	469	473	475	483
Kanpur	165	450	481	462	490	489	483	479	478	483	489
Indore	170	485	507	490	513	515	510	507	510	516	526
Pune	162	509	547	517	546	549	555	555	554	560	563
Jabalpur	164	437	467	452	473	476	473	471	467	471	478
Jodhpur	168	465	487	476	490	492	489	490	489	492	501

Linked All-India Consumer Price Index Number for Urban Non-Manual Employees (UNME)

(Base : 1984 - 85 = 100)

	2009				2010
	Jan.	Oct.	Nov.	Dec.	Jan.
1	2	3	4	5	6
General Index	574	643	655	657	671

Note : The CPI (UNME) for base 1984-85 = 100 has been discontinued due to outdated base year with effect from April 2008 onwards. Linked all-India CPI (UNME) number are available for meeting the requirement of users.

See 'Notes on Tables'.

Source : Central Statistical Organisation, Government of India.

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

A : Consumer Price Index Numbers for Agricultural Labourers
(Base : July 1986 - June 1987 = 100)

State	1990-91(1)	Linking Factor (2)	2007-08	2008-09	2009					2010	
					Feb.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**830**	**5.89**	**417**	**462**	**462**	**515**	**522**	**532**	**538**	**542**	**538**
Andhra Pradesh	657	4.84	430	484	486	534	543	551	562	562	557
Assam	854	(3)	417	451	448	512	522	527	527	521	520
Bihar	858	6.22	411	446	447	490	493	501	507	511	510
Gujarat	742	5.34	424	459	460	525	529	543	552	554	545
Haryana		(5)	447	498	501	563	574	590	593	613	615
Himachal Pradesh		(5)	376	406	405	447	458	463	464	464	461
Jammu & Kashmir	843	5.98	413	453	458	497	501	521	544	545	549
Karnataka	807	5.81	406	458	463	523	534	544	546	548	539
Kerala	939	6.56	403	454	460	477	481	489	497	506	505
Madhya Pradesh	862	6.04	412	459	459	512	513	531	532	533	531
Maharashtra	801	5.85	432	475	474	551	557	565	572	573	571
Manipur		(5)	367	407	411	444	445	448	456	458	460
Meghalaya		(5)	439	484	483	538	547	552	550	538	535
Orissa	830	6.05	400	438	430	486	494	490	495	497	495
Punjab	930	(4)	448	501	499	569	579	595	593	609	606
Rajasthan	885	6.15	439	490	492	558	565	582	585	591	590
Tamil Nadu	784	5.67	403	455	462	497	500	515	526	530	521
Tripura		(5)	407	433	432	465	470	472	468	464	462
Uttar Pradesh	960	6.60	433	469	464	524	539	548	546	551	546
West Bengal	842	5.73	395	432	430	481	486	500	510	519	522

See 'Notes on Tables'.

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

B : Consumer Price Index Numbers for Rural Labourers
(Base : July 1986 - June 1987 = 100)

State	1995-96(7)	2007-08	2008-09	2009						2010	
				Feb.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
All India	**240**	**418**	**462**	**462**	**507**	**514**	**521**	**532**	**537**	**541**	**538**
Andhra Pradesh	244	429	482	484	529	532	541	548	559	559	554
Assam	243	419	454	450	508	514	525	531	531	525	524
Bihar	223	412	447	447	483	491	493	501	506	510	509
Gujarat	241	425	460	462	517	525	530	542	552	554	545
Haryana	237	445	495	498	547	558	567	585	587	606	609
Himachal Pradesh	221	388	420	416	454	463	475	482	484	481	478
Jammu & Kashmir	225	413	451	454	486	492	499	521	543	542	545
Karnataka	250	407	459	464	512	522	532	544	545	547	538
Kerala	260	404	456	462	481	482	486	496	504	512	511
Madhya Pradesh	239	415	463	464	514	518	519	539	540	541	539
Maharashtra	247	428	470	469	535	546	552	560	566	568	566
Manipur	245	368	407	411	439	445	446	449	458	459	461
Meghalaya	250	436	481	480	524	533	542	546	544	534	531
Orissa	236	400	439	430	485	486	494	490	496	497	495
Punjab	247	449	501	501	554	568	579	594	593	607	603
Rajasthan	239	438	486	487	547	552	559	575	580	586	584
Tamil Nadu	244	402	452	459	488	493	497	510	520	525	516
Tripura	219	399	429	428	458	462	467	469	465	461	459
Uttar Pradesh	231	434	469	464	512	521	534	544	542	547	543
West Bengal	232	398	435	434	472	485	490	503	513	521	524

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

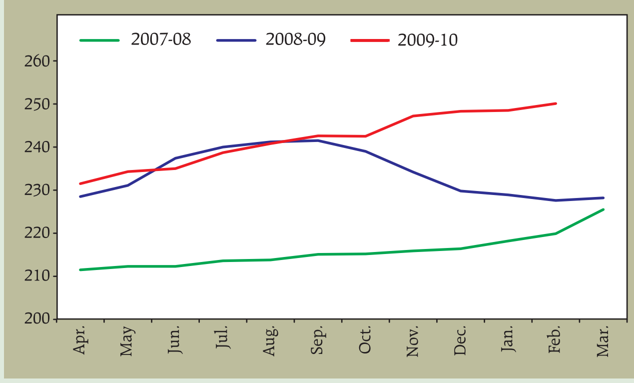
No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups

(Base : 1993-94 = 100)

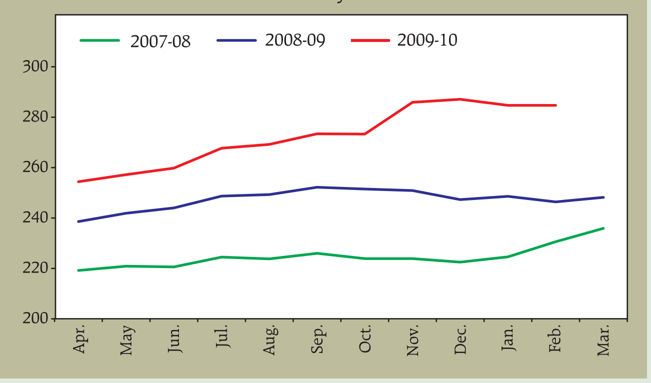
Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009					2010	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
1	2	3	4	5	6	7	8	9	10	11	12
ALL COMMODITIES	**100.000**	**112.6**	**215.9**	**233.9**	**227.6**	**242.6**	**242.5**	**247.2**	**248.3**	**248.5**	**250.1**
I. PRIMARY ARTICLES	**22.025**	**115.8**	**224.8**	**247.3**	**246.4**	**273.4**	**273.3**	**285.9**	**287.1**	**284.7**	**284.7**
(A) Food Articles	**15.402**	**112.8**	**222.1**	**239.8**	**242.9**	**277.4**	**277.4**	**291.9**	**290.5**	**286.4**	**286.1**
a. Foodgrains (Cereals+Pulses)	5.009	114.7	215.6	234.1	247.9	266.8	270.0	282.6	287.9	285.5	284.8
a1. Cereals	4.406	113.6	211.8	230.5	244.7	259.4	261.6	269.5	274.3	272.0	273.3
a2. Pulses	0.603	122.2	243.2	259.8	272.1	320.5	331.2	377.8	387.4	383.9	368.9
b. Fruits & Vegetables	2.917	108.0	236.5	255.5	241.3	305.8	294.9	318.5	300.8	277.5	273.0
b1. Vegetables	1.459	110.4	224.4	232.9	193.5	292.3	279.2	322.1	286.6	240.9	224.6
b2. Fruits	1.458	105.7	248.6	278.2	289.2	319.4	310.6	314.8	315.0	314.2	321.4
c. Milk	4.367	110.3	212.6	228.5	234.2	249.4	252.4	262.4	263.1	266.4	268.7
d. Eggs, Meat & Fish	2.208	116.1	238.7	249.8	250.7	312.1	309.4	322.8	322.9	325.8	327.3
e. Condiments & Spices	0.662	126.2	239.3	267.7	257.9	317.5	328.2	353.4	355.9	352.9	354.2
f. Other Food Articles	0.239	111.6	155.4	204.7	198.7	236.9	240.8	244.1	242.9	229.6	220.5
(B) Non-Food Articles	**6.138**	**124.2**	**212.2**	**235.8**	**226.3**	**238.6**	**238.0**	**247.1**	**254.4**	**256.3**	**256.5**
a. Fibres	1.523	150.0	179.1	217.2	204.1	210.4	211.4	220.9	234.9	232.7	231.4
b. Oil seeds	2.666	118.5	218.3	245.9	235.4	250.5	243.5	256.5	261.9	266.1	268.8
c. Other Non-Food Articles	1.949	112.0	229.7	236.5	231.4	244.4	251.2	254.5	259.4	261.5	259.3
(C) Minerals	**0.485**	**104.9**	**469.5**	**631.6**	**612.2**	**587.0**	**587.9**	**591.6**	**591.6**	**591.6**	**596.3**
a. Metallic Minerals	0.297	103.8	687.7	943.1	921.8	879.4	879.3	878.7	878.7	878.7	887.1
b. Other Minerals	0.188	106.7	124.8	139.6	123.3	125.3	127.9	138.2	138.2	138.2	137.1
II. Fuel, Power, Light & Lubricants	**14.226**	**108.9**	**327.2**	**351.4**	**323.9**	**344.6**	**344.6**	**345.4**	**350.6**	**351.5**	**356.9**
a. Coal Mining	1.753	105.1	238.0	253.5	251.8	251.8	251.8	251.8	285.7	258.6	285.7
b. Minerals Oils	6.990	106.1	392.0	435.2	379.1	417.1	417.0	418.9	420.7	429.5	433.6
c. Electricity	5.484	113.6	273.1	275.9	276.5	281.9	281.9	281.9	281.9	281.9	281.9

See 'Notes on Tables'.

Monthly Movement of the Index of
WPI-All Commodities



Monthly Movement in the Index of
WPI-Primary Articles

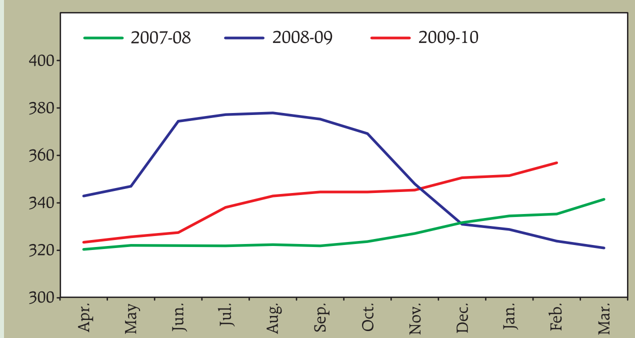


No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Contd.)*

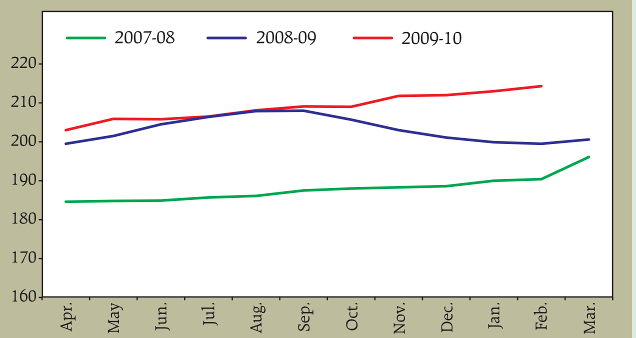
(Base : 1993-94 = 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009					2010	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
1	2	3	4	5	6	7	8	9	10	11	12
III. MANUFACTURED PRODUCTS	**63.749**	**112.3**	**188.0**	**203.1**	**199.5**	**209.1**	**209.0**	**211.8**	**212.0**	**213.0**	**214.3**
(A) Food Products	**11.538**	**114.1**	**190.4**	**209.4**	**215.9**	**242.5**	**241.7**	**253.5**	**253.9**	**257.4**	**260.0**
a. Dairy Products	0.687	117.0	232.6	248.4	249.1	273.3	277.9	278.5	277.6	279.9	281.8
b. Canning, Preserving & Processing of Fish	0.047	100.0	293.8	327.8	419.4	419.4	419.4	419.4	419.4	419.4	419.4
c. Grain Mill Products	1.033	103.7	230.4	240.5	244.0	244.5	248.7	258.1	258.3	259.4	258.1
d. Bakery Products	0.441	107.7	195.5	201.3	201.3	203.0	203.0	203.0	203.0	203.0	203.0
e. Sugar, Khandsari & Gur	3.929	119.1	155.2	168.7	187.2	242.0	243.9	256.8	258.7	273.9	286.2
f. Manufacture of common Salts	0.021	104.8	222.4	253.2	259.4	270.5	271.6	271.6	282.5	280.3	282.5
g. Cocoa, Chocolate, Sugar & Confectionery	0.087	118.3	188.1	188.1	188.1	188.1	188.1	188.1	188.1	188.1	188.1
h. Edible Oils	2.775	110.9	175.4	188.1	178.7	175.8	175.1	176.7	179.8	180.1	177.5
i. Oil Cakes	1.416	121.6	256.6	323.4	323.4	377.9	361.6	411.2	402.9	387.2	378.8
j. Tea & Coffee Proccessing	0.967	104.4	193.8	201.0	221.9	225.5	226.1	227.0	227.0	227.0	227.0
k. Other Food Products n.e.c.	0.154	111.6	218.9	240.5	243.1	249.6	249.6	249.6	249.6	249.6	249.6
(B) Beverages, Tobacco & Tobacco Products	**1.339**	**118.3**	**268.5**	**294.0**	**301.5**	**310.7**	**310.7**	**310.7**	**311.9**	**311.0**	**312.3**
a. Wine Industries	0.269	150.2	309.3	309.9	311.7	311.7	311.7	311.7	311.8	312.2	313.1
b. Malt liquor	0.043	109.1	198.0	235.8	270.5	305.2	305.2	305.2	305.2	305.2	305.2
c. Soft drinks & Carbonated Water	0.053	109.1	187.6	189.1	188.6	203.0	203.0	203.0	203.0	203.0	204.9
d. Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.975	110.4	264.8	297.8	306.1	316.5	316.5	316.5	318.1	316.8	318.1

Monthly Movement of the Index of
WPI-Fuel, Power, Light and Lubricants



Monthly Movement in the Index of
WPI-Manufactured Products



No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Contd.)*

(Base : 1993-94 = 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009					2010	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
1	2	3	4	5	6	7	8	9	10	11	12
(C) Textiles	**9.800**	**118.2**	**130.9**	**138.8**	**139.8**	**144.1**	**144.9**	**147.9**	**151.1**	**153.2**	**154.6**
a. Cotton Textiles	4.215	132.7	156.3	168.6	173.1	178.4	178.7	183.2	188.0	192.5	195.4
a1. Cotton Yarn	3.312	136.2	153.0	167.1	171.4	178.3	178.7	184.3	190.5	196.1	199.8
a2. Cotton Cloth (Mills)	0.903	119.9	168.4	174.2	178.8	178.8	178.8	178.8	179.0	179.3	179.6
b. Man Made Textiles	4.719	105.9	97.4	100.3	96.3	98.1	97.9	97.7	98.2	98.6	98.9
b1. Man Made Fibre	4.406	105.6	94.8	97.7	93.2	95.1	94.9	94.7	95.3	95.7	96.0
b2. Man Made Cloth	0.313	109.9	134.4	137.0	139.4	139.4	139.4	139.4	139.4	139.4	139.4
c. Woolen Textiles	0.190	132.6	170.6	176.7	178.2	174.5	172.5	174.8	174.4	177.1	177.1
d. Jute, Hemp & Mesta Textiles	0.376	110.3	205.6	227.6	248.5	281.0	292.5	319.3	339.9	339.4	340.1
e. Other Misc. Textiles	0.300	109.0	182.7	192.1	196.1	196.1	205.9	211.3	211.3	211.3	211.3
(D) Wood & Wood Products	**0.173**	**110.9**	**215.9**	**233.9**	**232.5**	**237.6**	**237.6**	**237.6**	**237.6**	**237.6**	**237.6**
(E) Paper & Paper Products	**2.044**	**106.1**	**194.2**	**202.7**	**204.2**	**204.0**	**204.4**	**204.0**	**204.2**	**204.2**	**204.2**
a. Paper & pulp	1.229	108.7	175.5	189.1	190.7	188.2	189.0	188.2	188.6	188.6	188.6
b. Manufacture of boards	0.237	110.9	164.3	165.7	164.3	166.8	166.8	166.8	166.8	166.8	166.8
c. Printing & publishing of newspapers,periodicals *etc.*	0.578	98.5	246.2	246.8	249.1	252.7	252.7	252.7	252.7	252.7	252.7
(F) Leather & Leather Products	**1.019**	**109.7**	**166.1**	**167.9**	**167.4**	**166.2**	**166.2**	**166.2**	**166.2**	**165.8**	**164.4**
(G) Rubber & Plastic Products	**2.388**	**106.4**	**159.0**	**166.3**	**167.4**	**169.1**	**168.7**	**168.7**	**169.0**	**169.7**	**174.9**
a. Tyres & Tubes	1.286	104.1	156.8	167.2	170.1	175.3	175.3	175.3	175.3	177.6	185.0
a1. Tyres	1.144	103.4	143.5	150.2	151.0	155.0	155.0	155.0	155.0	156.7	161.6
a2. Tubes	0.142	110.0	264.2	303.9	324.4	338.9	338.9	338.9	338.9	345.9	373.3
b. Plastic Products	0.937	106.8	154.2	158.7	157.4	153.5	152.6	152.8	153.3	152.0	155.1
c. Other Rubber & Plastic Products	0.165	121.0	203.0	202.8	202.8	208.2	208.2	208.2	208.2	208.2	208.2
(H) Chemicals & Chemical Products	**11.931**	**116.6**	**204.8**	**219.5**	**214.3**	**230.2**	**230.1**	**231.1**	**229.2**	**230.5**	**231.1**
a. Basic heavy Inorganic Chemicals	1.446	112.2	190.3	226.2	191.9	185.5	185.5	184.4	176.9	184.6	183.7
b. Basic Heavy Organic Chemicals	0.455	118.7	176.4	180.0	139.5	185.5	175.4	173.8	182.8	191.6	191.7
c. Fertilisers & Pesticides	4.164	117.7	173.7	188.3	188.5	187.8	187.8	187.8	183.9	184.4	183.2
c1. Fertilisers	3.689	115.8	180.8	196.5	196.9	192.6	192.6	192.6	188.4	188.9	187.7
c2. Pesticides	0.475	132.5	118.5	124.4	122.9	150.5	150.5	150.4	148.6	148.6	148.6
d. Paints, Varnishes & Lacquers	0.496	101.3	143.0	157.3	166.3	164.0	164.0	164.3	164.6	164.2	164.5
e. Dyestuffs & Indigo	0.175	108.4	111.2	118.6	112.9	112.4	112.4	112.4	112.4	112.4	112.7
f. Drugs & Medicines	2.532	129.4	314.9	320.8	326.9	382.4	382.4	387.9	390.1	387.9	390.8
g. Perfumes, Cosmetics, Toiletries *etc.*	0.978	118.0	239.7	258.2	259.0	298.0	298.7	298.7	300.1	298.7	301.8
h. Turpentine, Synthetic Resins, Plastic Materials *etc.*	0.746	107.6	143.4	152.2	131.2	138.1	140.6	140.0	133.5	140.3	142.9
i. Matches, Explosives & Other Chemicals n.e.c.	0.940	98.3	144.3	158.0	159.4	157.5	158.8	158.8	157.8	157.8	159.6

No. 38: Index Numbers of Wholesale Prices in India – by Groups and Sub-Groups *(Concld.)*

(Base : 1993-94 = 100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	1994-95	2007-08	2008-09	2009					2010	
		April-March			Feb.	Sep.	Oct.	Nov.	Dec.	Jan. (P)	Feb. (P)
1	2	3	4	5	6	7	8	9	10	11	12
(I) Non-Metallic Mineral Products	**2.516**	**110.9**	**208.8**	**216.6**	**217.1**	**225.8**	**224.7**	**224.7**	**215.9**	**212.0**	**214.9**
a. Structural Clay Products	0.230	100.0	212.8	221.4	224.0	227.2	227.2	227.2	227.2	226.3	225.0
b. Glass, Earthernware, Chinaware & their Products	0.237	113.3	167.9	166.4	166.4	190.6	190.6	190.6	190.6	190.6	190.6
c. Cement	1.731	112.4	217.5	223.3	223.6	227.5	225.8	225.8	213.1	207.5	211.9
d. Cement, Slate & Graphite Products	0.319	108.8	189.1	214.2	215.1	242.0	242.0	242.0	242.0	242.0	242.0
(J) Basic Metals Alloys & Metals Products	**8.342**	**108.4**	**249.8**	**285.3**	**255.0**	**257.6**	**258.0**	**258.3**	**259.2**	**259.7**	**261.7**
a. Basic Metals & Alloys	6.206	107.0	256.3	307.8	271.6	273.7	274.1	274.3	274.3	275.7	276.6
a1. Iron & Steel	3.637	106.0	280.0	336.6	286.6	290.0	291.4	291.3	290.8	292.9	294.8
a2. Foundries for Casting, Forging & Structurals	0.896	106.7	245.2	301.3	296.5	289.3	286.2	286.2	286.2	286.2	286.2
a3. Pipes, Wires Drawing & Others	1.589	109.5	213.5	253.3	230.3	236.8	236.8	237.8	238.9	239.6	238.7
a4. Ferro Alloys	0.085	104.5	155.5	159.7	142.2	103.5	103.5	103.5	103.5	103.5	103.5
b. Non-Ferrous Metals	1.466	115.9	265.1	248.2	228.7	238.0	238.6	239.8	245.3	241.6	249.5
b1. Aluminium	0.853	114.7	248.7	245.3	225.8	227.1	227.1	227.5	235.2	227.7	243.4
b2. Other Non-Ferrous Metals	0.613	117.7	288.0	252.1	232.8	253.2	254.6	257.1	259.4	260.8	258.1
c. Metal Products	0.669	105.0	155.9	158.0	159.1	150.5	150.5	150.5	150.5	150.5	150.5
(K) Machinery & Machine Tools	**8.363**	**106.0**	**166.6**	**174.5**	**172.2**	**174.0**	**173.6**	**173.3**	**174.9**	**173.8**	**172.8**
a. Non-Electrical Machinery & Parts	3.379	108.6	199.5	210.0	209.6	210.9	210.9	210.7	211.2	210.8	214.0
a1. Heavy Machinery & Parts	1.822	111.0	207.3	222.5	222.1	224.6	224.4	224.4	224.7	224.4	230.0
a2. Industrial Machinery for Textiles, *etc.*	0.568	108.5	260.5	258.6	257.4	257.4	257.4	257.4	259.6	257.8	259.8
a3. Refrigeration & Other Non-electrical Machinery	0.989	104.3	150.2	159.0	159.3	159.1	159.2	158.6	158.6	158.6	158.3
b. Electrical Machinery	4.985	104.2	144.3	150.4	146.7	149.0	148.4	147.9	150.3	148.7	144.8
b1. Electrical Industrial Machinery	1.811	105.2	160.9	169.6	174.8	171.6	169.8	168.5	173.9	169.8	177.0
b2. Wires & Cables	1.076	109.0	230.3	237.8	212.5	224.3	224.3	224.3	226.0	225.7	195.2
b3. Dry & Wet Batteries	0.275	105.8	163.3	175.8	175.5	186.3	186.3	186.3	186.3	186.3	186.3
b4. Electrical Apparatus & Appliances	1.823	100.1	74.2	75.9	75.7	76.6	76.6	76.6	76.6	76.6	76.8
(L) Transport Equipment & Parts	**4.295**	**107.4**	**166.9**	**175.6**	**175.6**	**175.8**	**175.8**	**175.8**	**175.8**	**175.8**	**175.8**
a. Locomotives, Railway Wagons & Parts	0.318	105.3	131.6	142.1	144.9	143.9	143.9	143.9	143.9	143.9	143.9
b. Motor Vehicles, Motorcycles, Scooters, Bicycles & Parts	3.977	107.6	169.7	178.2	178.1	178.4	178.4	178.4	178.4	178.4	178.4

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

Trade and Balance of Payments

No. 39(A): Foreign Trade (Annual and Monthly)

(Rupees Crore)

Year/ Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
1	2	3	4	5	6	7	8	9	10
2003-04	2,93,367	16,397	2,76,969	3,59,108	94,520	2,64,588	-65,741	-78,123	12,382
2004-05	3,75,340	31,404	3,43,935	5,01,065	1,34,094	3,66,971	-1,25,725	-1,02,690	-23,035
2005-06	4,56,418	51,533	4,04,885	6,60,409	1,94,640	4,65,769	-2,03,991	-1,43,107	-60,884
2006-07	5,71,779	84,520	4,87,259	8,40,506	2,58,572	5,81,935	-2,68,727	-1,74,052	-94,675
2007-08	6,55,864	1,14,192	5,41,672	10,12,312	3,20,655	6,91,657	-3,56,448	-2,06,463	-1,49,985
2008-09	8,40,755	1,23,398	7,17,357	13,74,435	4,19,946	9,54,489	-5,33,680	-2,96,548	-2,37,132
2007-08									
April	47,741	8,796	38,944	77,429	23,154	54,274	-29,688	-14,358	-15,330
May	50,796	9,093	41,703	86,251	22,890	63,360	-35,455	-13,797	-21,657
June	49,340	8,603	40,737	81,612	24,015	57,597	-32,272	-15,413	-16,860
July	50,571	8,905	41,666	85,389	22,632	62,757	-34,818	-13,727	-21,091
August	51,600	8,039	43,561	83,136	25,318	57,818	-31,536	-17,279	-14,257
September	50,511	8,475	42,036	73,489	23,363	50,126	-22,978	-14,888	-8,090
October	57,982	9,582	48,400	86,264	25,780	60,484	-28,282	-16,198	-12,084
November	50,910	8,388	42,521	87,171	25,566	61,604	-36,261	-17,178	-19,083
December	57,682	9,005	48,677	79,340	26,913	52,427	-21,658	-17,908	-3,750
January	58,624	9,425	49,199	89947	33,487	56,460	-31,323	-24,062	-7,261
February	60,061	9,453	50,608	82,661	30,645	52,016	-22,601	-21,192	-1,409
March	69,630	10,474	59,157	95,134	36,625	58,509	-25,504	-26,152	648
2008-09 R									
April	73,883	11,376	62,507	1,21,335	35,742	85,593	-47,453	-24,366	-23,087
May	78,717	11,498	67,220	1,24,031	44,211	79,820	-45,314	-32,713	-12,601
June	82,133	15,361	66,772	1,23,967	43,332	80,635	-41,834	-27,971	-13,863
July	81,523	16,083	65,439	1,35,477	54,299	81,178	-53,955	-38,215	-15,739
August	76,254	13,972	62,281	1,43,940	49,467	94,474	-67,686	-35,494	-32,192
September	71,941	11,635	60,306	1,41,865	43,483	98,382	-69,925	-31,848	-38,077
October	68,754	10,335	58,420	1,25,868	35,445	90,423	-57,114	-25,111	-32,003
November	54,699	6,329	48,370	1,15,091	29,010	86,081	-60,392	-22,680	-37,712
December	65,015	6,340	58,675	94,625	21,171	73,454	-29,610	-14,832	-14,778
January	62,844	6,028	56,816	89,015	20,561	68,454	-26,171	-14,533	-11,638
February	58,822	5,915	52,907	74,198	16,188	58,010	-15,376	-10,273	-5,103
March	66,169	7,801	58,368	85,022	21,387	63,635	-18,853	-13,586	-5,267
2009-10 P									
April	60,462	7,592	52,870	95,169	23,726	71,442	-34,706	-16,134	-18,572
May	57,227	7,163	50,063	95,815	25,738	70,077	-38,588	-18.,575	-20,013
June	62,644	6,771	55,873	1,07,858	31,524	76,334	-45,215	-24,753	-20,461
July	65,380	8,654	56,726	1,01,953	35,508	66,445	-36,573	-26,854	-9,719
August	63,557	10,097	53,460	1,03,567	33,458	70,109	-40,010	-23,362	-16,648
September	67,130	11,506	55,624	99,211	31,672	67,540	-32,081	-20,165	-11,916
October	66,188	12,605	53,583	1,11,029	36,081	74,948	-44,840	-23,476	-21,365
November	61,462	..	..	1,06,584	29,750	76,834	-45,122	..	..
December	68,107	..	..	1,15,420	30,475	84,945	-47,313	..	..
January	65,920	..	..	1,13,545	32,415	81,130	-47,625	..	..

R: Revised. P: Provisional. .. : Not available.

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

Notes: Monthly data may not add up to the annual data on account of revision in monthly figures.
Also see 'Notes on Tables'.

No. 39(B): Foreign Trade (Annual and Monthly)

(US $ Million)

Year/ Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
1	2	3	4	5	6	7	8	9	10
2003-04	63,843	3,568	60,274	78,149	20,569	57,580	-14,307	-17,001	2,694
2004-05	83,536	6,989	76,547	111,517	29,844	81,673	-27,981	-22,855	-5,127
2005-06	103,091	11,640	91,451	149,166	43,963	105,203	-46,075	-32,323	-13,752
2006-07	126,414	18,635	107,779	185,735	56,945	128,790	-59,321	-38,311	-21,011
2007-08	162,904	28,363	134,541	251,439	79,645	171,795	-88,535	-51,281	-37,254
2008-09	185,295	26,830	158,466	303,696	91,306	212,390	-118,401	-64,476	-53,925
2007-08									
April	11,327	2,087	9,240	18,371	5,494	12,877	-7,044	-3,407	-3,637
May	12,456	2,230	10,226	21,150	5,613	15,537	-8,694	-3,383	-5,311
June	12,101	2,110	9,991	20,016	5,890	14,126	-7,915	-3,780	-4,135
July	12,513	2,203	10,310	21,129	5,600	15,529	-8,615	-3,397	-5,219
August	12,641	1,969	10,671	20,366	6,202	14,164	-7,725	-4,233	-3,492
September	12,521	2,101	10,420	18,217	5,792	12,426	-5,696	-3,691	-2,005
October	14,675	2,425	12,250	21,833	6,525	15,308	-7,158	-4,100	-3,058
November	12,909	2,127	10,782	22,104	6,483	15,621	-9,195	-4,356	-4,839
December	14,625	2,283	12,342	20,117	6,824	13,293	-5,491	-4,541	-951
January	14,889	2,394	12,495	22,844	8,505	14,339	-7,955	-6,111	-1,844
February	15,116	2,379	12,737	20,804	7,713	13,092	-5,688	-5,334	-355
March	17,254	2,595	14,659	23,574	9,076	14,498	-6,320	-6,480	161
2008-09 R									
April	18,460	2,842	15,618	30,317	8,931	21,386	-11,857	-6,088	-5,768
May	18,687	2,729	15,957	29,444	10,495	18,948	-10,757	-7,766	-2,991
June	19,181	3,587	15,594	28,951	10,120	18,831	-9,770	-6,532	-3,237
July	19,030	3,754	15,276	31,625	12,675	18,950	-12,595	-8,921	-3,674
August	17,759	3,254	14,505	33,523	11,521	22,003	-15,764	-8,266	-7,497
September	15,789	2,554	13,236	31,136	9,543	21,592	-15,347	-6,990	-8,357
October	14,131	2,124	12,007	25,869	7,285	18,584	-11,738	-5,161	-6,578
November	11,163	1,292	9,871	23,488	5,954	17,534	-12,325	-4,662	-7,663
December	13,368	1,304	12,065	19,456	4,578	14,878	-6,088	-3,274	-2,814
January	12,869	1,234	11,635	18,228	4,522	13,706	-5,359	-3,288	-2,071
February	11,941	1,201	10,740	15,062	3,286	11,776	-3,121	-2,085	-1,036
March	12,916	1,523	11,394	16,597	4,175	12,422	-3,680	-2,652	-1,028
2009-10 P									
April	12,077	1,517	10,561	19,010	4,739	14,271	-6,933	-3,223	-3,710
May	11,791	1,476	10,315	19,742	5,303	14,439	-7,951	-3,827	-4,124
June	13,113	1,417	11,696	22,578	6,599	15,979	-9,465	-5,182	-4,283
July	13,486	1,785	11,701	21,031	7,324	13,706	-7,544	-5,539	-2,005
August	13,149	2,089	11,060	21,427	6,922	14,505	-8,278	-4,833	-3,444
September	13,859	2,375	11,483	20,482	6,538	13,943	-6,623	-4,163	-2,460
October	14,167	2,698	11,469	23,764	7,723	16,042	-9,597	-5,025	-4,573
November	13,199	..	..	22,888	6,389	16,500	-9,690	..	..
December	14,606	..	..	24,753	6,536	18,217	-10,147	..	..
January	14,343	..	..	24,705	7,053	17,652	-10,362	..	..

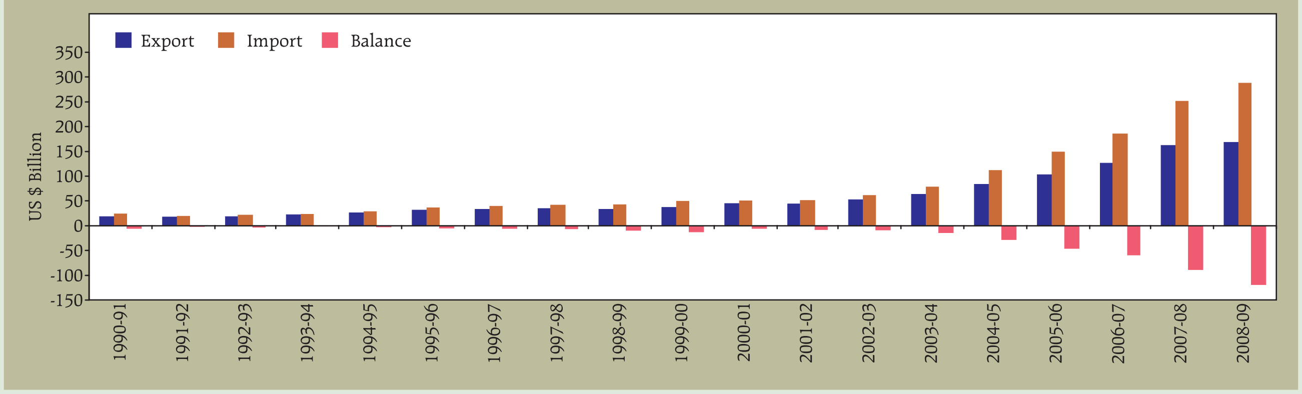
R: Revised. P: Provisional. .. : Not available. **Source :** DGCI & S and Ministry of Commerce & Industry.

Notes: 1. Data conversion has been done using period average exchange rates.

2. Monthly data may not add up to the annual data on account of revision in monthly figures.

Also see 'Notes on Tables'

Foreign Trade



No. 40: India's Overall Balance of Payments

(Rs. crore)

Items	2005-06			2006-07		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. Merchandise	**4,65,748**	**6,95,412**	**-2,29,664**	**5,82,871**	**8,62,833**	**-2,79,962**
II. Invisibles (a+b+c)	**3,97,660**	**2,11,733**	**1,85,927**	**5,17,146**	**2,81,567**	**2,35,579**
a) Services	2,55,668	1,53,057	1,02,611	3,33,093	2,00,029	1,33,064
i) Travel	34,871	29,432	5,439	41,127	30,249	10,878
ii) Transportation	28,023	36,928	-8,905	36,049	36,504	-455
iii) Insurance	4,694	4,965	-271	5,403	2,903	2,500
iv) G.n.i.e.	1,396	2,343	-947	1,143	1,825	-682
v) Miscellaneous	1,86,684	79,389	1,07,295	2,49,371	1,28,548	1,20,823
of which						
Software Services	1,04,632	5,954	98,678	1,41,356	10,212	1,31,144
Business Services	41,356	34,428	6,928	65,738	71,500	-5,762
Financial Services	5,355	4,265	1,090	14,010	13,460	550
Communication Services	7,000	1,285	5,715	10,227	3,589	6,638
b) Transfers	1,13,566	4,134	1,09,432	1,42,037	6,288	1,35,749
i) Official	2,970	2,103	867	2,864	1,723	1,141
ii) Private	1,10,596	2,031	1,08,565	1,39,173	4,565	1,34,608
c) Income	28,426	54,542	-26,116	42,016	75,250	-33,234
i) Investment Income	27,633	51,112	-23,479	40,297	70,955	-30,658
ii) Compensation of Employees	793	3,430	-2,637	1,719	4,295	-2,576
Total Current Account (I+II)	**8,63,408**	**9,07,145**	**-43,737**	**11,00,017**	**11,44,400**	**-44,383**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**3,42,778**	**2,73,996**	**68,782**	**6,00,951**	**5,34,160**	**66,791**
a) Foreign Direct Investment (i+ii)	40,690	27,265	13,425	1,06,464	71,554	34,910
i) In India	39,730	273	39,457	1,03,037	385	1,02,652
Equity	26,512	273	26,239	74,354	385	73,969
Reinvested Earnings	12,220	–	12,220	26,371	–	26,371
Other Capital	998	–	998	2,312	–	2,312
ii) Abroad	960	26,992	-26,032	3,427	71,169	-67,742
Equity	960	17,678	-16,718	3,427	60,138	-56,711
Reinvested Earnings	–	4,834	-4,834	–	4,868	-4,868
Other Capital	–	4,480	-4,480	–	6,163	-6,163
b) Portfolio Investment	3,02,088	2,46,731	55,357	4,94,487	4,62,606	31,881
i) In India	3,02,088	2,46,731	55,357	4,94,102	4,62,472	31,630
of which						
FIIs	2,90,648	2,46,736	43,912	4,77,132	4,62,472	14,660
GDRs/ADRs	11,438	–	11,438	16,961	–	16,961
ii) Abroad	–	–	–	385	134	251
2. Loans (a+b+c)	**1,74,729**	**1,40,332**	**34,397**	**2,46,525**	**1,36,091**	**1,10,434**
a) External Assistance	16,133	8,541	7,592	16,978	9,005	7,973
i) By India	106	390	-284	90	144	-54
ii) To India	16,027	8,151	7,876	16,888	8,861	8,027
b) Commercial Borrowings	63,476	52,971	10,505	93,932	21,567	72,365
i) By India	–	1,105	-1,105	2,837	4,361	-1,524
ii) To India	63,476	51,866	11,610	91,095	17,206	73,889
c) Short Term To India	95,120	78,820	16,300	1,35,615	1,05,519	30,096
i) Suppliers' Credit >180 days & Buyers' Credit	85,766	78,114	7,652	1,15,125	1,00,196	14,929
ii) Suppliers' Credit up to 180 days	9,354	706	8,648	20,490	5,323	15,167
3. Banking Capital (a+b)	**95,988**	**90,193**	**5,795**	**1,67,494**	**1,59,017**	**8,477**
a) Commercial Banks	91,200	89,569	1,631	1,65,656	1,58,660	6,996
i) Assets	3,369	17,711	-14,342	64,972	80,726	-15,754
ii) Liabilities	87,831	71,858	15,973	1,00,684	77,934	22,750
of which: Non-Resident Deposits	79,190	66,733	12,457	89,950	70,376	19,574
b) Others	4,788	624	4,164	1,838	357	1,481
4. Rupee Debt Service	**–**	**2,557**	**-2,557**	**–**	**725**	**-725**
5. Other Capital	**26,451**	**20,903**	**5,548**	**36,797**	**18,101**	**18,696**
Total Capital Account (1 to 5)	**6,39,946**	**5,27,981**	**1,11,965**	**10,51,767**	**8,48,094**	**2,03,673**
C. ERRORS & OMISSIONS	**–**	**2,332**	**-2,332**	**4,344**	**–**	**4,344**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**15,03,354**	**14,37,458**	**65,896**	**21,56,128**	**19,92,494**	**1,63,634**
E. MONETARY MOVEMENTS (i+ii)	**–**	**65,896**	**-65,896**	**–**	**1,63,634**	**-1,63,634**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	65,896	-65,896	–	1,63,634	-1,63,634

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

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	2007-08			2008-09 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. Merchandise	**6,68,008**	**10,35,672**	**-3,67,664**	**8,57,960**	**14,01,118**	**-5,43,158**
II. Invisibles (a+b+c)	**5,98,088**	**2,93,902**	**3,04,185**	**7,50,333**	**3,38,789**	**4,11,544**
a) Services	3,63,042	2,06,798	1,56,244	4,67,915	2,39,606	2,28,309
i) Travel	45,526	37,191	8,335	50,226	43,336	6,890
ii) Transportation	40,199	46,278	-6,079	51,952	58,531	-6,578
iii) Insurance	6,586	4,192	2,393	6,518	5,230	1,288
iv) G.n.i.e.	1,331	1,518	-186	1,771	3,777	-2,006
v) Miscellaneous	2,69,400	1,17,618	1,51,781	3,57,447	1,28,731	2,28,716
of which						
Software Services	1,62,020	13,494	1,48,526	2,12,242	12,702	1,99,540
Business Services	67,430	66,469	961	75,632	71,436	4,195
Financial Services	12,917	12,560	357	18,060	13,568	4,492
Communication Services	9,682	3,462	6,220	9,903	5,025	4,878
b) Transfers	1,77,745	9,293	1,68,452	2,16,906	12,568	2,04,338
i) Official	3,024	2,073	951	3,029	1,900	1,129
ii) Private	1,74,721	7,220	1,67,501	2,13,877	10,668	2,03,209
c) Income	57,300	77,811	-20,511	65,512	86,615	-21,103
i) Investment Income	55,451	73,410	-17,959	61,722	80,597	-18,875
ii) Compensation of Employees	1,849	4,402	-2,552	3,790	6,018	-2,228
Total Current Account (I+II)	**12,66,096**	**13,29,575**	**-63,479**	**16,08,293**	**17,39,907**	**-1,31,614**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**10,86,530**	**9,12,135**	**1,74,395**	**7,43,513**	**7,31,726**	**11,786**
a) Foreign Direct Investment (i+ii)	1,49,902	86,125	63,776	1,64,487	87,656	76,831
i) In India	1,39,885	465	1,39,420	1,59,401	773	1,58,628
Equity	1,07,749	434	1,07,315	1,26,128	773	1,25,355
Reinvested Earnings	30,916	–	30,916	29,713	–	29,713
Other Capital	1,220	31	1,189	3,560	–	3,560
ii) Abroad	10,017	85,660	-75,644	5,086	86,882	-81,796
Equity	10,017	67,956	-57,939	5,086	68,601	-63,514
Reinvested Earnings	–	4,365	-4,365	–	4,986	-4,986
Other Capital	–	13,340	-13,340	–	13,296	-13,296
b) Portfolio Investment	936,628	8,26,009	1,10,619	5,79,026	6,44,071	-65,045
i) In India	935,683	8,25,715	1,09,968	5,78,346	6,42,543	-64,197
of which						
FIIs	907,936	8,25,715	82,221	5,73,451	6,42,547	-69,096
GDRs/ADRs	26,556	–	26,556	4,891	–	4,891
ii) Abroad	945	294	651	680	1,528	-848
2. Loans (a+b+c)	**3,30,331**	**1,66,840**	**1,63,491**	**2,84,926**	**2,48,538**	**36,388**
a) External Assistance	17,019	8,553	8,466	23,532	11,102	12,430
i) By India	94	112	-18	108	153	-45
ii) To India	16,925	8,441	8,484	23,424	10,949	12,475
b) Commercial Borrowings	1,21,942	30,855	91,086	70,947	34,016	36,931
i) By India	6,412	6,538	-126	9,225	3,644	5,581
ii) To India	1,15,529	24,317	91,212	61,722	30,372	31,350
c) Short Term To India	1,91,370	1,27,432	63,939	1,90,448	2,03,420	-12,972
i) Suppliers' Credit >180 days & Buyers' Credit	1,71,184	1,27,432	43,752	1,77,843	1,77,676	167
ii) Suppliers' Credit up to 180 days	20,187	–	20,187	12,605	25,744	-13,138
3. Banking Capital (a+b)	**2,23,979**	**1,76,824**	**47,155**	**2,95,408**	**3,14,613**	**-19,205**
a) Commercial Banks	2,23,664	1,75,113	48,551	2,94,842	3,11,869	-17,027
i) Assets	78,366	50,734	27,632	1,14,752	1,30,576	-15,823
ii) Liabilities	1,45,298	1,24,379	20,919	1,80,090	1,81,293	-1,203
of which: Non-Resident Deposits	1,18,077	1,17,372	705	1,71,047	1,50,617	20,430
b) Others	315	1,712	-1,397	565	2,744	-2,179
4. Rupee Debt Service	**–**	**492**	**-492**	**–**	**472**	**-472**
5. Other Capital	**1,17,094**	**73,716**	**43,377**	**93,704**	**93,712**	**-8**
Total Capital Account (1 to 5)	**17,57,933**	**13,30,007**	**4,27,926**	**14,17,551**	**13,89,060**	**28,490**
C. ERRORS & OMISSIONS	**5,241**	**–**	**5,241**	**6,009**	**–**	**6,009**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**30,29,270**	**26,59,582**	**3,69,689**	**30,31,853**	**31,28,967**	**-97,115**
E. MONETARY MOVEMENTS (i+ii)	**–**	**3,69,689**	**-3,69,689**	**97,115**	**–**	**97,115**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3,69,689	-3,69,689	97,115	–	97,115

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Apr-Jun 2006			Jul-Sep 2006		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. CURRENT ACCOUNT						
I. Merchandise	**1,34,880**	**2,11,953**	**-77,073**	**1,51,636**	**225,903**	**-74,267**
II. Invisibles (a+b+c)	**1,13,377**	**56,479**	**56,898**	**1,15,305**	**67,687**	**47,618**
a) Services	72,944	38,537	34,407	76,122	46,213	29,909
i) Travel	7,766	6,766	1,000	8,328	8,398	-70
ii) Transportation	7,798	9,081	-1,283	9,149	9,172	-23
iii) Insurance	1,082	587	495	1,461	714	747
iv) G.n.i.e.	182	359	-177	283	566	-283
v) Miscellaneous	56,116	21,744	34,372	56,901	27,363	29,538
of which						
Software Services	32,007	1,887	30,120	33,020	1,878	31,142
Business Services	15,396	12,032	3,364	15,933	15,302	631
Financial Services	2,314	1,446	868	3,320	3,260	60
Communication Services	2,160	491	1,669	2,638	835	1,803
b) Transfers	32,603	1,314	31,289	28,833	1,674	27,159
i) Official	314	373	-59	552	464	88
ii) Private	32,289	941	31,348	28,281	1,210	27,071
c) Income	7,830	16,628	-8,798	10,350	19,800	-9,450
i) Investment Income	7,544	15,737	-8,193	10,016	18,743	-8,727
ii) Compensation of Employees	286	891	-605	334	1,057	-723
Total Current Account (I+II)	**2,48,257**	**2,68,432**	**-20,175**	**2,66,941**	**2,93,590**	**-26,649**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,55,960**	**1,50,357**	**5,603**	**1,04,262**	**84,482**	**19,780**
a) Foreign Direct Investment (i+ii)	15,810	7,906	7,904	21,074	11,263	9,811
i) In India	15,519	36	15,483	20,402	9	20,393
Equity	8,849	36	8,813	13,382	9	13,373
Reinvested Earnings	6,625	–	6,625	6,756	–	6,756
Other Capital	45	–	45	264	–	264
ii) Abroad	291	7,870	-7,579	672	11,254	-10,582
Equity	291	5,406	-5,115	672	8,662	-7,990
Reinvested Earnings	–	1,223	-1,223	–	1247	-1,247
Other Capital	–	1,241	-1,241	–	1,345	-1,345
b) Portfolio Investment	1,40,150	1,42,451	-2,301	83,188	73,219	9,969
i) In India	1,40,055	1,42,446	-2,391	83,137	73,214	9,923
of which						
FIIs	1,34,321	1,42,446	-8,125	81,004	73,214	7,790
GDRs/ADRs	5,734	–	5,734	2,133	–	2,133
ii) Abroad	95	5	90	51	5	46
2. Loans (a+b+c)	**52,288**	**28,591**	**23,697**	**52,065**	**29,890**	**22,175**
a) External Assistance	2,624	2,391	233	3,654	2,082	1,572
i) By India	23	36	-13	23	37	-14
ii) To India	2,601	2,355	246	3,631	2,045	1,586
b) Commercial Borrowings	22,968	4,879	18,089	12,428	4,266	8,162
i) By India	396	1,014	-618	529	788	-259
ii) To India	22,572	3,865	18,707	11,899	3,478	8,421
c) Short Term To India	26,696	21,321	5,375	35,983	23,542	12,441
i) Suppliers' Credit >180 days & Buyers' Credit	23,108	21,321	1,787	30,507	23,542	6,965
ii) Suppliers' Credit up to 180 days	3,588	–	3,588	5,476	–	5,476
3. Banking Capital (a+b)	**45,057**	**22,044**	**23,013**	**26,682**	**34,648**	**-7,966**
a) Commercial Banks	44,730	22,044	22,686	26,682	34,444	-7,762
i) Assets	23,904	8,535	15,369	7,271	16,475	-9,204
ii) Liabilities	20,826	13,509	7,317	19,411	17,969	1,442
of which: Non-Resident Deposits	19,307	13,387	5,920	19,406	15,196	4,210
b) Others	327	–	327	–	204	-204
4. Rupee Debt Service	**–**	**305**	**-305**	**–**	**–**	**–**
5. Other Capital	**1,555**	**4,793**	**-3,238**	**5,027**	**2,569**	**2,458**
Total Capital Account (1 to 5)	**2,54,860**	**2,06,090**	**48,770**	**1,88,036**	**1,51,589**	**36,447**
C. ERRORS & OMISSIONS	**411**	**–**	**411**	**728**	**–**	**728**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**5,03,528**	**4,74,522**	**29,006**	**4,55,705**	**4,45,179**	**10,526**
E. MONETARY MOVEMENTS (i+ii)	**–**	**29,006**	**-29,006**	**–**	**10,526**	**-10,526**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	29,006	-29,006	–	10,526	-10,526

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Oct-Dec 2006			Jan-Mar 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	20	21	22	23	24	25
A. CURRENT ACCOUNT						
I. Merchandise	**1,38,660**	**2,12,583**	**-73,923**	**1,57,695**	**2,12,394**	**-54,699**
II. Invisibles (a+b+c)	**1,33,622**	**75,911**	**57,711**	**1,54,842**	**81,490**	**73,352**
a) Services	83,001	55,650	27,351	1,01,026	59,629	41,397
i) Travel	11,790	7,368	4,422	13,243	7,717	5,526
ii) Transportation	9,411	9,456	-45	9,691	8,795	896
iii) Insurance	1,296	904	392	1,564	698	866
iv) G.n.i.e.	391	436	-45	287	464	-177
v) Miscellaneous	60,113	37,486	22,627	76,241	41,955	34,286
of which						
Software Services	34,197	3,077	31,120	42,132	3,370	38,762
Business Services	16,599	19,195	-2,596	17,810	24,971	-7,161
Financial Services	3,725	2,910	815	4,651	5,844	-1,193
Communication Services	2,686	1,075	1,611	2,743	1,188	1,555
b) Transfers	40,311	1,498	38,813	40,290	1,802	38,488
i) Official	1,291	400	891	707	486	221
ii) Private	39,020	1,098	37,922	39,583	1,316	38,267
c) Income	10,310	18,763	-8,453	13,526	20,059	-6,533
i) Investment Income	9,865	17,706	-7,841	12,872	18,769	-5,897
ii) Compensation of Employees	445	1,057	-612	654	1,290	-636
Total Current Account (I+II)	**2,72,282**	**2,88,494**	**-16,212**	**3,12,537**	**2,93,884**	**18,653**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,73,846**	**1,44,755**	**29,091**	**1,66,883**	**1,54,566**	**12,317**
a) Foreign Direct Investment (i+ii)	45,020	31,983	13,037	24,560	20,402	4,158
i) In India	44,332	31	44,301	22,784	309	22,475
Equity	36,901	31	36,870	15,222	309	14,913
Reinvested Earnings	6,554	–	6,554	6,436	–	6,436
Other Capital	877	–	877	1,126	–	1,126
ii) Abroad	688	31,952	-31,264	1,776	20,093	-18,317
Equity	688	29,033	-28,345	1,776	17,037	-15,261
Reinvested Earnings	–	1,210	-1,210	–	1,188	-1,188
Other Capital	–	1,709	-1,709	–	1,868	-1,868
b) Portfolio Investment	1,28,826	1,12,772	16,054	1,42,323	1,34,164	8,159
i) In India	1,28,768	1,12,745	16,023	1,42,142	1,34,067	8,075
of which						
FIIs	1,27,837	1,12,745	15,092	1,33,970	1,34,067	-97
GDRs/ADRs	931	–	931	8,163	–	8,163
ii) Abroad	58	27	31	181	97	84
2. Loans (a+b+c)	**66,266**	**37,112**	**29,154**	**75,906**	**40,498**	**35,408**
a) External Assistance	5,006	2222	2,784	5,694	2,310	3,384
i) By India	22	36	-14	22	35	-13
ii) To India	4,984	2,186	2,798	5,672	2,275	3,397
b) Commercial Borrowings	24,373	6,158	18,215	34,163	6,264	27,899
i) By India	1,912	1,552	360	–	1,007	-1,007
ii) To India	22,461	4,606	17,855	34,163	5,257	28,906
c) Short Term To India	36,887	28,732	8,155	36,049	31,924	4,125
i) Suppliers' Credit >180 days & Buyers' Credit	25,461	28,732	-3,271	36,049	26,601	9,448
ii) Suppliers' Credit up to 180 days	11,426	–	11,426	–	5,323	-5,323
3. Banking Capital (a+b)	**32,209**	**46,213**	**-14,004**	**63,546**	**56,112**	**7,434**
a) Commercial Banks	31,237	46,060	-14,823	63,007	56,112	6,895
i) Assets	2,501	20,378	-17,877	31,296	35,338	-4,042
ii) Liabilities	28,736	25,682	3,054	31,711	20,774	10,937
of which: Non-Resident Deposits	28,453	21,871	6,582	22,784	19,922	2,862
b) Others	972	153	819	539	–	539
4. Rupee Debt Service	**–**	**9**	**-9**	**–**	**411**	**-411**
5. Other Capital	**8,889**	**4471**	**4,418**	**21,326**	**6,268**	**15,058**
Total Capital Account (1 to 5)	**281,210**	**2,32,560**	**48,650**	**3,27,661**	**2,57,855**	**69,806**
C. ERRORS & OMISSIONS	**1323**	**–**	**1,323**	**1,882**	**–**	**1,882**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**5,54,815**	**5,21,054**	**33,761**	**6,42,080**	**5,51,739**	**90,341**
E. MONETARY MOVEMENTS (i+ii)	**–**	**33,761**	**-33,761**	**–**	**90,341**	**-90,341**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	33,761	-33,761	–	90,341	-90,341

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Apr-Jun 2007			Jul-Sep 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	26	27	28	29	30	31
A. CURRENT ACCOUNT						
I. Merchandise	**1,50,923**	**2,32,347**	**-81,424**	**1,55,733**	**2,42,761**	**-87,028**
II. Invisibles (a+b+c)	**1,23,379**	**60,641**	**62,739**	**1,39,576**	**69,800**	**69,776**
a) Services	78,062	40,927	37,134	85,167	47,002	38,165
i) Travel	8,610	7,859	750	9,111	8,296	815
ii) Transportation	8,054	10,417	-2,363	8,475	10,371	-1,896
iii) Insurance	1,536	761	775	1,381	1,149	232
iv) G.n.i.e.	387	453	-66	277	520	-243
v) Miscellaneous	59,475	21,437	38,038	65,923	26,666	39,258
of which						
Software Services	36,435	2,800	33,635	36,675	3,248	33,427
Business Services	15,496	13,287	2,209	15,781	14,334	1,447
Financial Services	2,175	1,850	326	3,713	2,843	870
Communication Services	2,115	954	1,161	2,483	730	1,753
b) Transfers	35,578	1,781	33,797	39,342	1,653	37,688
i) Official	631	679	-47	641	454	187
ii) Private	34,947	1,103	33,844	38,701	1,199	37,502
c) Income	9,740	17,932	-8,192	15,067	21,144	-6,077
i) Investment Income	9,399	17,115	-7,716	14,621	19,937	-5,316
ii) Compensation of Employees	340	817	-477	446	1,208	-761
Total Current Account (I+II)	**2,74,302**	**2,92,988**	**-18,685**	**2,95,309**	**3,12,561**	**-17,252**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,78,023**	**1,35,072**	**42,951**	**2,20,226**	**1,66,871**	**53,355**
a) Foreign Direct Investment (i+ii)	34,674	22,822	11,852	22,854	13,673	9,181
i) In India	31,403	85	31,319	19,716	75	19,641
Equity	22,983	85	22,898	11,435	75	11,360
Reinvested Earnings	7,916	–	7,916	7,780	–	7,780
Other Capital	505	–	505	501	–	501
ii) Abroad	3,271	22,737	-19,467	3,138	13,598	-10,459
Equity	3,271	19,620	-16,350	3,138	10,193	-7,055
Reinvested Earnings	–	1,118	-1,118	–	1,098	-1,098
Other Capital	–	2,000	-2,000	–	2,306	-2,306
b) Portfolio Investment	1,43,349	1,12,250	31,099	1,97,372	1,53,198	44,174
i) In India	1,43,110	1,12,224	30,885	1,97,350	1,53,106	44,244
of which						
FIIs	1,41,456	1,12,224	29,232	1,87,221	1,53,106	34,116
GDRs/ADRs	1,303	–	1,303	10,038	–	10,038
ii) Abroad	239	25	214	22	92	-70
2. Loans (a+b+c)	**69,025**	**31,308**	**37,717**	**81,084**	**42,260**	**38,824**
a) External Assistance	3,016	2,023	993	3,984	2,086	1,897
i) By India	24	29	-5	24	28	-5
ii) To India	2,992	1,994	998	3,960	2,058	1,902
b) Commercial Borrowings	34,150	5,516	28,634	25,483	8,394	17,088
i) By India	1,482	1,423	59	1,797	2,039	-243
ii) To India	32,668	4,093	28,575	23,686	6,355	17,331
c) Short Term To India	31,858	23,769	8,089	51,618	31,780	19,838
i) Suppliers' Credit >180 days & Buyers' Credit	28,382	23,769	4,613	44,627	31,780	12,847
ii) Suppliers' Credit up to 180 days	3,476	–	3,476	6,991	–	6,991
3. Banking Capital (a+b)	**35,300**	**39,086**	**-3,786**	**55,575**	**28,653**	**26,922**
a) Commercial Banks	35,300	39,063	-3,763	55,479	28,367	27,113
i) Assets	10,488	11,799	-1,312	17,846	1,452	16,395
ii) Liabilities	24,812	27,264	-2,452	37,633	26,915	10,718
of which: Non-Resident Deposits	21,657	23,499	-1,842	28,265	26,770	1,494
b) Others	–	23	-23	95	286	-191
4. Rupee Debt Service	**–**	**179**	**-179**	**–**	**9**	**-9**
5. Other Capital	**11,636**	**23,611**	**-11,974**	**36,574**	**21,024**	**15,549**
Total Capital Account (1 to 5)	**2,93,983**	**2,29,255**	**64,728**	**3,93,459**	**2,58,817**	**1,34,642**
C. ERRORS & OMISSIONS	**140**	**–**	**140**	**1,089**	**–**	**1,089**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**5,68,425**	**5,22,243**	**46,183**	**6,89,856**	**5,71,378**	**1,18,479**
E. MONETARY MOVEMENTS (i+ii)	**–**	**46,183**	**-46,183**	**–**	**1,18,479**	**-1,18,479**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	46,183	-46,183	–	1,18,479	-1,18,479

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Oct-Dec 2007			Jan-Mar 2008		
	Credit	Debit	Net	Credit	Debit	Net
1	32	33	34	35	36	37
A. CURRENT ACCOUNT						
I. Merchandise	**1,69,900**	**2,65,558**	**-95,658**	**1,91,452**	**2,95,007**	**-1,03,554**
II. Invisibles (a+b+c)	**1,54,076**	**72,270**	**81,806**	**1,81,057**	**91,192**	**89,865**
a) Services	95,139	50,365	44,775	1,04,674	68,504	36,171
i) Travel	13,398	9,940	3,458	14,407	11,095	3,312
ii) Transportation	11,044	12,009	-965	12,627	13,482	-855
iii) Insurance	1,730	1,032	698	1,939	1,250	689
iv) G.n.i.e.	356	294	61	311	250	62
v) Miscellaneous	68,613	27,090	41,523	75,389	42,426	32,963
of which						
Software Services	37,917	3,362	34,556	50,993	4,084	46,909
Business Services	18,106	16,754	1,352	18,048	22,095	-4,048
Financial Services	3,481	3,012	469	3,548	4,855	-1,307
Communication Services	2,371	720	1,650	2,713	1,057	1,656
b) Transfers	45,094	1,946	43,148	57,731	3,912	53,819
i) Official	768	478	290	984	462	522
ii) Private	44,327	1,469	42,858	56,747	3,450	53,297
c) Income	13,842	19,959	-6,116	18,652	18,776	-124
i) Investment Income	13,422	18,906	-5,484	18,009	17,452	557
ii) Compensation of Employees	420	1,053	-632	643	1,324	-681
Total Current Account (I+II)	**3,23,976**	**3,37,828**	**-13,852**	**3,72,509**	**3,86,199**	**-13,689**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**3,33,402**	**2,74,812**	**58,590**	**3,54,879**	**3,35,380**	**19,499**
a) Foreign Direct Investment (i+ii)	33,131	24,764	8,367	59,242	24,866	34,376
i) In India	31,553	171	31,383	57,212	135	57,078
Equity	23,763	171	23,593	49,568	104	49,464
Reinvested Earnings	7,576	–	7,576	7,645	–	7,645
Other Capital	214	–	214	–	31	-31
ii) Abroad	1,578	24,593	-23,015	2,030	24,731	-22,702
Equity	1,578	20,545	-18,967	2,030	17,597	-15,567
Reinvested Earnings	–	1,069	-1,069	–	1,079	-1,079
Other Capital	–	2,979	-2,979	–	6,056	-6,056
b) Portfolio Investment	3,00,271	2,50,048	50,223	2,95,637	3,10,514	-14,877
i) In India	2,99,803	2,49,974	49,829	2,95,421	3,10,411	-14,990
of which						
FIIs	2,85,347	2,49,974	35,374	2,93,911	3,10,411	-16,500
GDRs/ADRs	13,705	–	13,705	1,509	–	1,509
ii) Abroad	468	74	394	215	102	113
2. Loans (a+b+c)	**81,517**	**41,778**	**39,739**	**98,705**	**51,494**	**47,211**
a) External Assistance	4,377	2,147	2,230	5,642	2,297	3,346
i) By India	23	27	-4	23	28	-4
ii) To India	4,354	2,120	2,234	5,619	2,269	3,350
b) Commercial Borrowings	33,255	8,632	24,623	29,054	8,313	20,741
i) By India	1,433	1,516	-83	1,701	1,560	141
ii) To India	31,822	7,115	24,706	27,354	6,754	20,600
c) Short Term To India	43,886	30,999	12,887	64,009	40,884	23,125
i) Suppliers' Credit >180 days & Buyers' Credit	40,374	30,999	9,375	57,801	40,884	16,917
ii) Suppliers' Credit up to 180 days	3,512	–	3,512	6,208	–	6,208
3. Banking Capital (a+b)	**49,677**	**48,860**	**817**	**83,428**	**60,226**	**23,202**
a) Commercial Banks	49,665	47,469	2,196	83,220	60,214	23,005
i) Assets	22,242	15,544	6,699	27,790	21,939	5,850
ii) Liabilities	27,423	31,925	-4,502	55,430	38,275	17,155
of which: Non-Resident Deposits	25,478	28,845	-3,367	42,678	38,258	4,420
b) Others	11	1,391	-1,380	208	12	197
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**304**	**-304**
5. Other Capital	**37,122**	**19,305**	**17,817**	**31,761**	**9,776**	**21,985**
Total Capital Account (1 to 5)	**5,01,718**	**3,84,755**	**1,16,964**	**5,68,773**	**4,57,180**	**1,11,593**
C. ERRORS & OMISSIONS	**2,403**	**–**	**2,403**	**1,608**	**–**	**1,608**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,28,097**	**7,22,582**	**1,05,515**	**9,42,890**	**8,43,379**	**99,512**
E. MONETARY MOVEMENTS (i+ii)	**–**	**1,05,515**	**-1,05,515**	**–**	**99,512**	**-99,512**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	1,05,515	-1,05,515	–	99,512	-99,512

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Apr-Jun 2008 PR			Jul-Sep 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	38	39	40	41	42	43
A. CURRENT ACCOUNT						
I. Merchandise	**2,39,332**	**3,44,624**	**-1,05,292**	**2,34,792**	**4,06,064**	**-1,71,272**
II. Invisibles (a+b+c)	**1,64,224**	**72,569**	**91,655**	**2,00,699**	**84,481**	**1,16,219**
a) Services	96,033	51,421	44,612	1,22,256	59,213	63,043
i) Travel	10,431	9,012	1,419	12,196	11,868	329
ii) Transportation	10,894	13,863	-2,969	13,314	16,421	-3,107
iii) Insurance	1,457	946	511	1,652	1,340	312
iv) G.n.i.e.	541	460	81	355	418	-63
v) Miscellaneous	72,710	27,140	45,570	94,739	29,167	65,572
of which						
Software Services	50,324	3,514	46,810	53,061	4,092	48,968
Business Services	14,846	13,403	1,443	21,215	17,659	3,556
Financial Services	2,563	2,583	-20	7,323	4,229	3,094
Communication Services	2,125	944	1,182	3,239	1,298	1,942
b) Transfers	53,307	2,726	50,581	60,297	3,636	56,661
i) Official	616	447	168	222	424	-201
ii) Private	52,691	2,278	50,413	60,075	3,213	56,863
c) Income	14,883	18,422	-3,538	18,146	21,631	-3,486
i) Investment Income	14,239	17,053	-2,815	16,878	20,182	-3,305
ii) Compensation of Employees	644	1,368	-724	1,268	1,449	-181
Total Current Account (I+II)	**4,03,555**	**4,17,192**	**-13,637**	**4,35,491**	**4,90,545**	**-55,053**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,20,365**	**2,00,548**	**19,817**	**2,26,676**	**2,10,953**	**15,723**
a) Foreign Direct Investment (i+ii)	50,543	13,203	37,340	40,041	18,578	21,463
i) In India	49,561	89	49,472	38,660	229	38,431
Equity	42,654	89	42,564	31,975	229	31,746
Reinvested Earnings	6,217	–	6,217	6,534	–	6,534
Other Capital	691	–	691	151	–	151
ii) Abroad	982	13,114	-12,132	1,382	18,349	-16,967
Equity	982	9,774	-8,792	1,382	15,001	-13,619
Reinvested Earnings	–	1,129	-1,129	–	1,187	-1,187
Other Capital	–	2,211	-2,211	–	2,161	-2,161
b) Portfolio Investment	1,69,822	1,87,345	-17,524	1,86,634	1,92,375	-5,740
i) In India	1,69,728	1,87,129	-17,401	1,86,579	1,92,277	-5,698
of which						
FIIs	1,65,566	1,87,131	-21,565	1,85,984	1,92,276	-6,291
GDRs/ADRs	4,161	–	4,161	595	–	595
ii) Abroad	93	216	-123	56	98	-42
2. Loans (a+b+c)	**66,448**	**40,066**	**26,382**	**71,256**	**59,841**	**11,415**
a) External Assistance	3,787	2,327	1,461	4,794	2,525	2,268
i) By India	24	35	-10	26	36	-11
ii) To India	3,763	2,292	1,471	4,768	2,489	2,279
b) Commercial Borrowings	11,498	5,335	6,163	15,638	8,253	7,385
i) By India	1,680	793	886	2,327	605	1,722
ii) To India	9,818	4,541	5,277	13,311	7,648	5,663
c) Short Term To India	51,163	32,404	18,759	50,825	49,063	1,762
i) Suppliers' Credit >180 days & Buyers' Credit	38,558	32,404	6,154	50,825	42,754	8,070
ii) Suppliers' Credit up to 180 days	12,605	–	12,605	–	6,309	-6,309
3. Banking Capital (a+b)	**91,589**	**80,359**	**11,231**	**71,625**	**61,666**	**9,959**
a) Commercial Banks	91,588	79,728	11,860	71,625	61,655	9,970
i) Assets	47,726	43,876	3,851	28,879	22,564	6,315
ii) Liabilities	43,862	35,852	8,010	42,747	39,091	3,655
of which: Non-Resident Deposits	37,898	34,509	3,389	40,172	39,040	1,133
b) Others	1	631	-630	–	11	-11
4. Rupee Debt Service	**–**	**123**	**-123**	**–**	**12**	**-12**
5. Other Capital	**14,823**	**51,914**	**-37,091**	**24,496**	**30,502**	**-6,006**
Total Capital Account (1 to 5)	**3,93,226**	**3,73,010**	**20,216**	**3,94,053**	**3,62,974**	**31,079**
C. ERRORS & OMISSIONS	**2,731**	**–**	**2,731**	**3,249**	**–**	**3,249**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,99,512**	**7,90,203**	**9,310**	**8,32,794**	**8,53,519**	**-20,725**
E. MONETARY MOVEMENTS (i+ii)	**–**	**9,310**	**-9,310**	**20,725**	**–**	**20,725**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	9,310	-9,310	20,725	–	20,725

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Oct-Dec 2008 PR			Jan-Mar 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	44	45	46	47	48	49
A. CURRENT ACCOUNT						
I. Merchandise	**192,300**	**358,331**	**-166,031**	**191,536**	**292,099**	**-100,563**
II. Invisibles (a+b+c)	**200,605**	**91,467**	**109,139**	**184,805**	**90,274**	**94,531**
a) Services	131,417	63,875	67,543	118,208	65,097	53,111
i) Travel	14,260	9,487	4,773	13,339	12,969	369
ii) Transportation	13,231	15,806	-2,575	14,514	12,441	2,072
iii) Insurance	1,678	1,305	373	1,730	1,639	91
iv) G.n.i.e.	471	1,134	-663	404	1,765	-1,361
v) Miscellaneous	101,777	36,142	65,635	88,221	36,282	51,939
of which						
Software Services	54,975	2,828	52,146	53,882	2,267	51,615
Business Services	20,408	17,397	3,011	19,163	22,978	-3,815
Financial Services	4,337	3,607	730	3,838	3,150	688
Communication Services	2,402	1,252	1,151	2,136	1,533	603
b) Transfers	53,624	4,123	49,502	49,677	2,084	47,594
i) Official	1,390	477	912	801	552	249
ii) Private	52,235	3,645	48,589	48,876	1,532	47,345
c) Income	15,564	23,469	-7,905	16,920	23,093	-6,174
i) Investment Income	14,628	21,820	-7,193	15,978	21,541	-5,563
ii) Compensation of Employees	936	1,649	-713	942	1,552	-610
Total Current Account (I+II)	**392,905**	**449,797**	**-56,892**	**376,341**	**382,373**	**-6,032**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**161,720**	**187,926**	**-26,207**	**134,752**	**132,299**	**2,453**
a) Foreign Direct Investment (i+ii)	32,021	29,846	2,174	41,882	26,028	15,853
i) In India	30,995	141	30,853	40,185	314	39,872
Equity	20,035	141	19,893	31,465	314	31,152
Reinvested Earnings	8,394	–	8,394	8,568	–	8,568
Other Capital	2,566	–	2,566	152	–	152
ii) Abroad	1,026	29,705	-28,679	1,697	25,715	-24,018
Equity	1,026	21,891	-20,865	1,697	21,935	-20,238
Reinvested Earnings	–	1,321	-1,321	–	1,349	-1,349
Other Capital	–	6,492	-6,492	–	2,431	-2,431
b) Portfolio Investment	129,699	158,080	-28,381	92,871	106,271	-13,400
i) In India	129,556	157,771	-28,215	92,483	105,365	-12,882
of which						
FIIs	129,520	157,773	-28,253	92,381	105,368	-12,986
GDRs/ADRs	34	–	34	100	–	100
ii) Abroad	143	309	-166	388	906	-518
2. Loans (a+b+c)	**77,022**	**74,348**	**2,674**	**70,200**	**74,282**	**-4,082**
a) External Assistance	8,068	3,233	4,835	6,883	3,017	3,866
i) By India	29	41	-12	29	41	-12
ii) To India	8,039	3,192	4,847	6,854	2,976	3,878
b) Commercial Borrowings	26,456	8,035	18,421	17,355	12,393	4,962
i) By India	3,230	721	2,509	1,988	1,524	464
ii) To India	23,226	7,314	15,912	15,367	10,869	4,498
c) Short Term To India	42,498	63,080	-20,583	45,962	58,872	-12,910
i) Suppliers' Credit >180 days & Buyers' Credit	42,498	50,504	-8,007	45,962	52,013	-6,051
ii) Suppliers' Credit up to 180 days	–	12,576	-12,576	–	6,859	-6,859
3. Banking Capital (a+b)	**72,314**	**96,483**	**-24,169**	**59,879**	**76,105**	**-16,226**
a) Commercial Banks	72,303	94,381	-22,078	59,326	76,105	-16,779
i) Assets	25,317	36,772	-11,456	12,831	27,364	-14,533
ii) Liabilities	46,986	57,609	-10,622	46,495	48,741	-2,246
of which: Non-Resident Deposits	46,532	41,453	5,079	46,445	35,615	10,829
b) Others	12	2,102	-2,091	553	–	553
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**336**	**-336**
5. Other Capital	**23,704**	**5,816**	**17,887**	**30,680**	**5,479**	**25,202**
Total Capital Account (1 to 5)	**334,759**	**364,574**	**-29,815**	**295,512**	**288,502**	**7,010**
C. ERRORS & OMISSIONS	**–**	**487**	**-487**	**515**	**–**	**515**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**727,665**	**814,858**	**-87,193**	**672,368**	**670,875**	**1,493**
E. MONETARY MOVEMENTS (i+ii)	**87,193**	**–**	**87,193**	**–**	**1,493**	**-1,493**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	87,193	–	87,193	–	1,493	-1,493

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	50	51	52	53	54	55
A. CURRENT ACCOUNT						
I. Merchandise	**1,84,958**	**3,16,171**	**-1,31,213**	**2,02,942**	**3,57,369**	**-1,54,427**
II. Invisibles (a+b+c)	**1,80,255**	**80,072**	**1,00,183**	**1,93,156**	**96,539**	**96,617**
a) Services	1,00,759	53,487	47,271	1,01,081	66,075	35,006
i) Travel	11,207	9,777	1,430	12,250	11,586	663
ii) Transportation	12,148	13,549	-1,400	12,424	10,754	1,670
iii) Insurance	1,888	1,532	356	1,859	1,651	208
iv) G.n.i.e.	488	503	-15	484	629	-145
v) Miscellaneous	75,027	28,127	46,901	74,064	41,455	32,609
of which						
Software Services	53,687	1,908	51,780	52,688	2,121	50,567
Business Services	12,617	18,891	-6,274	12,124	22,369	-10,245
Financial Services	5,445	4,528	917	3,544	5,495	-1,951
Communication Services	2,039	1,522	517	1,486	1,515	-29
b) Transfers	65,104	2,293	62,811	69,082	2,750	66,332
i) Official	224	537	-312	247	523	-276
ii) Private	64,879	1,756	63,123	68,835	2,227	66,608
c) Income	14,393	24,292	-9,899	22,993	27,714	-4,721
i) Investment Income	13,285	22,643	-9,358	22,001	25,986	-3,985
ii) Compensation of Employees	1,108	1,649	-542	993	1,729	-736
Total Current Account (I+II)	**3,65,213**	**3,96,243**	**-31,030**	**3,96,098**	**4,53,908**	**-57,810**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,36,079**	**1,66,043**	**70,036**	**2,70,290**	**1,91,825**	**78,465**
a) Foreign Direct Investment (i+ii)	47,633	17,935	29,698	55,511	23,899	31,612
i) In India	47,023	4,518	42,505	55,051	3,060	51,991
Equity	35,567	4,391	31,176	41,736	2,891	38,845
Reinvested Earnings	9,689	0	9,689	9,616	0	9,616
Other Capital	1,766	127	1,639	3,699	169	3,530
ii) Abroad	610	13,417	-12,807	460	20,839	-20,379
Equity	610	10,016	-9,406	460	12,656	-12,196
Reinvested Earnings	0	1,322	-1,322	0	1,312	-1,312
Other Capital	0	2,078	-2,078	0	6,870	-6,870
b) Portfolio Investment	1,88,447	1,48,108	40,339	2,14,780	1,67,926	46,854
i) In India	1,88,335	1,47,986	40,348	2,14,760	1,67,790	46,970
of which						
FIIs	1,88,127	1,47,987	40,140	2,01,867	1,67,790	34,076
GDRs/ADRs	210	–	210	12,898	–	12,898
ii) Abroad	112	122	-10	19	136	-116
2. Loans (a+b+c)	**63,045**	**71,944**	**-8,899**	**77,603**	**65,238**	**12,366**
a) External Assistance	4,006	3,537	468	5,989	3,573	2,416
i) By India	63	512	-449	63	508	-445
ii) To India	3,942	3,025	917	5,926	3,065	2,861
b) Commercial Borrowings	9,636	11,865	-2,230	15,610	9,756	5,854
i) By India	1,190	1,625	-434	997	1,041	-44
ii) To India	8,445	10,241	-1,795	14,612	8,715	5,897
c) Short Term To India	49,404	56,541	-7,138	56,004	51,908	4,096
i) Suppliers' Credit >180 days & Buyers' Credit	49,404	46,788	2,615	53,230	51,908	1,322
ii) Suppliers' Credit up to 180 days	–	9,753	-9,753	2,774	–	2,774
3. Banking Capital (a+b)	**75,998**	**92,421**	**-16,422**	**80,097**	**58,687**	**21,410**
a) Commercial Banks	75,998	91,255	-15,256	80,097	58,048	22,049
i) Assets	21,311	33,889	-12,578	29,685	8,376	21,308
ii) Liabilities	54,687	57,366	-2,679	50,412	49,671	741
of which: Non-Resident Deposits	54,507	45,637	8,870	50,073	45,004	5,069
b) Others	–	**1,166**	**-1,166**	–	**639**	**-639**
4. Rupee Debt Service	–	**112**	**-112**	–	**5**	**-5**
5. Other Capital	**4,952**	**20,696**	**-15,744**	**44,931**	**47,914**	**-2,983**
Total Capital Account (1 to 5)	**3,80,075**	**3,51,216**	**28,859**	**4,72,922**	**3,63,668**	**1,09,254**
C. ERRORS & OMISSIONS	**2,732**	–	**2,732**	–	**5,844**	**-5,844**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,48,020**	**7,47,459**	**561**	**8,69,020**	**8,23,420**	**45,600**
E. MONETARY MOVEMENTS (i+ii)	–	**561**	**-561**	–	**45,600**	**-45,600**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	561	-561	–	45,600	-45,600
of which: SDR Allocation	–	–	–	–	24983	-24,983

No. 40: India's Overall Balance of Payments *(Contd.)*

(Rs. crore)

Items	Oct-Dec 2009 P			Oct-Dec 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	56	57	58	59	60	61
A. CURRENT ACCOUNT						
I. Merchandise	**2,08,234**	**3,51,538**	**-1,43,303**	**1,92,300**	**3,58,331**	**-1,66,031**
II. Invisibles (a+b+c)	**1,85,992**	**98,796**	**87,196**	**2,00,605**	**91,467**	**1,09,139**
a) Services	1,10,264	74,431	35,833	1,31,417	63,875	67,543
i) Travel	14,449	10,498	3,950	14,260	9,487	4,773
ii) Transportation	13,950	15,699	-1,749	13,231	15,806	-2,575
iii) Insurance	1,903	1,422	480	1,678	1,305	373
iv) G.n.i.e.	578	602	-23	471	1,134	-663
v) Miscellaneous	79,384	46,210	33,174	1,01,777	36,142	65,635
of which						
Software Services	60,622	1,553	59,068	54,975	2,828	52,146
Business Services	12,765	21,300	-8,535	20,408	17,397	3,011
Financial Services	3,661	5,391	-1,730	4,337	3,607	730
Communication Services	1,208	1,777	-569	2,402	1,252	1,151
b) Transfers	63,448	2,976	60,472	53,624	4,123	49,502
i) Official	1,441	527	914	1,390	477	912
ii) Private	62,007	2,449	59,558	52,235	3,645	48,589
c) Income	12,280	21,389	-9,109	15,564	23,469	-7,905
i) Investment Income	11,109	19,085	-7,975	14,628	21,820	-7,193
ii) Compensation of Employees	1,171	2,304	-1,133	936	1,649	-713
Total Current Account (I+II)	**3,94,226**	**4,50,333**	**-56,107**	**3,92,905**	**4,49,797**	**-56,892**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,07,675**	**1,63,027**	**44,648**	**1,61,720**	**1,87,926**	**-26,207**
a) Foreign Direct Investment (i+ii)	40,935	22,662	18,273	32,021	29,846	2,174
i) In India	40,030	6,851	33,179	30,995	141	30,853
Equity	27,895	5,751	22,144	20,035	141	19,893
Reinvested Earnings	9,263	0	9,263	8,394	–	8,394
Other Capital	2,873	1,101	1,772	2,566	–	2,566
ii) Abroad	905	15,811	-14,906	1,026	29,705	-28,679
Equity	905	11,566	-10,662	1,026	21,891	-20,865
Reinvested Earnings	0	1,264	-1,264	–	1,321	-1,321
Other Capital	0	2,980	-2,980	–	6,492	-6,492
b) Portfolio Investment	1,66,739	1,40,365	26,374	1,29,699	1,58,080	-28,381
i) In India	1,66,688	1,40,109	26,580	1,29,556	1,57,771	-28,215
of which						
FIIs	1,64,613	1,40,109	24,504	1,29,520	1,57,773	-28,253
GDRs/ADRs	2,075	–	2,075	34	–	34
ii) Abroad	51	257	-205	143	309	-166
2. Loans (a+b+c)	**92,066**	**66,708**	**25,358**	**77,022**	**74,348**	**2,674**
a) External Assistance	6,198	3,321	2,878	8,068	3,233	4,835
i) By India	61	490	-429	29	41	-12
ii) To India	6,138	2,831	3,307	8,039	3,192	4,847
b) Commercial Borrowings	20,405	13,232	7,173	26,456	8,035	18,421
i) By India	1,059	2,658	-1,600	3,230	721	2,509
ii) To India	19,346	10,573	8,773	23,226	7,314	15,912
c) Short Term To India	65,463	50,156	15,307	42,498	63,080	-20,583
i) Suppliers' Credit >180 days & Buyers' Credit	56,223	50,156	6,068	42,498	50,504	-8,007
ii) Suppliers' Credit up to 180 days	9,239	–	9,239	–	12,576	-12,576
3. Banking Capital (a+b)	**57,795**	**48,784**	**9,011**	**72,314**	**96,483**	**-24,169**
a) Commercial Banks	55,025	48,430	6,595	72,303	94,381	-22,078
i) Assets	6,268	700	5,569	25,317	36,772	-11,456
ii) Liabilities	48,757	47,730	1,026	46,986	57,609	-10,622
of which: Non-Resident Deposits	47,465	44,624	2,840	46,532	41,453	5,079
b) Others	**2,770**	**354**	**2,416**	12	2,102	-2,091
4. Rupee Debt Service	–	–	–	–	–	–
5. Other Capital	22,494	**32,825**	**-10,331**	**23,704**	**5,816**	**17,887**
Total Capital Account (1 to 5)	**3,80,029**	**3,11,344**	**68,685**	**3,34,759**	**3,64,574**	**-29,815**
C. ERRORS & OMISSIONS	–	**4,336**	**-4,336**	–	**487**	**-487**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,74,256**	**7,66,013**	**8,243**	**7,27,665**	**8,14,858**	**-87,193**
E. MONETARY MOVEMENTS (i+ii)	**–**	**8,243**	**-8,243**	**87,193**	**–**	**87,193**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	8243	-8243	87,193	–	87,193
of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Concld.)*

(Rs. crore)

Items	Apr-Dec 2008			Apr-Dec 2009		
	Credit	Debit	Net	Credit	Debit	Net
1	62	63	64	65	66	67
A. CURRENT ACCOUNT						
I. Merchandise	**6,66,424**	**11,09,018**	**-4,42,595**	**5,96,134**	**10,25,077**	**-4,28,943**
II. Invisibles (a+b+c)	**5,65,528**	**2,48,516**	**3,17,013**	**5,59,404**	**2,75,407**	**2,83,996**
a) Services	3,49,707	1,74,509	1,75,198	3,12,104	1,93,994	1,18,110
i) Travel	36,887	30,367	6,520	37,905	31,862	6,043
ii) Transportation	37,439	46,090	-8,651	38,522	40,001	-1,479
iii) Insurance	4,788	3,591	1,196	5,650	4,605	1,045
iv) G.n.i.e.	1,367	2,012	-646	1,550	1,734	-183
v) Miscellaneous	2,69,226	92,449	1,76,777	2,28,476	1,15,792	1,12,684
of which						
Software Services	1,58,360	10,435	1,47,925	1,66,997	5,581	1,61,415
Business Services	56,469	48,459	8,010	37,506	62,560	-25,054
Financial Services	14,222	10,418	3,804	12,650	15,414	-2,764
Communication Services	7,767	3,493	4,274	4,734	4,815	-81
b) Transfers	1,67,229	10,485	1,56,744	1,97,634	8,019	1,89,615
i) Official	2,228	1,348	880	1,913	1,587	326
ii) Private	1,65,001	9,136	1,55,865	1,95,721	6,432	1,89,289
c) Income	48,593	63,522	-14,929	49,666	73,395	-23,729
i) Investment Income	45,744	59,056	-13,312	46,395	67,713	-21,318
ii) Compensation of Employees	2,848	4,466	-1,618	3,271	5,682	-2,411
Total Current Account (I+II)	**12,31,952**	**13,57,534**	**-1,25,582**	**11,55,538**	**13,00,485**	**-1,44,947**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**6,08,760**	**5,99,427**	**9,333**	**7,14,044**	**5,20,895**	**1,93,149**
a) Foreign Direct Investment (i+ii)	1,22,605	61,627	60,978	1,44,078	64,496	79,583
i) In India	1,19,216	460	1,18,756	1,42,104	14,429	1,27,674
Equity	94,663	460	94,203	1,05,198	13,032	92,166
Reinvested Earnings	21,145	–	21,145	28,568	–	28,568
Other Capital	3,408	–	3,408	8,338	1,397	6,941
ii) Abroad	3,390	61,167	-57,778	1,975	50,066	-48,092
Equity	3,390	46,666	-43,276	1,975	34,239	-32,265
Reinvested Earnings	–	3,637	-3,637	–	3,898	-3,898
Other Capital	–	10,865	-10,865	–	11,929	-11,929
b) Portfolio Investment	4,86,155	5,37,800	-51,645	5,69,966	4,56,399	1,13,567
i) In India	4,85,863	5,37,178	-51,314	5,69,783	4,55,885	1,13,898
of which						
FIIs	4,81,070	5,37,179	-56,110	5,54,606	4,55,886	98,720
GDRs/ADRs	4,791	–	4,791	15,184	–	15,184
ii) Abroad	292	622	-331	183	514	-331
2. Loans (a+b+c)	**2,14,726**	**1,74,255**	**40,471**	**2,32,714**	**2,03,889**	**28,824**
a) External Assistance	16,649	8,085	8,564	16,193	10,431	5,762
i) By India	79	112	-33	187	1,510	-1,323
ii) To India	16,570	7,973	8,597	16,006	8,921	7,085
b) Commercial Borrowings	53,592	21,623	31,969	45,650	34,853	10,797
i) By India	7,237	2,120	5,117	3,247	5,324	-2,078
ii) To India	46,355	19,503	26,852	42,404	29,529	12,875
c) Short Term To India	1,44,486	1,44,548	-62	1,70,871	1,58,605	12,265
i) Suppliers' Credit >180 days & Buyers' Credit	1,31,881	1,25,663	6,218	1,58,857	1,48,852	10,005
ii) Suppliers' Credit up to 180 days	12,605	18,885	-6,280	12,014	9,753	2,261
3. Banking Capital (a+b)	**2,35,529**	**2,38,508**	**-2,979**	**2,13,890**	**1,99,892**	**13,999**
a) Commercial Banks	2,35,516	2,35,764	-248	2,11,120	1,97,732	13,388
i) Assets	1,01,921	1,03,212	-1,290	57,264	42,964	14,299
ii) Liabilities	1,33,595	1,32,552	1,043	1,53,856	1,54,768	-912
of which: Non-Resident Deposits	1,24,603	1,15,002	9,601	1,52,045	1,35,265	16,779
b) Others	13	2,744	-2,732	2,770	2,160	611
4. Rupee Debt Service	**–**	**135**	**-135**	**–**	**117**	**-117**
5. Other Capital	**63,024**	**88,233**	**-25,209**	**72,377**	**1,01,435**	**-29,057**
Total Capital Account (1 to 5)	**11,22,039**	**11,00,558**	**21,480**	**12,33,026**	**10,26,228**	**2,06,798**
C. ERRORS & OMISSIONS	**5,493**	**–**	**5,493**	**–**	**7,447**	**-7,447**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**23,59,484**	**24,58,092**	**-98,609**	**23,88,563**	**23,34,159**	**54,404**
E. MONETARY MOVEMENTS (i+ii)	**98,608**	**–**	**98,608**	**–**	**54,404**	**-54,404**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	98,608	–	98,608	–	54,404	-54,404
of which: SDR Allocation				–	24,983	-24,983

No. 41: India's Overall Balance of Payments

(US $ million)

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

P : Preliminary. PR : Partially Revised.

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

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

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	Apr-Jun 2006			Jul-Sep 2006		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. CURRENT ACCOUNT						
I. Merchandise	**29,663**	**46,613**	**-16,950**	**32,701**	**48,717**	**-16,016**
II. Invisibles (a+b+c)	**24,934**	**12,421**	**12,513**	**24,866**	**14,597**	**10,269**
a) Services	16,042	8,475	7,567	16,416	9,966	6,450
i) Travel	1,708	1,488	220	1,796	1,811	-15
ii) Transportation	1,715	1,997	-282	1,973	1,978	-5
iii) Insurance	238	129	109	315	154	161
iv) G.n.i.e.	40	79	-39	61	122	-61
v) Miscellaneous	12,341	4,782	7,559	12,271	5,901	6,370
of which						
Software Services	7,039	415	6,624	7,121	405	6,716
Business Services	3,386	2,646	740	3,436	3,300	136
Financial Services	509	318	191	716	703	13
Communication Services	475	108	367	569	180	389
b) Transfers	7,170	289	6,881	6,218	361	5,857
i) Official	69	82	-13	119	100	19
ii) Private	7,101	207	6,894	6,099	261	5,838
c) Income	1,722	3,657	-1,935	2,232	4,270	-2,038
i) Investment Income	1,659	3,461	-1,802	2,160	4,042	-1,882
ii) Compensation of Employees	63	196	-133	72	228	-156
Total Current Account (I+II)	**54,597**	**59,034**	**-4,437**	**57,567**	**63,314**	**-5,747**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**34,299**	**33,067**	**1,232**	**22,485**	**18,219**	**4,266**
a) Foreign Direct Investment (i+ii)	3,477	1,739	1,738	4,545	2,429	2,116
i) In India	3,413	8	3,405	4,400	2	4,398
Equity	1,946	8	1,938	2,886	2	2,884
Reinvested Earnings	1,457	–	1,457	1,457	–	1,457
Other Capital	10	–	10	57	–	57
ii) Abroad	64	1,731	-1,667	145	2,427	-2,282
Equity	64	1,189	-1,125	145	1,868	-1,723
Reinvested Earnings	–	269	-269	–	269	-269
Other Capital	–	273	-273	–	290	-290
b) Portfolio Investment	30,822	31,328	-506	17,940	15,790	2,150
i) In India	30,801	31,327	-526	17,929	15,789	2,140
of which						
FIIs	29,540	31,327	-1,787	17,469	15,789	1,680
GDRs/ADRs	1,261	–	1261	460	–	460
ii) Abroad	21	1	20	11	1	10
2. Loans (a+b+c)	**11,499**	**6,288**	**5,211**	**11,228**	**6,446**	**4,782**
a) External Assistance	577	526	51	788	449	339
i) By India	5	8	-3	5	8	-3
ii) To India	572	518	54	783	441	342
b) Commercial Borrowings	5,051	1,073	3,978	2,680	920	1,760
i) By India	87	223	-136	114	170	-56
ii) To India	4,964	850	4,114	2,566	750	1,816
c) Short Term To India	5,871	4,689	1,182	7,760	5,077	2,683
i) Suppliers' Credit >180 days & Buyers' Credit	5,082	4,689	393	6,579	5,077	1,502
ii) Suppliers' Credit up to 180 days	789	–	789	1,181	–	1,181
3. Banking Capital (a+b)	**9,909**	**4,848**	**5,061**	**5,754**	**7,472**	**-1,718**
a) Commercial Banks	9,837	4,848	4,989	5,754	7,428	-1,674
i) Assets	5,257	1,877	3,380	1,568	3,553	-1,985
ii) Liabilities	4,580	2,971	1,609	4,186	3,875	311
of which: Non-Resident Deposits	4,246	2,944	1,302	4,185	3,277	908
b) Others	72	–	72	–	44	-44
4. Rupee Debt Service	**–**	**67**	**-67**	**–**	**–**	**–**
5. Other Capital	**342**	**1,054**	**-712**	**1,084**	**554**	**530**
Total Capital Account (1 to 5)	**56,049**	**45,324**	**10,725**	**40,551**	**32,691**	**7,860**
C. ERRORS & OMISSIONS	**91**	**–**	**91**	**157**	**–**	**157**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**110,737**	**104,358**	**6,379**	**98,275**	**96,005**	**2,270**
E. MONETARY MOVEMENTS (i+ii)	**–**	**6,379**	**-6,379**	**–**	**2,270**	**-2,270**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase – / Decrease +)	–	6,379	-6,379	–	2,270	-2,270

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	Oct-Dec 2006			Jan-Mar 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	20	21	22	23	24	25
A. CURRENT ACCOUNT						
I. Merchandise	**30,824**	**47,257**	**-16,433**	**35,700**	**48,083**	**-12,383**
II. Invisibles (a+b+c)	**29,704**	**16,875**	**12,829**	**35,054**	**18,448**	**16,606**
a) Services	18,451	12,371	6,080	22,871	13,499	9,372
i) Travel	2,621	1,638	983	2,998	1,747	1,251
ii) Transportation	2,092	2,102	-10	2,194	1,991	203
iii) Insurance	288	201	87	354	158	196
iv) G.n.i.e.	87	97	-10	65	105	-40
v) Miscellaneous	13,363	8,333	5,030	17,260	9,498	7,762
of which						
Software Services	7,602	684	6,918	9,538	763	8,775
Business Services	3,690	4,267	-577	4,032	5,653	-1,621
Financial Services	828	647	181	1,053	1,323	-270
Communication Services	597	239	358	621	269	352
b) Transfers	8,961	333	8,628	9,121	408	8,713
i) Official	287	89	198	160	110	50
ii) Private	8,674	244	8,430	8,961	298	8,663
c) Income	2,292	4,171	-1,879	3,062	4,541	-1,479
i) Investment Income	2,193	3,936	-1,743	2,914	4,249	-1,335
ii) Compensation of Employees	99	235	-136	148	292	-144
Total Current Account (I+II)	**60,528**	**64,132**	**-3,604**	**70,754**	**66,531**	**4,223**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**38,646**	**32,179**	**6,467**	**37,780**	**34,992**	**2,788**
a) Foreign Direct Investment (i+ii)	10,008	7,110	2,898	5,560	4,619	941
i) In India	9,855	7	9,848	5,158	70	5,088
Equity	8,203	7	8,196	3,446	70	3,376
Reinvested Earnings	1,457	–	1,457	1,457	–	1,457
Other Capital	195	–	195	255	–	255
ii) Abroad	153	7,103	-6,950	402	4,549	-4,147
Equity	153	6,454	-6,301	402	3,857	-3,455
Reinvested Earnings	–	269	-269	–	269	-269
Other Capital	–	380	-380	–	423	-423
b) Portfolio Investment	28,638	25,069	3,569	32,220	30,373	1,847
i) In India	28,625	25,063	3,562	32,179	30,351	1,828
of which						
FIIs	28418	25063	3355	30329	30351	-22
GDRs/ADRs	207	–	207	1848	–	1848
ii) Abroad	13	6	7	41	22	19
2. Loans (a+b+c)	**14,731**	**8,250**	**6,481**	**17,184**	**9,168**	**8,016**
a) External Assistance	1,113	494	619	1,289	523	766
i) By India	5	8	-3	5	8	-3
ii) To India	1,108	486	622	1,284	515	769
b) Commercial Borrowings	5,418	1,369	4,049	7,734	1,418	6,316
i) By India	425	345	80	–	228	-228
ii) To India	4,993	1,024	3,969	7,734	1,190	6,544
c) Short Term To India	8,200	6,387	1,813	8,161	7,227	934
i) Suppliers' Credit >180 days & Buyers' Credit	5,660	6,387	-727	8,161	6,022	2,139
ii) Suppliers' Credit up to 180 days	2,540	–	2,540	–	1,205	-1,205
3. Banking Capital (a+b)	**7,160**	**10,273**	**-3,113**	**14,386**	**12,703**	**1,683**
a) Commercial Banks	6,944	10,239	-3,295	14,264	12,703	1,561
i) Assets	556	4,530	-3,974	7,085	8,000	-915
ii) Liabilities	6,388	5,709	679	7,179	4,703	2,476
of which: Non-Resident Deposits	6,325	4,862	1,463	5,158	4,510	648
b) Others	216	34	182	122	–	122
4. Rupee Debt Service	**–**	**2**	**-2**	**–**	**93**	**-93**
5. Other Capital	**1,976**	**994**	**982**	**4,828**	**1,419**	**3,409**
Total Capital Account (1 to 5)	**62,513**	**51,698**	**10,815**	**74,178**	**58,375**	**15,803**
C. ERRORS & OMISSIONS	**294**	**–**	**294**	**426**	**–**	**426**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**123,335**	**115,830**	**7,505**	**145,358**	**124,906**	**20,452**
E. MONETARY MOVEMENTS (i+ii)	**–**	**7,505**	**-7,505**	**–**	**20,452**	**-20,452**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	7,505	-7,505	–	20,452	-20,452

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	Apr-Jun 2007			Jul-Sep 2007		
	Credit	Debit	Net	Credit	Debit	Net
1	26	27	28	29	30	31
A. CURRENT ACCOUNT						
I. Merchandise	**36,601**	**56,348**	**-19,747**	**38,429**	**59,904**	**-21,475**
II. Invisibles (a+b+c)	**29,921**	**14,706**	**15,215**	**34,442**	**17,224**	**17,218**
a) Services	18,931	9,926	9,006	21,016	11,598	9,418
i) Travel	2,088	1,906	182	2,248	2,047	201
ii) Transportation	1,953	2,526	-573	2,091	2,559	-468
iii) Insurance	373	185	188	341	284	57
iv) G.n.i.e.	94	110	-16	68	128	-60
v) Miscellaneous	14,424	5,199	9,225	16,267	6,580	9,687
of which						
Software Services	8,836	679	8,157	9,050	801	8,248
Business Services	3,758	3,222	536	3,894	3,537	357
Financial Services	528	449	79	916	702	215
Communication Services	513	231	282	613	180	433
b) Transfers	8,628	432	8,196	9,708	408	9,300
i) Official	153	165	-11	158	112	46
ii) Private	8,475	267	8,208	9,550	296	9,254
c) Income	2,362	4,349	-1,987	3,718	5,218	-1,500
i) Investment Income	2,279	4,151	-1,871	3,608	4,920	-1,312
ii) Compensation of Employees	83	198	-116	110	298	-188
Total Current Account (I+II)	**66,523**	**71,054**	**-4,532**	**72,871**	**77,128**	**-4,257**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**43,173**	**32,757**	**10,416**	**54,343**	**41,177**	**13,166**
a) Foreign Direct Investment (i+ii)	8,409	5,535	2,874	5,640	3,374	2,266
i) In India	7,616	20	7,595	4,865	19	4,847
Equity	5,574	20	5,553	2,822	19	2,803
Reinvested Earnings	1,920	–	1,920	1,920	–	1,920
Other Capital	122	–	122	124	–	124
ii) Abroad	793	5,514	-4,721	774	3,355	-2,581
Equity	793	4,758	-3,965	774	2,515	-1,741
Reinvested Earnings	0	271	-271	–	271	-271
Other Capital	0	485	-485	–	569	-569
b) Portfolio Investment	34,764	27,222	7,542	48,704	37,803	10,900
i) In India	34,706	27,216	7,490	48,698	37,781	10,918
of which						
FIIs	34,305	27,216	7,089	46,199	37,781	8,418
GDRs/ADRs	316	–	316	2,477	–	2,477
ii) Abroad	58	6	52	5	23	-17
2. Loans (a+b+c)	**16,740**	**7,593**	**9,147**	**20,008**	**10,428**	**9,580**
a) External Assistance	731	491	241	983	515	468
i) By India	6	7	-1	6	7	-1
ii) To India	726	484	242	977	508	469
b) Commercial Borrowings	8,282	1,338	6,944	6,288	2,071	4,217
i) By India	359	345	14	443	503	-60
ii) To India	7,923	993	6,930	5,845	1,568	4,277
c) Short Term To India	7,726	5,764	1,962	12,737	7,842	4,895
i) Suppliers' Credit >180 days & Buyers' Credit	6,883	5,764	1,119	11,012	7,842	3,170
ii) Suppliers' Credit up to 180 days	843	–	843	1,725	–	1,725
3. Banking Capital (a+b)	**8,561**	**9,479**	**-918**	**13,714**	**7,070**	**6,643**
a) Commercial Banks	8,561	9,473	-913	13,690	7,000	6,690
i) Assets	2,543	2,861	-318	4,404	358	4,046
ii) Liabilities	6,017	6,612	-595	9,286	6,642	2,645
of which: Non-Resident Deposits	5,252	5,699	-447	6,975	6,606	369
b) Others	–	6	-6	24	71	-47
4. Rupee Debt Service	**–**	**43**	**-43**	**–**	**2**	**-2**
5. Other Capital	**2,822**	**5,726**	**-2,904**	**9,025**	**5,188**	**3,837**
Total Capital Account (1 to 5)	**71,296**	**55,598**	**15,698**	**97,090**	**63,866**	**33,224**
C. ERRORS & OMISSIONS	**34**	**–**	**34**	**269**	**–**	**269**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**137,852**	**126,652**	**11,200**	**170,230**	**140,994**	**29,236**
E. MONETARY MOVEMENTS (i+ii)	**–**	**11,200**	**-11,200**	**–**	**29,236**	**-29,236**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	11,200	-11,200	–	29,236	-29,236

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

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

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

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

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

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

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	50	51	52	53	54	55
A. CURRENT ACCOUNT						
I. Merchandise	**37,910**	**64,804**	**-26,894**	**41,915**	**73,810**	**-31,895**
II. Invisibles (a+b+c)	**36,946**	**16,412**	**20,534**	**39,894**	**19,939**	**19,955**
a) Services	20,652	10,963	9,689	20,877	13,647	7,230
i) Travel	2,297	2,004	293	2,530	2,393	137
ii) Transportation	2,490	2,777	-287	2,566	2,221	345
iii) Insurance	387	314	73	384	341	43
iv) G.n.i.e.	100	103	-3	100	130	-30
v) Miscellaneous	15,378	5,765	9,613	15,297	8,562	6,735
of which						
Software Services	11,004	391	10,613	10,882	438	10,444
Business Services	2,586	3,872	-1,286	2,504	4,620	-2,116
Financial Services	1,116	928	188	732	1,135	-403
Communication Services	418	312	106	307	313	-6
b) Transfers	13,344	470	12,874	14,268	568	13,700
i) Official	46	110	-64	51	108	-57
ii) Private	13,298	360	12,938	14,217	460	13,757
c) Income	2,950	4,979	-2,029	4,749	5,724	-975
i) Investment Income	2,723	4,641	-1,918	4,544	5,367	-823
ii) Compensation of Employees	227	338	-111	205	357	-152
Total Current Account (I+II)	**74,856**	**81,216**	**-6,360**	**81,809**	**93,749**	**-11,940**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**48,388**	**34,033**	**14,355**	**55,825**	**39,619**	**16,206**
a) Foreign Direct Investment (i+ii)	9,763	3,676	6,087	11,465	4,936	6,529
i) In India	9,638	926	8,712	11,370	632	10,738
Equity	7,290	900	6,390	8,620	597	8,023
Reinvested Earnings	1,986	0	1,986	1,986	0	1,986
Other Capital	362	26	336	764	35	729
ii) Abroad	125	2,750	-2,625	95	4,304	-4,209
Equity	125	2,053	-1,928	95	2,614	-2,519
Reinvested Earnings	0	271	-271	0	271	-271
Other Capital	0	426	-426	0	1,419	-1,419
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
of which						
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
2. Loans (a+b+c)	**12,922**	**14,746**	**-1,824**	**16,028**	**13,474**	**2,554**
a) External Assistance	821	725	96	1,237	738	499
i) By India	13	105	-92	13	105	-92
ii) To India	808	620	188	1,224	633	591
b) Commercial Borrowings	1,975	2,432	-457	3,224	2,015	1,209
i) By India	244	333	-89	206	215	-9
ii) To India	1,731	2,099	-368	3,018	1,800	1,218
c) Short Term To India	10,126	11,589	-1,463	11,567	10,721	846
i) Suppliers' Credit >180 days & Buyers' Credit	10,126	9,590	536	10,994	10,721	273
ii) Suppliers' Credit up to 180 days	–	1,999	-1,999	573	–	573
3. Banking Capital (a+b)	**15,577**	**18,943**	**-3,366**	**16,543**	**12,121**	**4,422**
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
of which: Non-Resident Deposits	11,172	9,354	1,818	10,342	9,295	1,047
b) Others	–	239	-239	0	132	-132
4. Rupee Debt Service	**–**	**23**	**-23**	–	**1**	**-1**
5. Other Capital	**1,015**	**4,242**	**-3,227**	**9,280**	**9,896**	**-616**
Total Capital Account (1 to 5)	**77,902**	**71,987**	**5,915**	**97,676**	**75,111**	**22,565**
C. ERRORS & OMISSIONS	**560**	**–**	**560**	**–**	**1,207**	**-1,207**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**153,318**	**153,203**	**115**	**179,485**	**170,067**	**9,418**
E. MONETARY MOVEMENTS (i+ii)	**–**	**115**	**-115**	–	**9,418**	**-9,418**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	115	-115	–	9,418	-9,418
of which: SDR Allocation	–	–	–	–	5,160	-5,160

No. 41: India's Overall Balance of Payments *(Contd.)*

(US $ million)

Items	Oct-Dec 2009 P			Oct-Dec 2008 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	56	57	58	59	60	61
A. CURRENT ACCOUNT						
I. Merchandise	**44,648**	**75,374**	**-30,726**	**39,436**	**73,484**	**-34,049**
II. Invisibles (a+b+c)	**39,879**	**21,183**	**18,696**	**41,139**	**18,757**	**22,381**
a) Services	23,642	15,959	7,683	26,950	13,099	13,851
i) Travel	3,098	2,251	847	2,924	1,946	979
ii) Transportation	2,991	3,366	-375	2,713	3,241	-528
iii) Insurance	408	305	103	344	268	77
iv) G.n.i.e.	124	129	-5	97	233	-136
v) Miscellaneous	17,021	9,908	7,113	20,872	7,412	13,460
of which						
Software Services	12,998	333	12,665	11,274	580	10,694
Business Services	2,737	4,567	-1,830	4,185	3,568	618
Financial Services	785	1,156	-371	889	740	150
Communication Services	259	381	-122	493	257	236
b) Transfers	13,604	638	12,966	10,997	845	10,151
i) Official	309	113	196	285	98	187
ii) Private	13,295	525	12,770	10,712	748	9,964
c) Income	2,633	4,586	-1,953	3,192	4,813	-1,621
i) Investment Income	2,382	4,092	-1,710	3,000	4,475	-1,475
ii) Compensation of Employees	251	494	-243	192	338	-146
Total Current Account (I+II)	**84,527**	**96,557**	**-12,030**	**80,574**	**92,241**	**-11,668**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**44,528**	**34,955**	**9,573**	**33,164**	**38,539**	**-5,374**
a) Foreign Direct Investment (i+ii)	8,777	4,859	3,918	6,567	6,121	446
i) In India	8,583	1,469	7,114	6,356	29	6,327
Equity	5,981	1,233	4,748	4,109	29	4,080
Reinvested Earnings	1,986	0	1,986	1,721	–	1,721
Other Capital	616	236	380	526	–	526
ii) Abroad	194	3,390	-3,196	210	6,092	-5,881
Equity	194	2,480	-2,286	210	4,489	-4,279
Reinvested Earnings	0	271	-271	–	271	-271
Other Capital	0	639	-639	–	1,331	-1,331
b) Portfolio Investment	35,751	30,096	5,655	26,598	32,418	-5,820
i) In India	35,740	30,041	5,699	26,568	32,355	-5,786
of which						
FIIs	35,295	30,041	5,254	26,561	32,355	-5,794
GDRs/ADRs	445	–	445	7	–	7
ii) Abroad	11	55	-44	29	63	-34
2. Loans (a+b+c)	**19,740**	**14,303**	**5,437**	**15,795**	**15,247**	**548**
a) External Assistance	1,329	712	617	1,654	663	992
i) By India	13	105	-92	6	8	-2
ii) To India	1,316	607	709	1,649	655	994
b) Commercial Borrowings	4,375	2,837	1,538	5,426	1,648	3,778
i) By India	227	570	-343	662	148	514
ii) To India	4,148	2,267	1,881	4,763	1,500	3,263
c) Short Term To India	14,036	10,754	3,282	8,715	12,936	-4,221
i) Suppliers' Credit >180 days & Buyers' Credit	12,055	10,754	1,301	8,715	10,357	-1,642
ii) Suppliers' Credit up to 180 days	1,981	–	1,981	–	2,579	-2,579
3. Banking Capital (a+b)	**12,392**	**10,460**	**1,932**	**14,830**	**19,786**	**-4,956**
a) Commercial Banks	11,798	10,384	1,414	14,827	19,355	-4,528
i) Assets	1,344	150	1,194	5,192	7,541	-2,349
ii) Liabilities	10,454	10,234	220	9,636	11,814	-2,178
of which: Non-Resident Deposits	10,177	9,568	609	9,543	8,501	1,042
b) Others	594	76	518	2	431	-429
4. Rupee Debt Service	–	–	–	–	–	–
5. Other Capital	**4,823**	**7,038**	**-2,215**	**4,861**	**1,193**	**3,668**
Total Capital Account (1 to 5)	**81,483**	**66,756**	**14,727**	**68,650**	**74,764**	**-6,114**
C. ERRORS & OMISSIONS	**–**	**930**	**-930**	–	**100**	**-100**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**166,010**	**164,243**	**1,767**	**149,224**	**167,105**	**-17,881**
E. MONETARY MOVEMENTS (i+ii)	**–**	**1767**	**-1767**	**17,881**	–	**17,881**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	1767	-1767	17,881	–	17,881
of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Concld.)*

(US $ million)

Items	April-December 2008 PR			April-December 2009 P		
	Credit	Debit	Net	Credit	Debit	Net
1	62	63	64	65	67	67
A. CURRENT ACCOUNT						
I. Merchandise	**150,520**	**248,967**	**-98,446**	**124,473**	**213,988**	**-89,515**
II. Invisibles (a+b+c)	**126,406**	**55,475**	**70,931**	**116,719**	**57,534**	**59,185**
a) Services	77,929	38,969	38,961	65,171	40,569	24,602
i) Travel	8,214	6,820	1,394	7,925	6,648	1,277
ii) Transportation	8,370	10,320	-1,950	8,047	8,364	-317
iii) Insurance	1,071	801	271	1,179	960	219
iv) G.n.i.e.	308	439	-131	324	362	-38
v) Miscellaneous	59,967	20,589	39,377	47,696	24,235	23,461
of which						
Software Services	35,475	2,358	33,116	34,884	1,162	33,722
Business Services	12,595	10,819	1,776	7,827	13,059	-5,232
Financial Services	3,177	2,326	852	2,633	3,219	-586
Communication Services	1,743	780	963	984	1,006	-22
b) Transfers	37,567	2,330	35,236	41,216	1,676	39,540
i) Official	484	302	182	406	331	75
ii) Private	37,083	2,028	35,055	40,810	1,345	39,465
c) Income	10,909	14,176	-3,267	10,332	15,289	-4,957
i) Investment Income	10,273	13,179	-2,906	9,649	14,100	-4,451
ii) Compensation of Employees	636	998	-361	683	1,189	-506
Total Current Account (I+II)	**276,926**	**304,442**	**-27,516**	**241,192**	**271,522**	**-30,330**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**137,842**	**134,868**	**2,974**	**148,741**	**108,607**	**40,134**
a) Foreign Direct Investment (i+ii)	27,846	13,534	14,313	30,005	13,471	16,534
i) In India	27,085	103	26,982	29,591	3,027	26,564
Equity	21,652	103	21,549	21,891	2,730	19,161
Reinvested Earnings	4,706	–	4,706	5,958	0	5,958
Other Capital	727	–	727	1,742	297	1,445
ii) Abroad	762	13,431	-12,669	414	10,444	-10,030
Equity	762	10,262	-9,500	414	7,147	-6,733
Reinvested Earnings	–	813	-813	–	813	-813
Other Capital	–	2,356	-2,356	–	2,484	-2,484
b) Portfolio Investment	109,996	121,334	-11,338	118,736	95,136	23,600
i) In India	109,932	121,197	-11,265	118,698	95,028	23,670
of which						
FIIs	108,789	121,197	-12,408	115,547	95,028	20,519
GDRs/ADRs	1,142	–	1,142	3,152	–	3,152
ii) Abroad	64	137	-73	38	108	-70
2. Loans (a+b+c)	**48,023**	**38,534**	**9,489**	**48,690**	**42,523**	**6,167**
a) External Assistance	3,659	1,798	1,860	3,387	2,175	1,212
i) By India	18	25	-7	39	315	-276
ii) To India	3,641	1,773	1,868	3,348	1,860	1,488
b) Commercial Borrowings	11,758	4,814	6,944	9,574	7,284	2,290
i) By India	1,597	477	1,121	677	1,118	-441
ii) To India	10,160	4,337	5,823	8,897	6,166	2,731
c) Short Term To India	32,607	31,922	685	35,729	33,064	2,665
i) Suppliers' Credit >180 days & Buyers' Credit	29,581	27,902	1,679	33,175	31,065	2,110
ii) Suppliers' Credit up to 180 days	3,026	4,020	-994	2,554	1,999	555
3. Banking Capital (a+b)	**53,177**	**53,163**	**14**	**44,512**	**41,524**	**2,988**
a) Commercial Banks	53,175	52,578	597	43,918	41,077	2,841
i) Assets	23,245	23,228	18	11,843	8,826	3,017
ii) Liabilities	29,929	29,350	579	32,075	32,251	-176
of which: Non-Resident Deposits	27,816	25,703	2,114	31,691	28,217	3,474
b) Others	2	585	-583	594	447	147
4. Rupee Debt Service	**–**	**32**	**-32**	**–**	**24**	**-24**
5. Other Capital	**14,015**	**20,623**	**-6,608**	**15,118**	**21,176**	**-6,058**
Total Capital Account (1 to 5)	**253,057**	**247,219**	**5,838**	**257,061**	**213,854**	**43,207**
C. ERRORS & OMISSIONS	**1,298**	**–**	**1,298**	**–**	**1,577**	**-1,577**
D. OVERALL BALANCE (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**531,281**	**551,661**	**-20,380**	**498,253**	**486,953**	**11,300**
E. MONETARY MOVEMENTS (i+ii)	**20,380**	**–**	**20,380**	**–**	**11,300**	**-11,300**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	20,380	–	20,380	–	–	-11,300
of which: SDR Allocation	–	–	–	–	5,160	-5,160

No. 42: Foreign Exchange Reserves

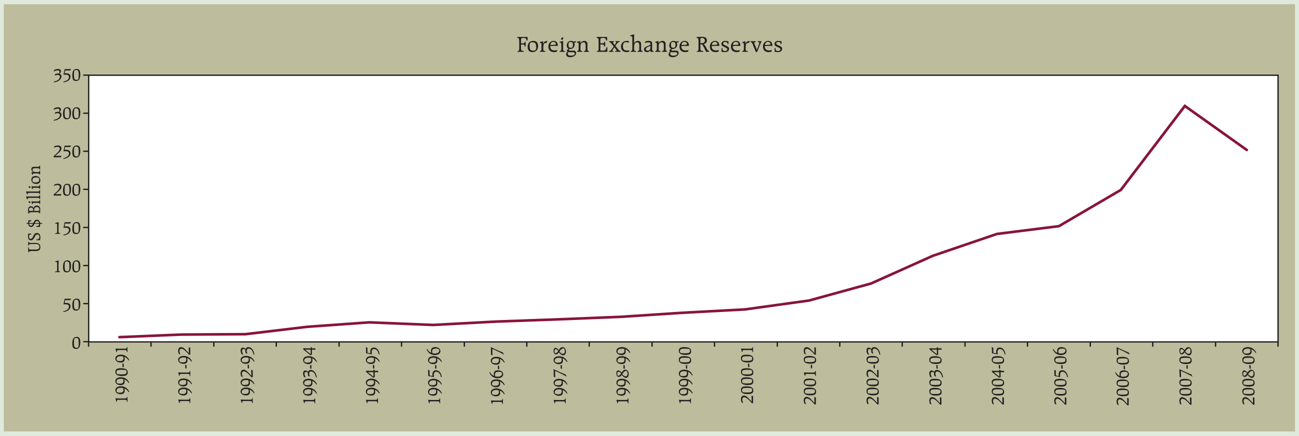
End of	Foreign Currency Assets*		Gold #		SDRs ##			Reserve Tranche Position in IMF		Total	
	Rupees crore	In millions of US $	Rupees crore	In millions of US $	In millions of SDRs	Rupees crore	In millions of US $	Rupees crore	In millions of US $	**Rupees crore**	**In millions of US $**
1	2	3	4	5	6	7	8	9	10	**11=(2+4+7+9)**	**12=(3+5+8+10)**
2004-05	5,93,121	1,35,571	19,686	4,500	3	20	5	6,289	1,438	6,19,116	1,41,514
2005-06	6,47,327	1,45,108	25,674	5,755	2	12	3	3,374	756	6,76,387	1,51,622
2006-07	836,597	1,91,924	29,573	6,784	1	8	2	2,044	469	8,68,222	1,99,179
2007-08	11,96,023	2,99,230	40,124	10,039	11	74	18	1,744	436	12,37,965	3,09,723
2008-09	12,30,066	2,41,426	48,793	9,577	1	6	1	5,000	981	12,83,865	2,51,985
2007-08											
April	8,12,995	1,96,899	29,051	7,036	7	45	11	1,910	463	844,001	2,04,409
May	8,17,440	2,00,697	28,147	6,911	1	6	1	1,870	459	8,47,463	2,08,068
June	8,39,913	2,06,114	27,655	6,787	1	6	1	1,875	460	8,69,449	2,13,362
July	8,88,680	2,19,753	27,850	6,887	8	49	12	1,840	455	9,18,419	2,27,107
August	9,07,301	2,21,509	28,186	6,881	1	9	2	1,866	455	9,37,362	2,28,847
September	9,53,581	2,39,955	29,275	7,367	1	8	2	1,740	438	9,84,604	2,47,762
October	10,08,271	2,56,427	30,712	7,811	8	52	13	1,735	441	10,40,770	2,64,692
November	10,50,165	2,64,725	33,151	8,357	2	13	3	1,727	435	10,85,056	2,73,520
December	10,50,485	2,66,553	32,819	8,328	2	13	3	1,703	432	10,85,020	2,75,316
January	11,17,080	2,83,595	36,236	9,199	6	36	9	1,720	437	11,55,072	2,93,240
February	11,62,671	2,91,250	38,154	9,558	–	1	–	1,705	427	12,02,531	3,01,235
March	11,96,023	2,99,230	40,124	10,039	11	74	18	1,744	436	12,37,965	3,09,723
2008-09											
April	12,30,896	3,04,225	38,141	9,427	11	74	18	1,961	485	12,71,072	3,14,155
May	12,98,464	3,04,875	39,190	9,202	7	47	11	2,242	526	13,39,943	3,14,614
June	12,98,552	3,02,340	39,548	9,208	7	48	11	2,269	528	13,40,417	3,12,087
July	12,57,357	2,95,918	41,366	9,735	7	47	11	2,177	512	13,00,947	3,06,176
August	12,52,904	2,86,117	38,064	8,692	2	16	4	2,173	496	12,93,157	2,95,309
September	13,01,645	2,77,300	40,205	8,565	2	17	4	2,194	467	13,44,061	2,86,336
October	12,01,920	2,44,045	41,281	8,382	6	43	9	2,200	447	12,45,444	2,52,883
November	11,91,016	2,38,968	39,177	7,861	2	13	3	4,254	854	12,34,460	2,47,686
December	11,94,790	2,46,603	41,110	8,485	2	13	3	4,248	877	12,40,161	2,55,968
January	11,71,060	2,38,894	43,549	8,884	2	15	3	4,068	830	12,18,692	2,48,611
February	12,11,002	2,38,715	49,440	9,746	1	6	1	4,141	816	12,64,589	2,49,278
March	12,30,066	2,41,426	48,793	9,577	1	6	1	5,000	981	12,83,865	2,51,985
2009-10											
April	12,12,747	2,41,487	46,357	9,231	1	6	1	4,938	983	12,64,048	2,51,702
May	11,89,136	2,51,456	45,417	9,604	–	2	1	5,886	1,245	12,40,441	2,62,306
June	12,16,345	2,54,093	46,914	9,800	–	2	1	5,974	1,248	12,69,235	2,65,142
July	12,55,197	2,60,631	46,576	9,671	–	3	1	6,444	1,338	13,08,220	2,71,641
August	12,76,976	2,61,247	48,041	9,828	3,082.66	23,597	4,828	6,595	1,349	13,55,209	2,77,252
September	12,70,049	2,64,373	49,556	10,316	3,297.23	25,096	5,224	6,557	1,365	13,51,258	2,81,278
October	12,52,740	2,66,768	50,718	10,800	3,297.23	24,618	5,242	7,426	1,581	13,35,502	2,84,391
November	12,23,313	2,63,191	84,508	18,182	3,297.14	24,676	5,309	6,806	1,464	13,39,303	2,88,146
December	12,07,065	2,58,583	85,387	18,292	3,297.14	24,128	5,169	6,655	1,426	13,23,235	2,83,470
January	11,88,753	2,56,362	83,724	18,056	3,297.14	23,762	5,124	6,554	1,413	13,02,793	2,80,955
February	11,74,202	2,53,991	82,845	17,920	3,297.12	23,360	5,053	6,441	1,393	12,86,848	2,78,357
February 5, 2010	11,83,438	2,54,175	83,724	18,056	3,297.14	23,664	5,082	6,525	1,401	12,97,351	2,78,714
February 12, 2010	11,83,320	2,54,696	83,724	18,056	3,297.14	23,479	5,054	6,474	1,393	12,96,997	2,79,199
February 19, 2010	11,81,281	2,54,203	83,724	18,056	3,297.14	23,360	5,027	6,441	1,386	12,94,806	2,78,672
February 26, 2010	11,74,202	2,53,991	82,845	17,920	3,297.12	23,360	5,053	6,441	1,393	12,86,848	2,78,357
March 5, 2010	11,63,140	2,54,072	82,845	17,920	3,297.12	23,106	5,047	6,371	1,392	12,75,462	2,78,431
March 12, 2010	11,60,432	2,55,321	82,845	17,920	3,297.12	23,037	5,069	6,352	1,398	12,72,666	2,79,708

– : Negligible. See 'Notes on tables'.

* : FCA excludes US $ 250.00 millon (as also its equivalent value in Indian Rupee) invested in foreign currency denominated bonds issued by IIFC (UK) since March 20, 2009.

\# : Includes Rs. 31,463 crore (US$ 6,699 million) reflecting the purchase of 200 metric tonnes of gold from IMF on November 3, 2009.

\## : Includes SDRs 3,082.5 million allocated under general allocation and SDRs 214.6 million allocated under special allocation by the IMF done on August 28, 2009 and Sepetember 9, 2009, respectively.



No. 43: NRI Deposits- Outstanding and Inflows (+) /Outflows (-) @

(As at End March) (US $ million)

Scheme	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. FCNR(A) *	7,051	4,255	2,306	1	–	–	–	–	–	–	–	–	–	–	–
2. FCNR(B) **	3,063	5,720	7,496	8,467	7,835	8,172	9,076	9,673	10,199	10,961	11,452	13,064	15,129	14,168	13,211
3. NR(E)RA	4,556	3,916	4,983	5,637	6,045	6,758	7,147	8,449	14,923	20,559	21,291	22,070	24,495	26,716	23,570
4. NR(NR)RD +	2,486	3,542	5,604	6,262	6,618	6,754	6,849	7,052	3,407	1,746	232	–	–	–	–
5. NRO	–	–	–	–	–	–	–	–	–	–	–	1,148	1,616	2,788	4,773
Total	**17,156**	**17,433**	**20,389**	**20,367**	**20,498**	**21,684**	**23,072**	**25,174**	**28,529**	**33,266**	**32,975**	**36,282**	**41,240**	**43,672**	**41,554**

(US $ million)

Scheme	2008-09 (End Month)											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B) **	14,028	13,877	14,001	13,766	13,475	13,504	12,694	12,733	12,936	12,981	13,114	13,211
2. NR(E)RA	26,592	25,544	25,585	25,866	24,761	23,880	22,811	22,992	23,226	22,959	22,778	23,570
3. NRO	2,986	2,963	3,026	3,230	3,243	3,238	3,302	3,749	4,134	4,366	4,125	4,773
Total	**43,606**	**42,384**	**42,612**	**42,862**	**41,479**	**40,622**	**38,807**	**39,474**	**40,296**	**40,306**	**40,017**	**41,554**

(US $ million)

	2009-10 (P) End Month										
Scheme	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
1	2	3	4	5	6	7	8	9	10	11	12
1. FCNR(B) **	13,384	14,017	14,014	14,156	14,053	14,188	14,625	14,698	14,665	14,539	14,352
2. NR(E)RA	23,935	25,418	24,952	25,369	24,931	25,434	25,715	26,079	25,905	25,744	25,797
3. NRO	5,063	5,613	5,613	5,971	6,003	6,350	6,652	6,962	6,920	7,060	7,139
Total	**42,382**	**45,048**	**44,579**	**45,496**	**44,987**	**45,972**	**46,992**	**47,739**	**47,490**	**47,343**	**47,288**

Inflow (+) /Outflow (–) During the Month (US $ million)

Scheme	2008-09												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.– Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. FCNR(B)	-140	-151	124	-235	-291	29	-809	39	202	45	133	97	-957
	(41)	(-46)	(195)	(78)	(-163)	(128)	(24)	(-125)	(-503)	(-299)	(-174)	(-116)	(-960)
2. NR(E)RA	-71	462	160	-39	-205	527	645	124	-220	-192	607	710	2,508
	(-320)	(-265)	(-167)	(187)	(-122)	(126)	(-40)	(-205)	(-154)	(587)	(45)	(437)	(109)
3. NRO	204	148	77	163	128	182	302	445	314	246	-98	627	2,738
	(22)	(9)	(85)	(29)	(269)	(-164)	(19)	(49)	(82)	(237)	(216)	(177)	(1,030)
Total	**-7**	**459**	**361**	**-111**	**-368**	**738**	**138**	**608**	**296**	**99**	**642**	**1,434**	**4,289**
	(-257)	**(-302)**	**(113)**	**(294)**	**(-16)**	**(90)**	**(3)**	**(-281)**	**(-575)**	**(525)**	**(87)**	**(498)**	**(179)**

Inflow (+) /Outflow (–) During the Month

(US $ million)

	2009-10 (P)											
Scheme	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Apr.– Feb.
1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B)	173	633	-3	142	-103	135	437	73	-33	-127	-186	1,141
	(-140)	(-151)	(124)	(-235)	(-291)	(29)	(-809)	(39)	(202)	(45)	(133)	(-1054)
2. NR(E)RA	67	128	187	234	-68	38	-270	-31	44	-312	-25	-8
	(-71)	(462)	(160)	(-39)	(-205)	(527)	(645)	(124)	(-220)	(-192)	(607)	(1798)
3. NRO	229	257	146	316	120	233	166	207	16	101	58	1,849
	(204)	(148)	(77)	(163)	(128)	(182)	(302)	(445)	(314)	(246)	(-98)	(2111)
Total	**469**	**1,018**	**330**	**692**	**-51**	**406**	**333**	**249**	**27**	**-338**	**-153**	**2,982**
	(-7)	**(459)**	**(361)**	**(-111)**	**(-368)**	**(738)**	**(138)**	**(608)**	**(296)**	**(99)**	**(642)**	**(2855)**

P : Provisional. * : Withdrawn effective August 1994. ** : Introduced in May 1993.

@ : All figures are inclusive of accrued interest. + : Introduced in June 1992 and discontinued w.e.f April 2002. – : Not available.

Notes : 1. FCNR(A) : Foreign Currency Non-Resident (Accounts). 2. FCNR(B) : Foreign Currency Non-Resident (Banks).

3. NR(E)RA : Non-Resident (External) Rupee Accounts. 4. NR(NR)RD : Non-Resident (Non-Repatriable) Rupee Deposits.

5. NRO : Non-Resident Ordinary Rupee Account.

6. Figures in the brackets represent inflows (+)/outflows(–) during the corresponding month/period of the previous year.

No. 44: Foreign Investment Inflows

(US $ million)

Item	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 PR	2008-09 PR
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A. Direct Investment (I+II+III)	**2,144**	**2,821**	**3,557**	**2,462**	**2,155**	**4,029**	**6,130**	**5,035**	**4,322**	**6,051**	**8,961**	**22,826**	**34,835**	**35,180**
I. Equity (a+b+c+d+e)	2,144	2,821	3,557	2,462	2,155	2,400	4,095	2,764	2,229	3,778	5,975	16,481	26,864	27,995
a. Government (SIA/FIPB)	1,249	1,922	2,754	1,821	1,410	1,456	2,221	919	928	1,062	1,126	2,156	2,298	4,699
b. RBI	169	135	202	179	171	454	767	739	534	1,258	2,233	7,151	17,127	17,998
c. NRI	715	639	241	62	84	67	35	–	–	–	–	–	–	–
d. Acquisition of shares *	11	125	360	400	490	362	881	916	735	930	2,181	6,278	5,148	4,632
e. Equity capital of unincorporated bodies #	..	..	..	..	..	61	191	190	32	528	435	896	2,291	666
II. Reinvested earnings +	..	..	..	..	..	1,350	1,645	1,833	1,460	1,904	2,760	5,828	7,679	6,428
III. Other capital ++	..	..	..	..	..	279	390	438	633	369	226	517	292	757
B. Portfolio Investment (a+b+c)	**2,748**	**3,312**	**1,828**	**-61**	**3,026**	**2,760**	**2,021**	**979**	**11,377**	**9,315**	**12,492**	**7,003**	**27,271**	**-13,855**
a. GDRs/ADRs # #	683	1,366	645	270	768	831	477	600	459	613	2,552	3,776	6,645	1,162
b. FIIs **	2,009	1,926	979	-390	2,135	1,847	1,505	377	10,918	8,686	9,926	3,225	20,328	-15,017
c. Offshore funds and others	56	20	204	59	123	82	39	2	–	16	14	2	298	–
Total (A+B)	**4,892**	**6,133**	**5,385**	**2,401**	**5,181**	**6,789**	**8,151**	**6,014**	**15,699**	**15,366**	**21,453**	**29,829**	**62,106**	**21,325**

(US $ million)

Item	2008-09 PR												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.– Mar.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Direct Investment (I+II+III)	**3,749**	**3,932**	**2,392**	**2,247**	**2,328**	**2,562**	**1,497**	**1,083**	**1,362**	**2,733**	**1,488**	**1,956**	**35,180**
I. Equity (a+b+c+d)	3,749	3,932	2,392	2,247	2,328	2,562	1,497	1,083	1,362	2,733	1,488	1,956	27,995
a. Government (SIA/FIPB)	851	65	806	321	255	28	178	90	91	1,102	207	705	4,699
b. RBI	1,819	3,091	1,188	1,497	1,324	2,345	1,117	900	1,189	1,471	981	1,076	17,998
c. Acquisition of shares *	1,079	776	398	429	749	189	202	93	82	160	300	175	4,632
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..	666
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..	6,428
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..	757
B. Portfolio Investment (a+b+c)	**-880**	**-288**	**-3,010**	**-492**	**593**	**-1,403**	**-5,243**	**-574**	**30**	**-614**	**-1,085**	**-889**	**-13,855**
a. GDRs/ADRs # #	552	446	1	7	129	–	7	–	–	–	–	20	1,162
b. FIIs **	-1,432	-734	-3,011	-499	464	-1,403	-5,250	-574	30	-614	- 1,085	-909	-15,017
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**2,869**	**3,644**	**-618**	**1,755**	**2,921**	**1,159**	**-3,746**	**509**	**1,392**	**2,119**	**403**	**1,067**	**21,325**

(US $ million)

Item	2009-10 (P)											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec,	Jan.	Feb.	Apr.– Feb.
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Direct Investment (I+II+III)	**2,339**	**2,095**	**2,471**	**3,476**	**3,247**	**1,512**	**2,332**	**1,722**	**1,542**	**2,042**	**1,717**	**33,053**
I. Equity (a+b+c+d)	2,339	2,095	2,471	3,476	3,247	1,512	2,332	1,722	1,542	2,042	1,717	25,650
a. Government (SIA/FIPB)	931	101	85	248	666	111	302	179	51	588	93	3,355
b. RBI	1,150	1,916	2,337	1,757	2,527	1,355	1,726	1,389	1,233	1,292	1,364	18,046
c. Acquisition of shares *	258	78	49	1,471	54	46	304	154	258	162	260	3,094
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	1,155
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	5,958
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	1,445
B. Portfolio Investment (a+b+c)	**2,278**	**5,639**	**353**	**3,032**	**1,574**	**5,095**	**2,922**	**1,274**	**1,533**	**3,139**	**230**	**27,069**
a. GDRs/ADRs # #	33	-	10	965	1,603	96	–	381	94	46	–	3,228
b. FIIs **	2,245	5,639	343	2,067	-29	4,999	2,922	893	**1,439**	**3,093**	**230**	**23,841**
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**4,617**	**7,734**	**2,824**	**6,508**	**4,821**	**6,607**	**5,254**	**2,996**	**3,075**	**5,181**	**1,947**	**60,122**

* : Relates to acquisition of shares of Indian companies by non-residents under Section 6 of FEMA, 1999. Data on such acquisitions have been included as part of FDI since January 1996.

** : Represents inflow of funds (net) by Foreign Institutional Investors (FIIs).

\# : Figures for equity capital of unincorporated bodies for 2007-08 and 2008-09 are estimates.

\## : Represents the amount raised by Indian Corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

\+ : Data for 2007-08 and 2008-09 are estimated as average of previous two years.

++ : Data pertain to inter company debt transactions of FDI entities.

Notes :
1. Data for equity capital of unincorporated bodies, reinvested earnings and other capital in the column of the monthly table, pertain to the April-December 2009. Which are included in the last column (cumulative FDI).
2. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices.
3. These data, therefore, are not comparable with FDI data for previous years. Also see 'Notes on Tables' of Table No 40 & 41.
4. Monthly data on components of FDI as per expanded coverage are not available.

No. 44A: Outward Remittances under the Liberalised Remittance Scheme for Resident Individuals

(US $ million)

Purpose	2004-05	2005-06	2006-07	2007-08	2008-09
1	2	3	4	5	6
1. Deposit	9.1	23.2	19.7	24.0	30.4
2. Purchase of immovable property	0.5	1.9	8.5	39.5	55.9
3. Investment in equity/debt	–	–	20.7	144.7	151.4
4. Gift	–	–	7.4	70.3	133.0
5. Donations	–	–	0.1	1.6	1.4
6. Others**	–	–	16.4	160.4	436.0
Total (1 to 6)	**9.6**	**25.0**	**72.8**	**440.5**	**808.1**

(US $ million)

Purpose	2008-09											
	April	May	June	July	August	September	October	November	December	January	February	March
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Deposit	3.4	3.0	4.1	2.3	2.6	1.6	1.2	1.4	1.6	1.7	1.8	5.7
2. Purchase of immovable property	7.7	7.0	6.5	5.7	4.6	5.7	3.1	2.6	2.5	2.6	2.7	5.2
3. Investment in equity/debt	13.3	13.7	14.9	12.5	12.7	9.8	8.7	12.4	11.2	10.4	6.8	25.0
4. Gift	8.8	10.9	10.2	12.7	16.0	7.9	8.6	23.2	9.7	7.6	8.5	8.9
5. Donations	0.2	0.1	–	0.2	0.2	–	0.1	0.2	–	0.1	0.1	0.2
6. Others**	17.1	18.5	20.5	27.4	123.6	26.0	19.2	19.0	32.7	33.1	19.3	79.6
Total (1 to 6)	**50.5**	**53.2**	**56.2**	**60.8**	**159.7**	**51.0**	**40.9**	**58.8**	**57.7**	**55.5**	**39.2**	**124.6**

(US $ million)

Purpose	2009-10									
	April	May	June	July	August	September	October	November	December	January
1	2	3	4	5	6	7	8	9	10	11
1. Deposit	2.3	2.8	3.2	1.9	1.7	3.0	2.7	2.0	3.6	1.9
2. Purchase of immovable property	4.2	3.8	3.4	2.5	4.7	3.7	2.9	2.9	3.6	3.2
3. Investment in equity/debt	12.6	12.2	14.8	10.7	15.4	12.6	20.2	12.8	16.6	10.4
4. Gift	13.6	11.7	13.7	13.0	11.2	11.5	12.6	11.7	12.3	11.9
5. Donations	0.1	0.2	0.6	0.1	0.2	0.4	2.3	0.2	0.1	0.6
6. Travels	1.4	1.5	1.1	2.5	1.2	2.3	1.8	1.8	0.6	0.8
7. Maintenance of close relatives	10.5	10.0	8.8	9.7	13.3	10.8	19.5	16.5	17.6	15.9
8. Medical Treatment	1.3	2.3	2.4	2.3	1.6	1.9	1.6	1.4	1.0	0.9
9. Studies Abroad	6.1	6.8	89.3	12.7	21.0	18.5	7.7	11.0	10.6	13.9
10. Others	6.0	6.4	7.6	9.5	8.5	7.5	6.2	5.5	6.7	10.2
Total (1 to 10)	**58.1**	**57.7**	**145.0**	**64.9**	**78.8**	**72.2**	**77.5**	**65.8**	**72.7**	**69.7**

– : Not available.

** : Include items such as Education, Tours and Travels.

Notes : (i) The data from 2004 to 2007 are on calendar basis.

(ii) Under Liberalised Remittance Scheme (LRS), currently, the residents are permitted to remit up to an amount of US $ 2, 00,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both with effect from September 26, 2007. The LRS Scheme was introduced in February 2004 to facilitate resident individuals to freely remit up to US $ 25,000 per calendar year, which was enhanced to US $ 50,000 per financial year in December 2006; to US $ 1, 00,000 per financial year in May 2007; and to US $ 2, 00,000 per financial year in September 2007.

No. 45: Daily Foreign Exchange Spot Rates

(Rupees per Unit of Foreign Currency)

Date	RBI's Reference Rate Rs. Per Foreign Currency		FEDAI Indicative Rates							
	US Dollar	Euro	US Dollar		Pound Sterling		Euro		One Hundred Japanese Yen	
			Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
1	2	3	4	5	6	7	8	9	10	11
February 1, 2010	46.3400	64.3200	46.3400	46.3500	73.8975	73.9375	64.3425	64.3800	51.3625	51.4025
February 2, 2010	46.2500	64.3900	46.2500	46.2600	73.7600	73.7950	64.3900	64.4225	50.9350	50.9800
February 3, 2010	46.0400	64.3300	46.0400	46.0500	73.7525	73.7850	64.3175	64.3375	50.8625	50.9000
February 4, 2010	46.0900	63.9600	46.0900	46.1000	73.2175	73.2525	63.9500	63.9950	50.6425	50.6750
February 5, 2010	46.5600	63.8500	46.5600	46.5700	73.1500	73.1800	63.8250	63.8575	51.9400	51.9650
February 8, 2010	46.8100	63.8000	46.8000	46.8100	72.8350	72.8700	63.7925	63.8125	52.3850	52.4075
February 9, 2010	46.6800	63.9400	46.6900	46.7000	72.9400	72.9775	63.9650	63.9875	52.1900	52.2325
February 10, 2010	46.5600	64.0700	46.5600	46.5700	72.9775	73.0125	64.0525	64.0800	51.9175	51.9650
February 11, 2010	46.4600	64.0200	46.4500	46.4600	72.6250	72.6625	64.0125	64.0350	51.6175	51.6575
February 12, 2010+										
February 15, 2010	46.3800	63.0000	46.3800	46.3900	72.5625	72.5950	62.9875	63.0125	51.4475	51.4700
February 16, 2010	46.1800	62.9800	46.1750	46.1850	72.4800	72.5100	62.9725	62.9975	51.4075	51.4475
February 17, 2010	46.0200	63.3600	46.0100	46.0200	72.5750	72.6050	63.3425	63.3600	50.9300	50.9575
February 18, 2010	46.2200	62.7600	46.2150	46.2250	72.3625	72.3925	62.7550	62.7775	50.8350	50.8700
February 19, 2010	46.4700	62.5600	46.4700	46.4800	71.5025	71.5375	62.5450	62.5800	50.5500	50.5650
February 22, 2010	46.1600	62.9200	46.1500	46.1600	71.3950	71.4325	62.9175	62.9400	50.3225	50.3500
February 23, 2010	46.1300	62.8400	46.1250	46.1350	71.5775	71.6025	62.8325	62.8675	50.6250	50.6600
February 24, 2010	46.2500	62.6300	46.2450	46.2550	71.4350	71.4600	62.6025	62.6350	51.2575	51.2975
February 25, 2010	46.3600	62.4200	46.3550	46.3650	71.0400	71.0625	62.4125	62.4450	51.8225	51.8400
February 26, 2010	46.2300	62.8100	46.2300	46.2400	70.6575	70.6975	62.8025	62.8400	51.7000	51.7400

FEDAI : Foreign Exchange Dealers' Association of India.

\+ : Market closed.

Note : Euro Reference rate was announced by RBI with effect from January 1, 2002.

Source : FEDAI for FEDAI rates.

No. 46: Sale/Purchase of U.S. Dollar by The Reserve Bank of India

Month		Foreign Currency (US $ million)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end-April 2008)		Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (-)	Net (+/-)		(US $ million)	(Rs. crore)	
1		2	3	4	5	6	7	8
20008-09								
April	2008	4,325.00	–	(+) 4,325.00	(+) 17,237.89	(+) 4,325.00	(+) 17,237.89	(+) 17,095.00
May	2008	1,625.00	1,477.00	(+) 148.00	(+) 118.51	(+) 4,473.00	(+) 17,356.40	(+) 15,470.00
June	2008	1,770.00	6,999.00	(–) 5,229.00	(–) 22,970.78	(–) 756.00	(–) 5,614.37	(+) 13,700.00
July	2008	3,580.00	9,900.00	(–) 6,320.00	(–) 27,829.05	(–) 7,076.00	(–) 33,443.43	(+) 11,910.00
August	2008	3,770.00	2,560.00	(+) 1,210.00	(+) 4,557.53	(–) 5,866.00	(–) 28,885.89	(+) 9,925.00
September	2008	2,695.00	6,479.00	(–) 3,784.00	(–) 18,396.49	(–) 9,650.00	(–) 47,282.38	(+) 2,300.00
October	2008	1,960.00	20,626.00	(–) 18,666.00	(–) 92,925.06	(–) 28,316.00	(–) 1,40,207.44	(+) 90.00
November	2008	2,355.00	5,456.00	(–) 3,101.00	(–) 16,252.20	(–) 31,417.00	(–) 1,56,459.64	(–) 487.00
December	2008	2,005.00	2,323.00	(–) 318.00	(–) 3,524.72	(–) 31,735.00	(–) 1,59,984.36	(–) 1,752.00
January	2009	1,055.00	1,084.00	(–) 29.00	(–) 1,116.19	(–) 31,764.00	(–) 1,61,100.55	(–) 1,723.00
February	2009	1,063.00	833.00	(+) 230.00	(+) 335.79	(–) 31,534.00	(–) 1,60,764.76	(–) 1,953.00
March	2009	360.00	3,748.00	(–) 3,388.00	(–) 17,826.91	(–) 34,922.00	(–) 1,78,591.67	(–) 2,042.00

Month		Foreign Currency (US $ million)			Rs. equivalent at contract rate (Rs. crore)	Cumulative (over end-April 2009)		Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (-)	Net (+/-)		(US $ million)	(Rs. crore)	
1		2	3	4	5	6	7	8
2009-10								
April	2009	204.00	2,691.00	(–) 2,487.00	(–) 12,063.87	(–) 2,487.00	(–) 12,063.87	(–) 1,071.00
May	2009	923.00	2,360.00	(–) 1,437.00	(–) 6,902.22	(–) 3,924.00	(–) 18,966.08	131.00
June	2009	1,279.00	235.00	1,044.00	4,974.19	(–) 2,880.00	(–) 13,991.90	745.00
July	2009	570.00	625.00	(–) 55.00	(–) 217.19	(–) 2,935.00	(–) 14,209.09	800.00
August	2009	415.00	234.00	181.00	837.52	(–) 2,754.00	(–) 13,371.58	619.00
September	2009	260.00	180.00	80.00	377.37	(–) 2,674.00	(–) 12,994.21	539.00
October	2009	125.00	50.00	75.00	372.04	(–) 2,599.00	(–) 12,622.16	435.00
November	2009	234.00	270.00	(–) 36.00	(–) 102.18	(–) 2,635.00	(–) 12,724.34	500.00
December	2009					(–) 2,660.00	(–) 12,794.21	525.00
January	2010					(–) 2,660.00	(–) 12,791.44	525.00
February	2010					(–) 2,660.00	(–) 12,771.67	525.00

(+) : Implies Purchase including purchase leg under swaps and outright forwards.

(-) : Implies Sales including sale leg under swaps and outright forwards.

Note : This table is based on value dates.

No. 47: Turnover in Foreign Exchange Market

(US $ million)

Position Date	Merchant						Inter-bank					
	FCY / INR			FCY / FCY			FCY/INR			FCY/FCY		
	Spot	Forward	Forward Cancellation	Spot	Forward	Forward Cancellation	Spot	Swap	Forward	Spot	Swap	Forward
1	2	3	4	5	6	7	8	9	10	11	12	13
Purchases												
Feb. 1, 2010	1,909	1,023	392	789	799	721	5,439	4,802	630	4,289	1,195	72
Feb. 2, 2010	1,896	739	388	109	436	394	5,464	4,991	731	3,865	1,110	50
Feb. 3, 2010	2,231	1,200	843	235	1,010	963	7,229	6,838	930	4,418	1,053	19
Feb. 4, 2010	2,212	1,048	815	137	486	418	6,672	6,180	630	3,555	1,313	42
Feb. 5, 2010	2,593	2,170	1,018	233	939	727	6,900	4,434	473	4,336	1,105	80
Feb. 8, 2010	2,145	1,444	790	135	959	776	6,592	5,653	590	3,384	1,105	56
Feb. 9, 2010	1,908	984	437	131	730	713	5,924	5,300	276	3,993	826	223
Feb. 10, 2010	1,898	594	836	160	914	755	6,331	4,650	795	4,373	1,212	117
Feb. 11, 2010	2,078	665	1,185	163	539	447	5,998	3,937	482	3,157	1,164	148
Feb. 12, 2010 +												
Feb. 15, 2010	1,323	643	273	442	874	901	3,877	2,206	286	3,153	631	34
Feb. 16, 2010	2,220	1,107	441	151	262	296	7,530	5,489	672	2,803	948	138
Feb. 17, 2010	1,924	998	871	235	464	475	6,312	4,675	557	3,387	944	32
Feb. 18, 2010	2,088	825	783	161	435	443	6,158	6,977	567	4,009	1,073	70
Feb. 19, 2010	2,073	764	501	158	653	604	5,416	4,890	395	4,124	1,139	332
Feb. 22, 2010	1,603	606	613	296	710	606	4,188	3,320	210	3,652	1,037	98
Feb. 23, 2010	2,107	1,414	1,551	273	945	831	5,848	4,623	297	4,748	1,804	65
Feb. 24, 2010	2,853	821	2,271	224	627	599	6,123	4,525	322	3,435	1,078	177
Feb. 25, 2010	2,111	1,052	1,773	245	980	987	6,274	4,607	1,013	4,328	2,626	261
Feb. 26, 2010	2,953	1,276	1,402	189	855	723	7,285	5,404	528	3,269	2,020	224
Sales												
Feb. 1, 2010	2,079	1,005	360	789	871	755	5,205	4,715	731	4,297	1,544	72
Feb. 2, 2010	2,051	1,356	410	115	575	391	4,981	5,391	813	3,864	1,613	53
Feb. 3, 2010	2,324	2,302	535	250	1,050	985	6,616	7,154	914	4,390	1,463	26
Feb. 4, 2010	1,791	1,130	785	126	491	470	6,062	5,986	898	3,550	1,725	49
Feb. 5, 2010	2,657	1,897	1,168	215	969	821	7,116	4,786	688	4,332	1,099	80
Feb. 8, 2010	1,994	1,667	545	139	965	881	6,424	6,030	1,054	3,380	1,141	59
Feb. 9, 2010	1,925	1,255	498	135	736	740	5,763	5,823	612	3,988	870	228
Feb. 10, 2010	1,972	1,525	435	167	901	773	6,108	4,413	983	4,382	1,244	122
Feb. 11, 2010	2,062	1,368	490	162	492	457	5,857	3,248	632	3,149	1,383	154
Feb. 12, 2010 +												
Feb. 15, 2010	1,379	875	301	423	1,121	886	3,804	1,570	215	3,139	619	34
Feb. 16, 2010	2,624	1,468	658	130	340	313	7,079	6,035	691	2,816	1,232	147
Feb. 17, 2010	1,795	1,684	640	204	515	460	6,132	4,794	548	3,362	1,231	43
Feb. 18, 2010	1,797	1,944	629	134	458	519	5,830	7,316	710	4,034	1,476	73
Feb. 19, 2010	1,732	1,176	422	146	802	619	5,304	5,500	507	4,143	1,392	335
Feb. 22, 2010	1,844	1,191	405	313	725	606	4,067	3,534	329	3,653	1,294	105
Feb. 23, 2010	1,887	2,402	1,249	287	912	877	5,648	4,899	587	4,741	2,013	73
Feb. 24, 2010	2,300	2,510	1,150	234	631	643	5,912	5,569	531	3,253	1,217	366
Feb. 25, 2010	1,842	2,232	750	228	1,150	1,003	6,145	4,543	1,431	4,362	2,902	244
Feb. 26, 2010	2,656	2,126	1,443	214	849	749	7,144	5,117	765	3,259	2,530	224

INR : Indian Rupees. FCY : Foreign Currency. + : Market Closed

Note : Data relate to sales and purchases of foreign exchange on account of merchant and inter-bank transactions. Data are provisional.

No. 48: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

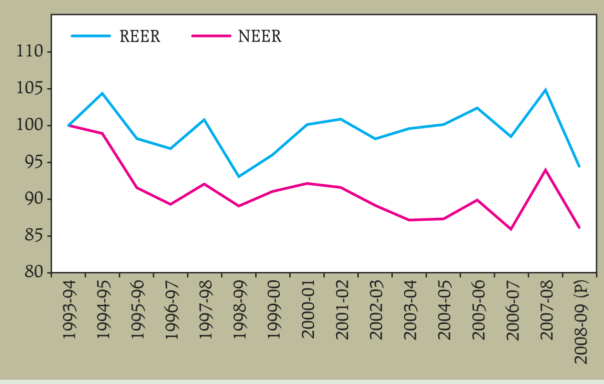
(36-Currency Export and Trade Based Weights)
(Base: 1993-94=100)*

Year	Trade Based Weights		Export Based Weights	
	REER	NEER	REER	NEER
1	2	3	4	5
1993-94	100.00	100.00	100.00	100.00
1994-95	104.32	98.91	104.88	98.18
1995-96	98.19	91.54	100.10	90.94
1996-97	96.83	89.27	98.95	89.03
1997-98	100.77	92.04	103.07	91.97
1998-99	93.04	89.05	94.34	90.34
1999-00	95.99	91.02	95.28	90.42
2000-01	100.09	92.12	98.67	90.12
2001-02	100.86	91.58	98.59	89.08
2002-03	98.18	89.12	95.99	87.01
2003-04	99.56	87.14	99.07	87.89
2004-05	100.09	87.31	98.30	88.41
2005-06	102.35	89.85	100.54	91.17
2006-07	98.48	85.89	97.42	87.46
2007-08	104.81	93.91	104.12	95.30
2008-09 (P)	94.32	84.66	94.12	84.67

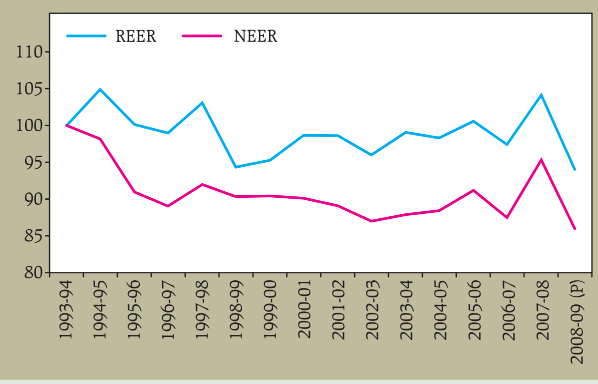
Year		Trade Based Weights		Export Based Weights	
		REER	NEER	REER	NEER
1		2	3	4	5
2007-08	April	102.60	91.80	101.88	92.89
	May	106.01	94.69	105.24	95.83
	June	105.92	94.97	105.03	96.07
	July	105.99	94.84	105.19	96.08
	August	105.34	94.38	104.47	95.52
	September	105.90	94.65	105.12	95.91
	October	106.09	95.29	105.35	96.73
	November	104.63	94.27	104.01	95.83
	December	104.94	94.68	104.19	96.11
	January	104.85	94.29	104.26	95.91
	February	103.51	93.11	103.04	94.82
	March	101.94	90.01	101.72	91.92
2008-09 (P)	April	101.67	91.51	101.60	91.92
	May	97.55	87.39	97.33	87.69
	June	97.58	86.03	97.49	86.36
	July	97.22	85.41	97.34	85.83
	August	99.45	87.04	99.47	87.27
	September	95.69	83.96	95.68	84.06
	October	92.01	81.91	91.99	81.81
	November	92.17	83.39	92.04	83.16
	December	90.01	82.47	89.81	82.25
	January	89.80	82.27	89.28	81.85
	February	90.59	83.84	90.14	83.47
	March	88.05	80.75	87.28	80.37
2009-10 (P)	April	87.42	83.61	87.02	80.73
	May	89.56	84.43	89.02	81.59
	June	90.00	84.78	89.45	81.86
	July	89.57	83.40	88.98	80.48
	August	90.13	83.14	89.50	80.21
	September	89.78	82.18	89.18	79.36
	October	91.90	84.31	91.31	81.52
	November	93.38	84.27	92.85	81.49
	December	94.17	84.74	93.70	81.95
	January	96.05	86.28	95.67	83.55
	February	96.70	86.81	96.53	84.15

* : For "Note on Methodology" and time series data on the indices presented here, please see December 2005 issue of this Bulletin.

Indices of REER and NEER of the Indian Rupee
(Trade Based Weights)



Indices of REER and NEER of the Indian Rupee
(Export Based Weights)



No. 49: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(6-Currency Trade Based Weights)

Year/Month/Day		Base: 1993-94 (April-March) =100		Base: 2007-08 (April-March) =100	
		NEER	REER	NEER	REER
1993-94		100.00	100.00	133.82	87.58
1994-95		96.96	105.82	129.69	92.63
1995-96		88.56	101.27	118.46	88.65
1996-97		86.85	101.11	116.17	88.51
1997-98		87.94	104.41	117.63	91.40
1998-99		77.49	96.14	103.65	84.16
1999-00		77.16	97.69	103.21	85.51
2000-01		77.43	102.82	103.57	90.01
2001-02		76.04	102.71	101.72	89.91
2002-03		71.27	97.68	95.33	85.51
2003-04		69.97	99.17	93.59	86.81
2004-05		69.58	101.78	93.07	89.10
2005-06		72.28	107.30	96.69	93.93
2006-07		69.49	105.57	92.96	92.41
2007-08		74.76	114.23	100.00	100.00
2008-09 (P)		64.87	104.47	86.78	91.45
2007-08	April	73.33	111.87	98.09	97.93
	May	75.79	116.00	101.38	101.55
	June	75.95	115.38	101.59	101.01
	July	75.75	115.20	101.33	100.85
	August	75.03	114.20	100.36	99.97
	September	75.24	115.18	100.64	100.83
	October	76.08	115.98	101.76	101.53
	November	74.97	114.11	100.29	99.89
	December	75.25	114.72	100.66	100.42
	January	74.88	114.25	100.16	100.01
	February	73.96	113.03	98.93	98.95
	March	70.94	110.98	94.89	97.15
2008-09 (P)	April	71.18	112.23	95.21	98.25
	May	67.98	108.34	90.94	94.84
	June	66.85	108.22	89.42	94.74
	July	66.30	107.91	88.69	94.46
	August	67.64	111.20	90.48	97.34
	September	64.81	106.96	86.70	93.63
	October	62.34	102.09	83.38	89.37
	November	63.25	102.45	84.61	89.68
	December	62.35	99.93	83.40	87.47
	January	62.49	99.23	83.59	86.86
	February	62.97	99.43	84.23	87.04
	March	60.35	95.68	80.73	83.76
2009-10 (P)	April	61.49	98.58	82.25	86.30
	May	62.31	101.37	83.35	88.74
	June	62.43	101.11	83.51	88.51
	July	61.36	100.64	82.08	88.10
	August (P)	61.22	101.52	81.90	88.87
	September (P)	60.61	101.25	81.08	88.63
	October (P)	62.40	103.97	83.47	91.01
	November (P)	62.30	105.81	83.34	92.63
	December (P)	62.79	107.03	83.99	93.69
	January (P)	64.30	109.08	86.01	95.49
	February (P)	64.86	110.50	86.77	96.73
	As on				
	February 26, 2010 (P)	65.23	111.11	87.25	97.26
	March 5, 2010 (P)	65.96	112.35	88.23	98.35
	March 12, 2010 (P)	66.34	113.01	88.74	98.92
	March 19, 2010 (P)	66.32	112.97	88.71	98.89

Notes : 1. Rise in indices indicate appreciation of rupee and vice versa.
2. For "Note on Methodology" on the indices presented here, please see December 2005 issue of this Bulletin.
3. Base year 2007-08 is a moving one, which gets updated every year.

Special Table

No. 54: Combined Receipts and Disbursements of the Central and State Governments

(Rs. crore)

Item	2004-05 (Accounts)	2005-06 (Accounts)	2006-07 (Accounts)	2007-08 (Accounts)	2008-09 RE	2009-10 BE
1	2	3	4	5	6	7
I. Total Disbursements (A+B+C)	**8,57,281**	**9,59,855**	**11,09,174**	**13,16,246**	**16,77,248**	**18,92,880**
of which						
A. Developmental (i +ii +iii)	**4,38,288**	**5,09,525**	**5,88,028**	**7,10,271**	**10,00,463**	**10,76,721**
i) Revenue	3,39,126	3,92,386	4,52,499	5,49,639	7,91,500	8,57,921
ii) Capital	77,603	96,825	1,16,613	1,42,324	1,86,556	1,98,989
iii) Loans	21,559	20,314	18,916	18,308	22,407	19,811
B. Non-Developmental (i+ii+iii)	**4,11,293**	**4,40,377**	**5,07,635**	**5,89,742**	**6,56,409**	**7,93,271**
i) Revenue	3,75,849	4,04,027	4,66,431	5,05,646	6,00,978	7,20,066
of which : Interest Payments	1,88,843	2,03,977	2,30,831	2,59,748	2,87,065	3,30,389
ii) Capital	34,275	35,760	40,703	83,479	54,004	72,526
iii) Loans	1,169	590	501	617	1,427	679
C. Others ++	**7,700**	**9,953**	**13,511**	**16,233**	**20,376**	**22,888**
II. Total Receipts	**9,08,318**	**10,14,689**	**11,25,252**	**13,29,654**	**16,60,888**	**18,67,159**
of which :						
A. Revenue Receipts	**6,05,180**	**7,07,054**	**8,77,075**	**10,61,892**	**11,82,280**	**12,85,845**
i) Tax Receipts (a + b + c)	4,85,375	5,76,596	7,24,023	8,77,496	9,69,848	10,26,460
a) Taxes on commodities and services	3,28,420	3,80,869	4,54,652	5,20,528	5,75,133	5,94,339
b) Taxes on Income and Property	1,56,136	1,94,602	2,68,108	3,55,644	3,93,125	4,30,519
c) Taxes of Union Territories (Without Legislature)	819	1,125	1,263	1,324	1,590	1,602
ii) Non-Tax Receipts	1,19,805	1,30,458	1,53,052	1,84,396	2,12,432	2,59,385
of which : Interest Receipts	16,500	18,735	21,744	22,584	23,759	20,635
B. Non-debt Capital Receipts (i+ii)	**18,865**	**13,241**	**1,667**	**50,432**	**21,021**	**9,621**
i) Recovery of Loans & Advances	14,441	11,651	-773	4,682	13,140	6,285
ii) Disinvestment proceeds	4,424	1,590	2,440	45,750	7,881	3,336
III. Gross Fiscal Deficit [I – (IIA + IIB)]	**2,33,236**	**2,39,560**	**2,30,432**	**2,03,922**	**4,73,947**	**5,97,414**
Financed by :						
A. Institution-wise (i+ii)	**2,33,236**	**2,39,560**	**2,30,432**	**2,03,922**	**4,73,947**	**5,97,414**
i) Domestic Financing (a+b)	2,18,483	2,32,088	2,21,960	1,94,607	4,64,344	5,81,367
a) Net Bank Credit to Government # #	9,532	6,980	68,210	71,891	3,77,681	..
of which : Net RBI Credit to Government	-62,882	24,574	-4,176	-1,15,632	1,74,789	..
b) Non-Bank Credit to Government	2,04,620	2,15,737	1,52,783	1,94,607	4,64,344	5,81,367
ii) External Financing	14,753	7,472	8,472	9,315	9,603	16,047
B. Instrument-wise (i+ii)	**2,33,236**	**2,39,560**	**2,30,432**	**2,03,922**	**4,73,947**	**5,97,414**
i) Domestic Financing (a to g)	2,18,483	2,32,088	2,21,960	1,94,607	4,64,344	5,81,367
a) Market Borrowings (net) @	85,498	1,21,546	1,27,858	1,84,525	3,66,991	5,13,441
b) Small Savings (net) &	87,690	89,836	63,746	-4,474	4,450	24,999
c) State Provident Funds (net)	13,139	15,388	15,188	14,762	18,648	25,146
d) Reserve Funds	10,827	10,122	19,342	4,471	-14,780	-5,874
e) Deposits and Advances	4,529	18,888	22,982	-2,447	18,453	18,380
f) Cash Balances ^	-51,037	-54,834	-16,078	-13,408	16,360	25,721
g) Others &&	67,837	31,143	-11,078	11,178	54,222	-20,446
ii) External Financing	14,753	7,472	8,472	9,315	9,603	16,047
IV. I as per cent of GDP	**26.5**	**25.9**	**25.9**	**26.6**	**30.1**	**30.7**
V. II as per cent of GDP	**28.0**	**27.4**	**26.3**	**26.9**	**29.8**	**30.3**
VI. IIA as per cent of GDP	**18.7**	**19.1**	**20.5**	**21.5**	**21.2**	**20.9**
VII. IIA (i) as per cent of GDP	**15.0**	**15.6**	**16.9**	**17.7**	**17.4**	**16.7**
VIII. III as per cent of GDP	**7.2**	**6.5**	**5.4**	**4.1**	**8.5**	**9.7**

++ : Represent compensation and assignments by States to local bodies and *Panchayati Raj* institutions.
@ : Borrowing through dated securities and 364-day Treasury Bills.
.. : Budget estimates are not available. ## : As per RBI records.
& : Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).
^ : Include Ways and Means Advances of the State governments.
&& : Includes Treasury Bills (excluding 364-day Treasury Bills), loans from financial institutions, insurance and pension funds, remittances, cash balance investment account *etc.*
(–) : Indicates Surplus/net outflow.

Notes : i) Total disbursements/receipts are net of repayments of the Central Government (including repayments to the NSSF) and State Governments.
ii) Total receipts are net of variation in cash balances of the Central and State Governments.
iii) Data pertaining to State Governments from 2004-05 relate to budgets of 28 State Governments.
iv) In case of Union Government fiances for 2007-08 , the figures for non-debt capital receipts includs Rs.34309 crore and development capital outlay includes an amount of Rs.35,531 crore on acccount of transactions relating to transfer of RBI's stake in SBI to the Government.

Source : Budget Documents of Central and State Governments.

Notes on Tables

Table No. 1

(1) Annual data are averages of the months.

(2) Figures relate to last Friday of the month / year.

(3) Total of Rupee Securities held in Issue and Banking Departments.

(4) Relates to loans and advances only.

(5) Figures relate to the last Friday / last reporting Friday (in case of March).

(6) Total for Mumbai, Chennai, Kolkata and New Delhi only.

(7) Figures relate to last reporting Friday / March 31.

(8) Rates presented as low / high for the period indicated. The source of data prior to April 2000 issue of the Bulletin has been DFHI. The data from April 2000 issue of the Bulletin are not strictly comparable with that pertaining to earlier periods due to wider coverage of Call Market business.

(9) Relating to major banks.

(10) Relating to five major banks. PLR concept was introduced with effect from October 1994.

(11) Monthly data are averages of the weeks and annual data are averages of the months.

(12) Figures relate to the end of the month / year.

(13) Data relate to January – December.

(14) Cash Reserve Ratio of Scheduled Commercial Banks (excluding Regional Rural Banks).

Table No. 2

The gold reserves of Issue Department were valued at Rs.84.39 per 10 grams up to October 16, 1990 and from October 17, 1990 they are valued close to international market prices.

(1) Includes Government of India one rupee notes issued from July 1940.

(2) Includes (i) Paid-up Capital of Rs.5 crore (ii) Reserve Fund of Rs.6,500 crore (iii) National Industrial Credit (Long-Term Operations): Fund of Rs.16 crore and (iv) National Housing Credit (Long-Term Operations) Fund of Rs.190 crore from the week ended November 30, 2007.

(3) Includes cash, short-term securities and fixed deposits. This also includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

(4) Includes temporary overdrafts to State Governments.

(5) Figures in bracket indicate the value of gold held under other assets.

Table Nos. 3 & 4

The expression 'Banking System' or 'Banks' means (a) State Bank of India and its associates (b) Nationalised Banks (c) Banking companies as defined in clause 'C' of Section 5 of the Banking Regulation Act, 1949 (d) Co-operative banks (as far as scheduled co-operative banks are concerned) (e) Regional Rural Banks and (f) any other financial institution notified by the Central Government in this regard.

(1) Excludes borrowings of any scheduled state co-operative bank from the State Government and any Reserve Fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank.

(2) Deposits of co-operative banks with scheduled state co-operative banks are excluded from this item but are included under 'Aggregate deposits'.

(3) Excludes borrowings of regional rural banks from their sponsor banks.

(4) Wherever it has not been possible to provide the data against the item 'Other demand and time liabilities' under 'Liabilities to the Banking System' separately, the same has been included in the item 'Other demand and time liabilities' under 'Liabilities to others'.

(5) Data reflect redemption of India Millennium Deposits (IMDs) on December 29, 2005.

(6) Other than from the Reserve Bank of India, NABARD and Export-Import Bank of India.

(7) Figures relating to scheduled banks' borrowings in India are those shown in the statement of affairs of the Reserve Bank of India. Borrowings against usance bills and/or promissory notes are under section 17(4) of the Reserve Bank of India Act, 1934.

(8) Includes borrowings by scheduled state co-operative banks under Section 17(4AA) of the Reserve Bank of India Act, 1934.

(9) As per the Statement of Affairs of the Reserve Bank of India.

(10) Advances granted by scheduled state co-operative banks to co-operative banks are excluded from this item but included under 'Loans, cash-credits and overdrafts'.

(11) At book value; it includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(12) Includes participation certificates (PCs) issued by scheduled commercial banks to other banks and financial institutions.

(13) Includes participation certificates (PCs) issued by scheduled commercial banks to others.

(14) Figures in brackets relate to advances of scheduled commercial banks for financing food procurement operations.

Table No. 6

(1) Total of demand and time deposits from 'Others'.

(2) Includes borrowings from the Industrial Development Bank of India and National Bank for Agriculture and Rural Development.

(3) At book value; includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(4) Total of 'Loans, cash credits and overdrafts' and 'Bills purchased and discounted'.

(5) Includes advances of scheduled state co-operative banks to central co-operative banks and primary co-operative banks.

Table No. 7

With a view to enable the banks to meet any unanticipated additional demand for liquidity in the context of the century date change, a 'Special Liquidity Support' (SLS) facility was made available to all scheduled commercial banks (excluding RRBs) for a temporary period from December 1, 1999 to January 31, 2000.

(1) With effect from April 13,1996, banks are provided export credit refinance against their rupee export credit and post-shipment export credit denominated in U.S. Dollars taken together.

(2) General Refinance Facility was replaced by Collateralised Lending Facility (CLF)/Additional Collateralised Facility (ACLF) effective April 21, 1999. ACLF was withdrawn with the introduction of Liquidity Adjustment Facility (LAF), effective June 5, 2000. CLF was withdrawn completely effective October 5, 2002.

(3) Special Liquidity Support Facility which was introduced effective September 17, 1998 was available upto March 31, 1999.

(4) Post-shipment credit denominated in US dollars (PSCFC) scheme was withdrawn effective February 8, 1996 and the refinance facility thereagainst was withdrawn effective April 13, 1996. The scheme of government securities refinance was terminated effective July 6, 1996.

Table No. 8

(a) The data includes cheque clearing for both i.e. clearing houses managed by Reserve Bank of India and clearing houses managed by other banks. Paper based inter-bank clearing has been discontinued at all the centres since June, 2005.

The other MICR Centres are Agra, Allahabad, Amritsar, Aurangabad, Baroda, Belgaum, Bhavnagar, Bhilwara, Calicut, Coimbatore, Cuttak, Dehradun, Ernakulum, Erode, Gorakhpur, Gwalior, Hubli, Indore ,Jabalpur, Jalandhar, Jamshedpur, Jammu, Jamnagar, Jodhpur, Kolhapur, Kozhikode, Kota, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panaji, Pondicherry, Pune, Raipur, Rajkot, Ranchi, Salem, Sholapur, Surat, Thiruchirapalli, Tirupur, Thrissur, Tirunelveli, Udaipur, Varanasi, Vijayawada and Vishakhapatnam.

(b) Graphs: The graphs 3 and 4 on Paper and Electronic payments - the Electronic Payment System data include Retail Electronic Payment Systems, RTGS (customer and inter-bank) and CCIL operated systems.

(c) Non MICR Data pertains to the Clearing Houses managed by 10 banks namely SBI, SBBJ, SB Indore, PNB, SBT, SBP, SBH, SBM, Jammu and Kashmir Bank and United Bank of India.

(d) The other MICR Centres includes 50 centres managed by 12 PSBs namely Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, State Bank of Hyderabad and Union Bank of India.

Table No. 9A

The data pertains to retail electronic payment.

Table No. 9B

The data pertains to Large Value Payment Systems. The figures for CCIL, insofar as the operations pertain to selected services, are taken from the CCIL published data.

Table No. 10

(a) For details of money stock measures according to the revised series, reference may be made to January 1977 issue of this Bulletin (pages 70-134).

(b) Banks include commercial and co-operative banks.

(c) Financial year data relate to March 31, except scheduled commercial banks' data which relate to the last reporting Friday of March. For details, see the note on page S 963 of October 1991 issue of this Bulletin.

(d) Scheduled commercial banks' time deposits reflect redemption of Resurgent India Bonds (RIBs), since October 1, 2003 and of India Millennium Deposits (IMDs) since December 29, 2005.

(e) Data are provisional.

(1) Net of return of about Rs.43 crore of Indian notes from Pakistan upto April 1985.

(2) Estimated : ten-rupee commemorative coins issued since October 1969, two-rupee coins issued since November 1982 and five-rupee coins issued since November 1985 are included under rupee coins.

(3) Exclude balances held in IMF Account No.1, Reserve Bank of India Employees' Provident Fund, Pension Fund, Gratuity and Superannuation Fund and Co-operative Guarantee Fund, the amount collected under the Additional Emoluments (Compulsory Deposit) Act, 1974 and the Compulsory Deposit Scheme (Income-Tax Payers') Act.

(f) Revised in line with the new accounting standards and consistent with the Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Table Nos. 11 & 13

(a) On the establishment of National Bank for Agriculture and Rural Development (NABARD), on July 12, 1982, certain assets and liabilities of the Reserve Bank were transferred to NABARD, necessitating some reclassification of aggregates in the sources of money stock from that date.

(b) Please see item (c) of notes to Table 10.

(c) Data are provisional.

(1) Includes special securities and also includes Rs.751.64 crore (equivalent of SDRs 211.95 million) incurred on account of Reserve Assets subscription to the IMF towards the quota increase effective December 11, 1992.

(2) Represents investments in bonds/shares of financial institutions, loans to them and holdings of internal bills purchased and discounted. Excludes since the establishment of NABARD, its refinance to banks.

(3) Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities.

Table No. 11A

The conceptual basis of the compilation of the Commercial Bank Survey are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998, which recommended changes in the reporting system of commercial banks and the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) Time Deposits of Residents : These do not reckon non-residents' foreign currency repatriable fixed deposits (such as FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs)) based on the residency criterion and exclude banks' pension and provident funds because they are in the nature of other liabilities and are included under 'other demand and time liabilities'.

(2) Short-term Time Deposits : Refers to contractual maturity of time deposits of up to and including one year. This is presently estimated at 45.0 per cent of total domestic time deposits.

(3) Domestic Credit : It includes investments of banks in non-SLR securities, comprising commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market, apart from investment in government and other approved securities and conventional bank credit (by way of loans, cash credit, overdrafts and bills purchased and discounted).

(4) Net Foreign Currency Assets of Commercial Banks : Represent their gross foreign currency assets netted for foreign currency liabilities to non-residents.

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) : It is the residual balancing the components and sources of the Commercial Banking Survey and includes scheduled commercial banks' other demand and time liabilities, net branch adjustments, net inter-bank liabilities *etc.*

Table No. 11B

The conceptual basis of the compilation of new monetary aggregates are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998. A link series between the old and present monetary series has been published in the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) NM_2 and NM_3 : Based on the residency concept and hence does not directly reckon non-resident foreign currency repatriable fixed deposits in the form of FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs).

(2) NM_2 : This includes M_1 and residents' short-term time deposits (including and up to the contractual maturity of one year) with commercial banks.

(3) Domestic Credit : Consistent with the new definition of bank credit which includes investments of banks in non-SLR securities, comprising of commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market. The RBI's loans and advances to NABARD would be included in the RBI credit to commercial sector. Other components such as credit to Government, investments in other approved securities and conventional bank credit remain unchanged.

(4) Net Foreign Assets of The Banking Sector : It comprises the RBI's net foreign assets and scheduled commercial banks' net foreign currency assets (refer to note 4 of Table 11A).

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) of the Banking System : It is the residual balancing the components and sources of money stock, representing other demand and time liabilities *etc.* of the banking system.

Table No. 11C

The conceptual basis of the compilation of the Reserve Bank Survey is given in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998 and the article "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999. The components of reserve money (to be referred as M_0) remain unchanged. On the sources side, the RBI's refinance to the National Bank for Agriculture and Rural Development (NABARD), which was hitherto part of RBI's claims on banks has been classified as part of RBI credit to commercial sector. The Reserve Bank's net non-monetary liabilities are classified into capital account (comprising capital and reserves) and other items (net).

Table No. 12

Please see item (c) of notes to Table 10.

Table No. 26C

(a) Month-end yields for different integer valued residual maturities are estimated using interpolation technique on weighted average yields of select indicative securities derived from SGL transactions data on government securities observed during a select month-end day. Yield corresponding to each transaction in a security is calculated from the following Yield to Maturity (YTM) and price relationship.

$$P + bpi = \sum_{i=1}^{n} \frac{c/v}{(1+ {}^{y}/_{v})^{vt_i}} + \frac{F}{(1+ {}^{y}/_{v})^{vt_n}}$$

Where,

P = price of the bond

bpi = broken period interest

c = annual coupon payment

y = yield to maturity

v = number of coupon payments in a year

n = number of coupon payments till maturity

F = Redemption payment of the bond

t_i = time period in year till i^{th} coupon payment

(b) The weighted average yield corresponding to each traded security on that particular day is calculated from the yields of all transactions on that security using amount (Face Value) traded as the weights.

(c) Broken period (number of days) is based on day count convention of 30 days a month and 360 days a year.

Table Nos. 28 & 29

Table 28 presents Index Numbers of Industrial Production (Sectoral and Use-based Classification). Due to revision of the indices of the mining sector and also the deletion of four items, *viz.*, radio receivers, photosensitised paper, chassis (assembly) for HCVs (bus, truck) and engines from the item–basket of the manufacturing sector, the IIP data have been revised from 1994-95 onwards. This has also resulted in the change in redistribution of weights in use-based classification of IIP. Table 29 contains data on manufacturing sector at two digit level of 17 groups along with general index and sectoral indices, *viz.*, Mining and Quarrying, Manufacturing and Electricity.

Table No. 30

(a) Figures exclude data on private placement and offer for sale but include amounts raised by private financial institutions.

(b) Equity shares exclude bonus shares.

(c) Preference shares include cumulative convertible preference shares and equi-preference shares.

(d) Debentures include bonds.

(e) Convertible debentures include partly convertible debentures.

(f) Non-convertible debentures include secured premium notes and secured deep discount bonds.

(g) Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Table No. 34

The ban on forward trading in gold and silver, effective November 14, 1962 and January 10, 1963, has been lifted with effect from April 1, 2003.

(1) In case Friday is a holiday, prices relate to the preceding working day.

Table No. 35

Annual data relate to average of the months April to March.

(1) The new series of index numbers with base 2001=100 was introduced from January 2006 and with that the compilation of the index numbers with the base year 1982 was discontinued. The linking factor can be used to work out the index numbers with the base year 2001 for data from January 2006 onwards.

(2) Based on indices relating to 78 centres.

Table No. 36

Annual data relate to average of the months April to March. The new series of index numbers with base 1984-85=100 was introduced from November 1987.

(1) Based on indices relating to 59 centres.

Table No. 37

Annual data relate to the average of the months July to June.

(1) With respect to base: July 1960-June 1961=100.

(2) The new series of index numbers with base : July 1986 to June 1987 = 100 was introduced from November 1995 and with that the compilation of index numbers with base : July 1960 to June 1961 was discontinued. The linking factor given in this column can be used to work out the index numbers with old base (i.e., 1960-61 = 100) for November 1995 and subsequent months.

(3) In the case of Assam, the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region viz. Assam, Manipur, Meghalaya and Tripura while the index of the new series (i.e., with base 1986-87 = 100) has been compiled for each of the constituent States separately. The index for Assam region on old base can be estimated from the corresponding indices of the new series as under :

$$I^{A}_{O} = 5.89 \, [\, (0.8126 \text{ X } I^{A}_{N}) + (0.0491 \text{ X } I^{Ma}_{N}) + (0.0645 \text{ X } I^{Me}_{N}) + (0.0738 \text{ X } I^{T}_{N})]$$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts A, Ma, Me and T indicate Assam, Manipur, Meghalaya and Tripura, respectively.

(4) Similarly, in the case of Punjab, where the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region, viz., Punjab, Haryana and Himachal Pradesh, the index for the Punjab region on old base can be estimated as under :

$$I^{P}_{O} = 6.36 \, [(0.6123 \text{ X } I^{P}_{N}) + (0.3677 \text{ X } I^{Ha}_{N}) + (0.0200 \text{ X } I^{Hi}_{N})]$$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts P, Ha and Hi indicate Punjab, Haryana and Himachal Pradesh, respectively.

(5) Indices for the State compiled for the first time from November, 1995.

(6) Consumer Price Index for Rural Labourers (including agricultural labourers) are compiled from November 1995 only.

(7) Average of 8 months (November 1995 - June 1996).

Table Nos. 38

The new series of index numbers with base 1993-94=100 was introduced in April 2000. Details regarding the scope and coverage of new series are published in June 2000 issue of the Bulletin.

As per the press release dated October 19, 2009 of the Cabinet Committee of Economic Affairs (CCEA), Government of India, the weekly release of WPI will cover only the 'Primary Articles' and the 'Fuel, Power, Light & Lubricants' groups. Now on, the WPI for 'All commodities' and 'Manufactured Products' will be released only on a monthly basis. The financial year data (1994-95, 2007-08 and 2008-09) are averages of weekly data.

Table No. 39

(a) The foreign trade data relate to total sea, air and land trade, on private and government accounts. Exports are on f.o.b. basis and imports are on c.i.f. basis. Exports include re-exports of foreign merchandise previously imported to India and imports relate to foreign merchandise whether intended for home consumption, bonding or re-exportation. Direct transit trade, transshipment trade, passengers baggage, ship's stores, defence goods and transactions in treasure i.e. gold and current coins and notes, diplomatic goods, "proscribed substances" under Atomic Energy Act, 1962, are excluded from the trade data, while indirect transit trade, transactions in silver (other than current coins) and in notes and coins not yet in circulation or withdrawn from circulation are included.

Table Nos. 40 & 41

(1) Data up to 1980-81 are final, subsequent data are preliminary actuals.

(2) Interest accrued during the year and credited to NRI deposits has been treated as notional outflow under invisible payments and added as reinvestment in NRI deposits under Banking Capital – NRD.

(3) The item "Non-monetary Gold Movement" has been deleted from Invisibles in conformity with the IMF Manual on BOP (5th edition) from May 1993 onwards; these entries have been included under merchandise.

(4) Since 1990-91 the value of defence related imports are recorded under imports (merchandise debit) with credits financing such imports shown under "Loans (External commercial Borrowings to India)" in the capital account. Interest payments on defence debt owed to the General Currency Area (GCA) are recorded under Investment Income debit and principal repayments under debit to "Loans (External commercial Borrowings to India)". In the case of the Rupee Payment Area (RPA), interest payment on and principal repayment of debt is clubbed together and shown separately under the item "Rupee Debt Service" in the capital account. This is in line with the recommendations of the High Level Committee on Balance of Payments (Chairman : Dr. C. Rangarajan).

(5) In accordance with the provisions of IMF's Balance of Payments Manual (5th Edition), gold purchased from the Government of India by the RBI has been excluded from the BOP statistics. Data from the earlier years have, therefore, been amended by making suitable adjustments in "Other Capital Receipts" and "Foreign Exchange Reserves". Similarly, item "SDR Allocation" has been deleted from the table.

(6) In accordance with the recommendations of the Report of the Technical Group on Reconciling of Balance of Payments and DGCI & S Data on Merchandise Trade, data on gold and silver brought in by the Indians returning from abroad have been included under import payments with contra entry under Private Transfer Receipts since 1992-93.

(7) In accordance with the IMF's Balance of Payments Manual (5^{th} edition), 'compensation of employees' has been shown under head, "income" with effect from 1997-98; earlier, 'compensation of employees' was recorded under the head "Services – miscellaneous".

(8) Since April 1998, the sales and purchases of foreign currency by the Full Fledged Money Changers (FFMC) are included under "travel" in services.

(9) Exchange Rates : Foreign currency transactions have been converted into rupees at the par/central rates up to June 1972 and on the basis of average of the Bank's spot buying and selling rates for sterling and the monthly averages of cross rates of non-sterling currencies based on London market thereafter. Effective March 1993, conversion is made by crossing average spot buying and selling rate for US dollar in the forex market and the monthly averages of cross rates of non-dollar currencies based on the London market.

Explanatory Notes

Balance of payments is a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.

Merchandise credit relate to export of goods while ***merchandise debit*** represent import of goods.

Travel covers expenditure incurred by non-resident travellers during their stay in the country and expenditure incurred by resident travellers abroad.

Transportation covers receipts and payments on account of international transportation services.

Insurance comprises receipts and payments relating to all types of insurance services as well as reinsurance.

Government not included elsewhere (G.n.i.e.) relates to receipts and payments on government account not included elsewhere as well as receipts and payments on account of maintenance of embassies and diplomatic missions and offices of international institutions.

Miscellaneous covers receipts and payments in respect of all other services such as communication services, construction services, software services, technical know-how, royalties etc.

Transfers (official, private) represent receipts and payments without a quid pro quo.

Investment Income transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. Investment income receipts comprise interest received on loans to non-residents, dividend/profit received by Indians on foreign investment, reinvested earnings of Indian FDI companies abroad, interest received on debentures, floating rate notes (FRNs), Commercial Papers (CPs), fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds, payment of taxes by non-residents/refunds of taxes by foreign governments, interest/discount earnings on RBI investment etc. Investment income payments comprise payment of interest on non-resident deposits, payment of interest on loans from non-residents, payment of dividend/profit to non-resident share holders, reinvested earnings of the FDI companies, payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities, charges on Special Drawing Rights (SDRs) etc.

Foreign investment has two components, namely, foreign direct investment and portfolio investment.

Foreign direct investment (FDI) to and by India up to 1999-2000 comprise mainly equity capital. In line with international best practices, the coverage of FDI has been expanded since 2000-01 to include, besides equity capital reinvested earnings (retained earnings of FDI companies) and 'other direct capital' (inter-corporate debt transactions between related entities). Data on equity capital include equity of unincorporated entities (mainly foreign bank branches in India and Indian bank branches operating abroad) besides equity of incorporated bodies. Data on reinvested earnings for the latest year are estimated as average of the previous two years as these data are available with a time lag of one year. In view of the above revision, FDI data are not comparable with similar data for the previous years. In terms of standard practice of BoP compilation, the above revision of FDI data would not affect India's overall BoP position as the accretion to the foreign exchange reserves would not undergo any change. The composition of BoP, however, would undergo changes. These changes relate to investment income, external commercial borrowings and errors and omissions. In case of reinvested earnings, there would be a contra entry (debit) of equal magnitude under investment income in the current account. 'Other Capital' reported as part of FDI inflow has been carved out from the figure reported under external commercial borrowings by the same amount. 'Other Capital' by Indian companies abroad and equity capital of unincorporated entities have been adjusted against the errors and omissions for 2000-01 and 2001-02.

Portfolio investment mainly includes FIIs' investment, funds raised through ADRs/GDRs by Indian companies and through offshore funds. Data on investment abroad, hitherto reported, have been split into equity capital and portfolio investment since 2000-01.

External assistance by India denotes aid extended by India to other foreign Governments under various agreements and repayment of such loans. External Assistance to India denotes multilateral and bilateral loans received under the agreements between Government of India and other Governments/International institutions and repayments of such loans by India, except loan repayment to erstwhile "Rupee area" countries that are covered under the Rupee Debt Service.

Commercial borrowings covers all medium/long term loans. Commercial Borrowings by India denote loans extended by the Export Import Bank of India (EXIM bank) to various countries and repayment of such loans. Commercial Borrowings to India denote drawals/repayment of loans including buyers' credit, suppliers' credit, floating rate notes (FRNs), commercial paper (CP), bonds, foreign currency convertible bonds (FCCBs) issued abroad by the Indian corporate etc. It also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs).

Short term loans denotes drawals in respect of loans, utilized and repayments with a maturity of less than one year.

Banking capital comprises of three components : a) foreign assets of commercial banks (ADs), b) foreign liabilities of commercial banks (ADs), and c) others. 'Foreign assets' of commercial banks consist of (i) foreign currency holdings, and (ii) rupee overdrafts to non-resident banks. 'Foreign liabilities' of commercial banks consists of (i) Non-resident deposits, which comprises receipt and redemption of various non-resident deposit schemes, and (ii) liabilities other than non-resident deposits which comprises rupee and foreign currency liabilities to non-resident banks and official and semi-official institutions. 'Others' under banking capital include movement in balances of foreign central banks and international institutions like IBRD, IDA, ADB, IFC, IFAD etc. maintained with RBI as well as movement in balances held abroad by the embassies of India in London and Tokyo.

Rupee debt service includes principal repayments on account of civilian and non-civilian debt in respect of Rupee Payment Area (RPA) and interest payment thereof.

Other capital comprises mainly the leads and lags in export receipts (difference between the custom data and the banking channel data). Besides this, other items included are funds held abroad, India's subscription to international institutions, quota payments to IMF, remittances towards recouping the losses of branches/subsidiaries and residual item of other capital transactions not included elsewhere.

Movement in reserves comprises changes in the foreign currency assets held by the RBI and SDR balances held by the Government of India. These are recorded after excluding changes on account of valuation. Valuation changes arise because foreign currency assets are expressed in US dollar terms and they include the effect of appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen) held in reserves.

Table No. 42

1. Gold is valued at average London market price during the month.
2. Conversion of SDRs into US dollars is done at exchange rates released by the International Monetary Fund (IMF).
3. Conversion of foreign currency assets into US dollars is done at week-end (for week-end figures) and month-end (for month-end figures) New York closing exchange rates.
4. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI Holding rates.
5. Reserve Tranche Position (RTP) in IMF has been included in foreign exchange reserves from April 2, 2004 to match the international best practices. Foreign exchange reserves figures have accordingly been revised for 2002-03 and 2003-04 to include RTP position in the IMF.

Table No. 49

The 5-country indices of REER/NEER were replaced with new 6-currency indices in December 2005. The RBI Bulletin December 2005 carried a detailed article on the rationale and methodology for the replacement. A revision has now been undertaken in the construction of the 6-currency REER indices. This revision was necessitated by a sudden spurt in Chinese inflation indices during April-May, 2006. It may be mentioned that Chinese inflation indices are not readily available in the public domain. The National Bureau of Statistics provides only point-to-point inflation rates on a monthly basis in the public domain. In view of this, inflation indices were constructed taking into account the inflation rates with 1993-94 as the base year. It may be further mentioned that the period from January 1993 to December 1995 was marked by continuous double digit inflation rates in China. This lent an upward bias to the Chinese inflation indices (base: 1993-94=100) leading to a sharp fall in the value of 6-currency REER in April 2006. In order to remove the distortion in REER on account of sudden spurt in Chinese inflation numbers, a new series of Chinese inflation indices has been constructed taking 1990 as the base year (a year with much less volatility in inflation rates). Subsequently, the base year of the new series of Chinese inflation indices has been changed from 1990 to 1993-94 through splicing to facilitate the construction of the 6-currency REER (base 1993-94=100).

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			230 *	20*	
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			200 *	20*	
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	i) Assets and liabilities of households as on 30th June 1981		1987	75 85 * 60 **	15	
	ii) Statistical tables relating to capital expenditure and capital formation of households during the year ended 30th June 1982		1987	125 £ 135 * 100 **	25	
	iii) Statistical tables relating to cash borrowings and repayments of households during July 1981 to June 1982 and cash dues outstanding as on 30th June 1982		1990	100 £ 110 * 80 **	32	
23.	A Profile of Banks					
	i) 2004-05	do	2005	100 130 *	20 *	
	ii) 2005-06		2006	90 120 *	55 □ 20 *	
	iii) 2006-07		2007	90 120 *	55 □ 20 *	
	iv) 2007-08		2008	40 70 *	5 * 45 □	
C.	**Public/Private Limited Companies**					
1.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries) on CD-ROM	do	2001	350 *	70	
2.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries)	do				
	1974-75 To 1982-1983 Vol.I		2001	700 *	140	1700
	1982-83 To 1990-1991 Vol.II		2001			1500
	1990-91 To 1999-2000 Vol.III		2001			2000
	(Rs.700 for three volums)					
3.	Selected financial and other ratios-public limited companies	do				
	1980-81 to 1987-88 Vol.I		1990	45 £	15	
	Vol.II		1990	60 £	20	
	1988-89 to 1990-91 (Part I)		1996	90 £	50	
4.	Selected financial & other ratios-private limited companies 1988-89 to 1990-91 (Part II)	do	1996	80	45	
5.	Private Corporate Business Sector in India Selected Financial Statistics from 1950-51 to 1997-98 (All-Industries) (Print Version)	do	2000	300 *	60	
	(a) CD-ROM			500 *	100	

Reserve Bank of India Publications

	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5	6	
D.	**Reports of Committees/Working Groups**						
1.	Study group on deployment of resources by State and Central co-operative banks (Hate committee report)	UBD	1982	25 * £			
2.	Capital formation and savings in India 1950-51 to 1979-80 Report of the working group on savings (Raj committee report)	DEAP	1982	18 £		400	21
3.	Report of the working group to consider feasibility of introducing MICR/ OCR technology for cheque processing (Damle committee report)	DBOD	1983	7 £ (Amt. rounded off)		200	19
4.	Report of the committee to review the working of the monetary system (Sukhamoy Chakravarty committee report)	DEAP	1985	35 £ 25 **	10		
5.	Report of the committee to consider final accounts of banks (Ghosh committee report)	DBOD	1985	56 £		500	22
6.	Report of the committee on agricultural productivity in Eastern India	DEAP					
	(Sen Committee Report) Vol. I		1985	70 * £	15		
	(Hard Bound) Vol. II		1985	85 * £	20		
7.	Report of the working group on the money market (Vaghul committee report)	MPD	1987	15 *			
8.	Report of the committee to review the working of credit authorisation scheme (Marathe committee report)	IECD (Old)	1988	10 *	10		
9.	Co-ordination between term lending institutions and commercial banks (Bucher committee report)	do	1988	10 *	1		
10.	Report of the working group to review the system of cash credit (Chore committee report)	do	1988	12 * £			
11.	Report of the study group to frame guidelines for follow-up of bank credit (Tandon committee report)	do	1988	16 * £			
12.	Report of the study group for examining introduction of factoring services in India (Kalyansundaram committee report)	do	1989	30 *			
13.	Report of the committee on computerization in banks (Rangarajan committee report)	DSIM	1989	40 £		500	22
14.	Report of the Committee on Financial System (Narasimham Committee Report)	DBOD	1991 (Reprint)	60 £		170	19
15.	Report of the working group on financial companies (Shah committee report)	DFC	1992	30 £		300	20
16.	Report of the task force on money market mutual funds (Basu committee report)	MPD	1992	10 * £	5		
17.	Report of the committee on the licensing of new urban co-operative banks (Marathe committee report) (Hindi Edition)	UBD	1992	40		400	21
18.	Report of the committee to examine the legal and other difficulties faced by banks and financial institutions in rehabilitation of sick industrial undertakings and suggestremedial measures including changes in the law (Tiwari committee report)	IECD (Old)	1993 (Reprint)	90 £		500	22
19.	Report of the committee on structure of export credit (Sundaram committee report) (English & Hindi Edition)	do	1993	36	25	200	19
20.	Report of the committee to review the system of lending under consortium arrangement (Shetty committee report)	do	1993	50 £			
21.	Report of the committee to examine the adequacy of institutional credit to the SSI sector & related aspects (Nayak committee report)	RPCD	1993 (Reprint)	55	9	300	20
22.	Review of the agricultural credit system in India (Khusro committee report)	do	1993 (Reprint)	270 £ 315 *	80		
23.	Report of the committee to enquire into securities transactions of banks and financial institutions (Jankiraman committee report)	DOC	1994	85 £ 100 *			

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
	1	2	3	4	5		6
24.	Committee on technology issues relating to payments system, cheque clearing and securities settlement in the banking industry (Saraf committee report) (Hindi Edition)	DIT	1994	50 *£	20		
25.	Report of the committee to study the problems of sick/weak units in leather industry and to suggest measures to overcome them (Balsubramanian committee report)	IECD (Old)	1994	69 £			
26.	Report of the working group for examining the schemes and incentives available to NRIs for investment in India (Sodhani Committee Report)	FED	1995	50 *£	10		
27.	Report of the expert group for designing a supervisory framework for non-banking financial companies (Khanna Committee Report)	DBOD	1996	35		307	21
28.	Report of the committee for proposing legislation on electronic funds transfer and other electronic payments (Shere Committee Report)	DIT	1996	150	15	333	21
29.	Report of the Committee on Capital Account Convertibility (Tarapore Committee Report)	DEIO	1997	100 *	35		
30.	Money Supply : Analystics and Methodology of Compilation- Report of the working group (Reddy Committee Report)	DEAP	1998	35 £	20		
31.	Report of the high level Committee on agricultural credit through commercial banks(Gupta Committee Report)	RPCD	1998	30 £		200	19
32.	Report of the high level Committee on credit to SSI (Kapur Committee Report)	do	1998	50 £	10	277	20
33.	Report of the Technical Committee on external debt (Nair Committee Report)	DEAP	1998	20 *£	15		
34.	Report of the Committee on Banking Sector Reforms (Narasimham Committee Report)	DBOD	1998	32		244	20
35.	Report of the Working Group on Euro (Subramanyam Committee Report)	DEIO	1998	100 £	30		
36.	Report of the Committee on Hedging through International Commodity Exchange (Gupta Committee Report)	FED	1998	100 *	50		
37.	Report of the Committee on Tecnnology Upgradation in the Banking Sector (Vasudevan Committee Report)	DIT	1999	100 *	25		
38.	Report of the High Power Committee on Urban Co-operative Banks (Madhava Rao Committee Report)	UBD	1999	80		490	22
39.	Report of the Advisory Group on Payment and Settlement System Part (I) June 2000	MPD	2000	40 * 30 **	15		
40.	Report of the Advisory Group on Payment and Settlement System (Part II)	do	2000	20 * 15 **	10		
41.	Report of the Advisory Group on Payment and Settlement System (Part III)	do	2001	20 * 15 **	10		
42.	Report of the Advisory Group on "Transparency in Monetary and Financial Policies".	do	2001	45 * 35 **	20		
43.	Report of the Advisory Group on Corporate Governance	do	2001	40 * 30 **	15		
44.	Report of the Advisory Group on Fiscal Transperency	do	2001	30 * 20 **	15		
45.	Report of the Advisory Group on Data Dissemination	do	2001	35 * 25 **	20		
46.	Report of the Advisory Group on Banking Supervision	do	2001	90 * 60 **	40		
47.	Report of the Advisory Group on Securities Market Regulation	do	2001	25 * 20 **	10		
48.	Report of the Advisory group on Bankruptcy Laws (Volume-I & II)	do	2001	90 * 75 **	45		

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
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50	Report of the Advisory group on Accounting & Auditing	do	2001	40 *	20		
51.	Report of the Technical Group on Market Integrity	do	2002	65 * 50 **	20		
52	Standing Committee on International Financial Standards and Codes on CD-ROM	do	2002	200 * 150 **	60		
53.	Report of the Standing Committee on International Financial Standards and Codes	do	2002	65 * 50 **	20		
54.	The Standing Advisory Committee for Urban Co-operative Banks	UBD					
	i) First meeting		1983	5		200	19
	ii) Second meeting		1984	6 £		200	19
	iii) Third meeting		1985	6		200	19
	iv) Fourth meeting		1985	9		300	20
	v) Fifth meeting		1986	9 £		200	19
	vi) Sixth meeting		1988	12 £		200	19
	vii) Seventh meeting		1989	12		200	19
	viii) Eighth meeting		1990	21		300	20
	ix) Ninth meeting (Bilingual edition)		1992	24		200	19
	x) Tenth meeting		1994	95		300	20
	xi) Eleventh meeting		1995	90		300	20
	xii) Twelfth meeting		1996	52		100	18
E.	**Manuals**						
1.	Manual for urban co-operative banks	do	1984	15 £		400	21
2.	Manual on costing exercise in commercial banks	MSD	1987	5 £		200	19
3.	Manual on costing exercises in private sector and urban banks (Reprint)	do	1989	27 £		200	19
4.	RBI-Exchange Control Manual- (Reprint of 1993 edition) (Vol.I & II) (updated upto July, 1998)	FED	1998	400 £		2200	39
	i) RBI - Exchange Control Manual on floppy Disc - size 3.5 (Upadated upto June, 1999)		1999	400 £			
	ii) RBI - Exchange Control Manual - on C.D. Rom (updated upto 31st May, 2000)		1999	400 £			
F.	**Compendium of Circulars**						
1.	i) Compendium of A.D. (M.A. Series) circulars No. 1	do	1997	75 £			
	ii) Compendium of A.D. (M.A. Series) circulars No. 2		1998	120 £			
	iii) Compendium of A.D. (M.A. Series) circulars No. 3		1999	200			
2.	A. D. (M.A. Series) Circular No. 11 Foreign Exchange Management Act 1999	do	2000	185		900	26
3.	MPD Circulars						
	i) August 1970 to December 1981 - Vol. I	MPD	1989	75 *			
	ii) January 1982 to March 1989 - Vol.II		1989	75 *			
	iii) April 1989 to April 1995 Vol.III		1996	200		1530	33
4.	i) Circulars on Monetary and Credit Policy Vol. 4 (From May 1995 to April 1997)		2002	165 * 130 **	50		
	ii) Circular on Monetary and Credit Policy Vol. No. 5 (From May 1997 to March 1999)		2002	235 422 * 372 ** 185 ***	70		
	iii) Circulars on Monetary and Credit Policy Vol. No. 6. Part I & II (from April 1999 to March 2003) (English & Hindi)						
	a) Print Version (A set of four books)		2003	900 1300 * 1100 ** 700 ***	170		
	b) CD-ROM			400 * 300 **	80		

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Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
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iv) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (English & Hindi)	MPD					
a) Print Version		2004	250	25 □		
			275 *	20 *		
			200 **			
b) CD-ROM			180	5 □		
			200 *	12 *		
			140 **			
v) Circulars on Monetary and Credit Policy Vol. No. 8		2005				
(from April 2004 to March 2005)			375	30 *		
(a) Print Version (Billingual)			400 *			
			280 **			
(b) CD-ROM			180	15 *		
			200 *			
			140 **			
vi) Compendium of MPD Circulars - Vol. No. 9 (April 2005 - March 2006) (Billingual)		2006	480	35 *		
			500 *			
			375 **			
vii) Circulars on Monetary Policy Vol. No. 10 (April 2006 to March 2007) Billingual		2007	600	40		
			620 *			
			450 **			
viii) Circulars on Monetary Policy Vol. No. 11 (CD-ROM) (April 2007 to March 2008)		2008	210	8 *		
			230 *			
			160 ***			
			180 **			
5. IECD circulars	IECD (Old)					
i) July 1978 to June 1986 bilingual (Vol.I & II)		1993	250	10	2114	39
ii) 1986-89		1990	70		1325	31
iii) 1989-94 (Vol. I&II)		1995	250 £		2295	40
iv) 1994-95		1995	80		700	24
v) 1995-96		1996	55		380	21
vi) 1996-97		1997	65		445	22
6. Rural Planning and Credit Department (RPCD) Circulars (Bilingual edition)	RPCD					
i) July 1994 to June 1995 (Vol. X)		1998	180			
			200 *			
ii) July 1995 to June 1996 (Vol. XI)			180 £			
			200 *			
iii) July 1996 to June 1997 (Vol. XII)		1999	180			
			200 *			
iv) July 1997 to June 1998 (Vol. XIII)		1999	180			
			200 *			
v) July 1998 to June 1999 (Vol. XIV)		2000	180			
			200 *			
vii) July 1999 to June 2000 (Vo. XV)		2001	210			
			240 *			
7. Compendium of Circulars on Small Scale Industries	do	2000	120	25		
			150 *			
8. RPCD Circular (on CD-ROM) (1st July 1982 to 31 March 2004)	do	2004	120			
			150 *			
9. RPCD Circulars on Small Scale Industries (upto 30-09-2004) on CD-ROM	do	2004	120			
			150 *			
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			170 *			

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	Title of the Publication	Department	Year of publication	Price (Rs.)	Price US $	Weight in gms. & RBP Charges of Single copy in Rs.	
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11.	UBD circulars	UBD					
	i) June 1985		1986	115		274	20
	ii) 1985-1992 (Vol.I & II)		1995	250		3195	49
	iii) 1992-1994		1995	165		1792	35
	iv) 1995-96		1997	55		735	25
12.	i) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (July 1996-December 1997)	UBD	2000	85 £		742	25
	ii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 1998-December 1999)		2003	100 £		1032	68
	iii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 2000-December 2001)		2003	120 £		1300	68
G.	**Memorandum**						
1.	Memorandum of Exchange Control Manual, 1993 containing detailed procedural instructions	FED					
	a) Relating to general insurance in India (GIM)		1994	20		70	19
	b) Relating to channeling transactions through Asian Clearing Union (ACM)		1996	20		70	19
	c) Relating to co-operative/commercial banks (other than authorised dealers) authorised to maintain non-resident rupee accounts (ABM)		1994	20 £			
	d) Memorandum of Instructions to full-fledged money changers (FLM)		1999	30 £		110	19
	e) Memorandum of Instructions to restricted money changers (RLM)		1999	30 £		90	18
	f) Memorandum of Instruction on project & service exports (PEM)		1997	40 £		280	20
2.	Memorandum of Exchange Control Regulations Relating to general insurance in India (GIM)	do	2002	30			26
3.	Memorandum of instructions to Authorised Money Changers (AMC)	do	2002	30			
4.	Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) Memorandum ACM	do	2003	30			21
5.	Memorandum of Instructions on Project and Service Exports (PEM)	do	2003	40			
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2.	Regulatory Framework for Non-Banking Financial Companies	DNBS	1998	40 £		365	21
3.	Question/Answer New NBFC Policy	do	1998	10		50	18
4.	Payment Systems in India	DIT	1998	60 * 150 *	10		
5.	Mechanised Cheque Processing Using MICR Technology Procedural Guidelines	do	1999	50 *£			

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6.	Mechanised Cheque Processing using MICR Technology Procedural Guidelines. (Second Edition)	DIT	2002	50 *			
7.	Indian Financial Network Banking Applications Message Formats (INFINET)	do	2000	100 *			
8.	Indian Financial Network (INFINET) Banking Applications Messages Formats Vol. II	do	2002	100 *			
9.	Balance of Payments compilation	DEAP	1987	45 *	30		
10.	New Series on Wholesale Price Index Numbers	do	1990	11 * £			
11.	India's Balance of Payments monograph – 1948-49 to 1988-89	do	1993	90 £	40		
12.	Centenary Commemorative Volume (C.D. Deshmukh Memorial Lecture series)	do	1996	100	25	400	21
13.	50 years of Central Banking : Governors Speak	do	1997	400		800	25
14.	Indian Economy – Basic Statistics – 1997	do	1997	4 £			
15.	External Debt-Management : Issues, Lessons and Preventive Measures	do	1999	250 *	20		
16.	Foreign Collaboration in Indian Industry - Sixth Survey Report	do	1999	60 *	20		
17.	Flow of Funds Accounts of the Indian Economy 1951-52 to 1995-96	do	2000	75 *	20		
18.	Exchange facilities for foreign travel	FED	1996	8 £		35	18
19.	Exchange facilities for resident Indians	do	1997	15		32	18
20.	A Handbook on foreign Collaboration	do	1997	50 £ 65 *	15 *		
21.	Indian Overseas Investment Handbook of Policies and Procedures	do	1998	100 £ 125 *			
22.	Facilities for Non-resident Indians	do	1999	35 £ 50 *	8		
23.	RBI Remittance Facilities Scheme - 1975	DGBA	1989	3 £		25	
24.	Karyalayeen Shabdavli (English-Hindi)	DAPM	1994	15		166	19
25.	Directory of Bank Offices 1993 (English)	DBOD	1996	485 568 *	36		
26.	Computer Paribhasha Kosh (Hindi)	do	1999	100		528	23
27.	Your Guide to Money Matters	DCM	1999	5 £		44	
28.	The Paper & The Promise: A Brief History of Currency & Bank notes in India (Revised Edition)	do	2009	200	30	370	36
29.	Functions and Working of RBI (Hindi)	CO	1984	30 £		719	25
30.	RBI 50 years - 1935-85	do	1985	50 £ 35 **	15	428	22
31.	Banking Glossary (English-Hindi)	Rajbhasha	1995	38		471	22
32.	Banking Glossary (English-Hindi)	do	2003	50	5		24
33.	Banking Glossary (English-Hindi)	do	2007	75 100 *			
34.	Reserve Bank of India Functions and working	RBI Staff College, Chennai	2001	120			68
35.	Risk Management (Hindi)	BTC	2003	100 *			
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भारतीय रिज़र्व बैंक बुलेटिन

बुलेटिन/साप्ताहिक सांख्यिकी संपूरक के लिए अभिदान

<u>अभिदान / नवीकरण फॉर्म</u>

1. नाम :
2. पदनाम :
3. संस्था :
4. संपर्क के लिए पता :
   i) डाक घर :
   ii) पिन सं. :
   iii) दूरभाष क्रं. :
   iv) फैक्स :
   v) ई-मेल :
5. क्या आप नये अभिदानकर्ता हैं — हाँ / नहीं
6. यदि नहीं तो आपको दी गयी अभिदान संख्या का उल्लेख करें ।
7. यदि हाँ तो कृपया निम्नलिखित विवरण दें — अंग्रेजी / हिन्दी
   क) अभिदान के लिए प्रकाशन का नाम — बुलेटिन / साप्ताहिक सांख्यिकी संपूरक
   ख) नियमित अभिदान — हाँ / नहीं
   ग) रियायती अभिदान — हाँ / नहीं
   घ) विदेशी अभिदान — हाँ / नहीं
8. अभिदान का कालावधि — एक वर्ष / तीन वर्ष
9. भुगतान का ब्यौरा
   क) राशि
   ख) मुद्रा
   ग) डिमांड ड्राफ्ट/रेखित चेक/भुगतान आदेश सं.
   घ) निम्नलिखित पर आहरित
   ड) डिमांड ड्राफ्ट/रेखित चेक/भुगतान आदेश की तारीख

हस्ताक्षर

तारीख

(कार्यालय के उपयोग हेतु)

अभिदान सं. रसीद सं.

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Readers' Views on the Monthly Bulletin

Dear Reader,

With a view to improving the format and content of RBI Bulletin, we approach you with the following questionnaire. We greatly appreciate your sparing time to answer the questionnaire and mail it to the address given below:

Editor,
RBI Bulletin,
Division of Reports, Reviews and Publications,
Department of Economic Analysis and Policy,
Reserve Bank of India,
Amar Building, 6th Floor,
P.M. Road, Fort,
Mumbai - 400 001.

Please tick-mark (✓) the appropriate box/boxes.

(1) Please tell us about yourself – your occupation/ your activity - association :

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(2) Please indicate the items in the Bulletin that you find useful:

- Studies/Articles on various aspects of banking, corporate sector, Government finances, etc. ☐
- Supplements to the Bulletin ☐
- Speeches delivered by Governor/Deputy Governors/ Executive Directors of the RBI ☐
- Credit Policy/Credit Control Measures of the RBI ☐
- Exchange Control Measures ☐
- RBI Press Release ☐
- Current Statistics ☐

Readers' Views on the Monthly Bulletin

(3) Please indicate, with reference to the answer given for (2) above, your suggestions for improvements in regard to items other than the 'Current Statistics' portion of the Bulletin.

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(4) What in your opinion, should be done to improve the get up or coverage of the "Current Statistics" portion ?

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(5) Do you think it would be advisable to separate 'Current Statistics' portion from the rest of the Bulletin and have 'Monthly Statistics' separately brought out ?

Yes ☐ No ☐

(6) If the answer to Q.(5) is Yes, do you think it would be sufficient to have a Quarterly Bulletin of articles, speeches, and policy measures ?

Yes ☐ No ☐

(7) Are you a user of our web site (http://www/rbi.org.in) ? Yes ☐ No ☐

Thank you very much for your cooperation.

Editor

Reserve Bank of India Websites

To facilitate quicker access to RBI documents available on the RBI Website (URL : www.rbi.org.in), frequently accessed documents have been given a special URL. By keying-in the URL which can also be saved in 'Favourites', the visitor can directly reach the desired document on the RBI site.

Advance release calenders relating to data categories pertaining to: (i) analytical accounts of the banking sector, (ii) analytical accounts of the central bank, (iii) share price index, (iv) balance of payments, (v) international reserves, and (vi) exchange rates under the Special Data Dissemination Standards (SDDS) of the IMF are also posted on the RBI Website (http://www.rbi.org.in).

The documents available on special URL are:

- Weekly Statistical Supplement: www.wss.rbi.org.in
- RBI Bulletin: www.bulletin.rbi.org.in
- Monetary and Credit Policy: www.cpolicy.rbi.org.in
- 8.5% Government of India Relief Bonds: www.goirb.rbi.org.in
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- Y2K: www.y2k.rbi.org.in
- Data base on Indian Economy: http://dbie.rbi.org.in

– Editor

RBI provides Web based Access to its Database on Indian Economy

The Reserve Bank of India has released a number of long time series data on several aspects of Indian economy covering key macro economic aggregates to the public in user-friendly manner through dynamic web based application.

Objective : The Database on Indian Economy is built for the convenience of researchers, analysts and other users. It is created to provide the public with an access to the published data series, with additional details on some series as available in the Reserve Bank of India's enterprise wide data warehouse.

Coverage : Data available on published time series, can be accessed through a completely browser based software include data on:

- financial sector,
- real sector,
- financial market,
- external sector,
- public finance and
- corporate finance

Features :

- All the data series are accompanied with data definitions, i.e. metadata, which allow the user to view the definitions/concepts of the underlying variables;
- The data definitions provides search feature;
- Extract data through standard reports which allows the users to select and view the preformatted reports or
- Dynamic 'data query', which enables user to define list of data series and allows the user to choose the time period for data extraction.
- Data files can be downloaded in the form of CSV / pdf format.

Access : The data can be accessed from the home page of the RBI website (www.rbi.org.in) through the static headline "Database on Indian Economy" List of data series available on the site is available on the homepage of the site, i.e. Database on Indian Economy.

This list will be proggressively enlarged on the basis of feedback received and availability of relevant data series in the RBI data warehouse. Feedback may please be sent to dbiehelpdesk@rbi.org.in or through the feedback option on the home page of the website.

– Editor

India's Financial Sector – An Assessment

A comprehensive assessment of India's financial sector by the **Committee on Financial Sector Assessment (CFSA)**, constituted by the Government of India and the Reserve Bank of India, evaluating financial sector stability and development, identifying gaps in compliance with various international financial standards and codes, and suggesting corrective policy measures. The Report contains six volumes. Volume III – VI contain independent reports by the four Advisory Panels assisting the CFSA as follows:

- **Financial Stability Assessment and Stress Testing**, covering macro-prudential analysis, stability assessment and stress-testing of the financial sector **(Volume III).**
- **Financial Regulation and Supervision**, covering assessment of standards pertaining to banking regulation and supervision, securities market regulation and insurance regulation **(Volume IV).**
- **Institutions and Market Structure**, covering assessment of financial infrastructure including legal, regulatory and liquidity management aspects and standards regarding accounting and auditing, corporate governance, payment and settlement systems and effective insolvency and creditor rights systems **(Volume V).**
- **Transparency Standards**, covering assessments of standards regarding transparency in monetary and financial policies, fiscal transparency and data dissemination **(Volume VI).**

The Overview Report **(Volume II)** of the CFSA draws on the assessments and recommendations of the Advisory Panel reports. **Volume I** is an Executive Summary of the assessments and recommendations.

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